

Housing Element and Fair Share Plan

Fourth Round Plan

Planning Board
City of Bayonne
Hudson County, New Jersey



Affordable Housing in Bayonne

June 10, 2025

Clarke Caton Hintz

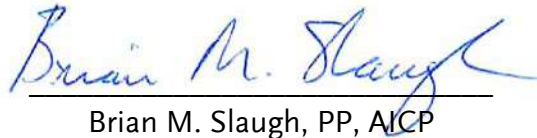


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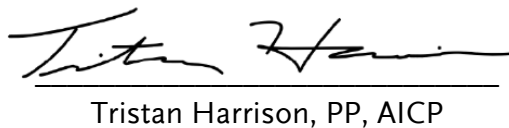
Prepared By:



Brian M. Slauch, PP, AICP

New Jersey Professional Planner License No. 3743

and

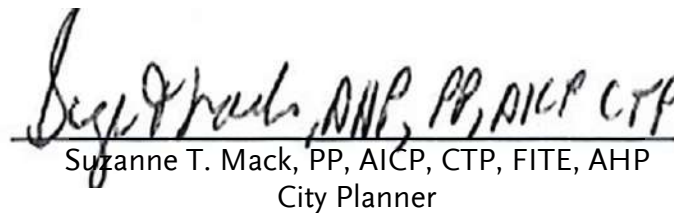


Tristan Harrison, PP, AICP

New Jersey Professional Planner License No. 6528

CLARKE CATON HINTZ, PC
100 Barrack Street
Trenton, New Jersey 08608
(609) 883-8383

Reviewed and Approved for the City of Bayonne By:



Suzanne T. Mack, PP, AICP, CTP, FITE, AHP
City Planner

New Jersey Professional Planner License No. 4421

A signed and sealed original is on file with the City Clerk

Mayor and City Council

The Honorable James M. Davis, Mayor
Gary La Pelusa Sr., City Council President and 3rd Ward Council Member
Neil Carroll, III, 1st Ward Council Member
Jacqueline Weimmer, 2nd Ward Council Member
Loyad Booker, Jr., Council Member-at-Large
Juan M. Perez, Council Member-at-Large

John F. Coffey, II, Esq., Director, Department of Law
Madelene C. Medina, RMC, Municipal Clerk
Robert Russo, PE, PP, CME, CME, City Engineer
Derek Orth, Esq., Ingelsino Taylor, Special Counsel

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George Becker, Secretary
Loyad Booker, Jr., Council Member
Ahmed Lack
Thomas Maiorano
Miguel Quintela

Richard N. Campisano, Esq., Planning Board Attorney
John P. Wyciskala, Esq., Ingelsino Taylor, Redevelopment Attorney
Andrew Raichle, PE, PP, of Watermen, LLC,
Special Project and Redevelopment Engineer
Brian Slaugh, PP, AICP, Clarke Caton Hintz, Consulting Planner

City Officials

Joseph D. Skillender Jr., Esq., Director
Department of Planning, Zoning, and Development
Alicia Losonczy, Land Use Administrator
Suzanne T. Mack, PP, AICP, CTP, AHP, City Planner

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EXECUTIVE SUMMARY

This Fourth Round Housing Element and Fair Share Plan (“HEFSP”) has been prepared for the City of Bayonne, Hudson County, in accordance with the New Jersey Fair Housing Act (“FHA”) at N.J.S.A. 52:27D-310 as amended by P.L. 2024 c.2, Administrative Directive #14-24, and the rules of the New Jersey Council on Affordable Housing (“COAH”) contained at N.J.A.C. 5:93 et seq. This plan is an update to the City’s Third Round HEFSP adopted by the Planning Board on December 15, 2015 and approved by the Court by Order of Mary K. Costello, P.J. granting a Judgment of Compliance and Repose on September 22, 2016. This Fourth Round HEFSP will serve as the foundation for the City’s submission to the Affordable Housing Dispute Resolution Program (“Program”) and the Superior Court of New Jersey.

The City of Bayonne is located in southern Hudson County on the Bergen Peninsula on Upper New York Bay. The City is surrounded on three sides by water, which includes the Kill Van Kull to the south separating the municipality from Staten Island, New York, and Newark Bay, separating it from the Cities of Newark and Elizabeth, New Jersey. Directly across Upper New York Bay is Brooklyn, New York. Its sole land boundary is with Jersey City, New Jersey to the north. The City had a population in 2010 of 63,024 persons, and as of 2023, the City’s population was estimated to have increased to 70,468 people. In 2023, the City was estimated to have 30,161 housing units. Bayonne’s land area is about 5.8 square miles with an additional 5.28 square miles of water due to the City’s boundaries extending into the center of the surrounding waterways.

The City of Bayonne has a long history of providing affordable housing to its residents. Presently, the City has in excess of 2,000 units of housing specifically earmarked for low and moderate income residents that includes family rental and owner-occupied units, group homes, and age-restricted dwellings created and administered by public and private non-profit entities stemming at least back to 1949 with the establishment of the Bayonne Housing Authority.

A municipality’s affordable housing obligation has four components: Fourth Round Present Need (Rehabilitation Share), Prior Round Prospective Need, Third Round “Gap”/Prospective Need, and Fourth Round Prospective Need. As a Qualified Urban Aid Municipality, the City of Bayonne has no Prospective Need to address. The City is only obligated to address its Present Need through the rehabilitation of deficient housing units occupied by low- or moderate-income households, or the allocation of new construction of affordable housing units toward its rehabilitation obligation.

On January 22, 2025, the Municipal Council of the City of Bayonne adopted *Resolution No. 25-01-22-062* accepting the determination of the City’s Fourth Round Present Need

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(also known as the Rehabilitation Obligation) and Prospective Need by the New Jersey Department of Community Affairs (“DCA”) and submitted the resolution to the Superior Court within the City’s Fourth Round DJ filing (Appendix A) as follows:

- Fourth Round Present Need (Rehabilitation Share): 749 units
- Fourth Round Prospective Need: 0 units

Total Fourth Round Obligation 749 units

As this housing plan will demonstrate, the City has actively created new affordable housing and rehabilitated existing housing units on a continuing basis to ensure that residents have access to decent and affordable housing. The housing plan addresses the 749-unit Present Need for the Fourth Round through a variety of means that include:

1. The Oak Street Bergen County United Way new construction project;
2. Completed Bayonne Housing Authority projects since April 2020;
3. Future Bayonne Housing Authority projects going forward into the Fourth Round;
4. Continued participation in the Hudson County owner-occupied (homeowner) rehabilitation program;
5. A municipal rehabilitation program to be administrated by the Bayonne Housing Authority; and
6. The Plattykill Manor rehabilitation project;

As the housing plan will demonstrate, the City has 962 credits towards the Present Need, thereby satisfying its Fourth Round obligations.

NEW JERSEY AFFORDABLE HOUSING JUDICIAL AND LEGISLATIVE BACKGROUND

In the 1975, in a case commonly referred to as Mount Laurel I¹, the New Jersey Supreme Court ruled that developing municipalities have a constitutional obligation to provide a realistic opportunity for their fair share of the regional need for low and moderate income housing. In 1983, in a case commonly referred to as Mount Laurel II,² the New Jersey Supreme Court eliminated the “developing municipality” standard and replaced it by imposing municipalities with “growth area” to create realistic opportunity for their fair share of affordable housing. “Growth area” is a designation in the State Development Guide Plan (SDGP), which has been superseded by the State Development and Redevelopment Plan (SDRP). Mount Laurel II also introduced a “builder’s remedy” if a municipality was not providing of its fair share of affordable housing. A builder’s remedy may permit a developer that is successful in litigation the right to develop what is typically a higher density multi-family project on land not zoned to permit such use, so long as a “substantial” percentage of the proposed units would be reserved for low- and moderate-income households. Mount Laurel II also created the “Judgment of Repose”, which is an order of the Court declaring that the municipality is constitutionally compliant. A Judgment of Repose insulates a municipality from attack by any developer or non-profit that might claim the municipality is exclusionary.

In 1985, in response to the flood of builder’s remedies precipitated by Mount Laurel II and a trial court decision establishing a methodology by which any developer could easily determine the fair share of any municipality, the New Jersey Legislature enacted the Fair Housing Act (“FHA”).³ The FHA created the Council on Affordable Housing (“COAH”) as an administrative body responsible for oversight of municipalities’ affordable housing efforts, rather than having oversight go through the courts. The Legislature charged COAH with promulgating regulations (i) to establish housing regions; (ii) to estimate low- and moderate-income housing needs; (iii) to set criteria and guidelines for municipalities to use in determining and addressing their fair share obligations, and (iv) to create a process for the review and approval of municipal housing elements and fair share plans.

COAH’s First and Second Rounds (1987-1999)

COAH created the criteria and regulations for municipalities to address their affordable housing obligations. COAH originally established a methodology for determining municipal affordable housing obligations for the six-year period between

¹ - Southern Burlington County NAACP v. City of Mount Laurel, 67 N.J. 151 (1975)

² - Southern Burlington County NAACP v. City of Mount Laurel, 92 N.J. 158 (1983)

³ - N.J.S.A. 52:27D-301 et seq.

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1987 and 1993,⁴ which period became known as the First Round. This methodology established an existing need to address substandard housing that was being occupied by low- and moderate-income households (variously known as “present need” or “rehabilitation share”), and calculated future demand, to be satisfied typically, but not exclusively, with new construction (“prospective need” or “fair share”).

The First Round methodology was superseded in 1994 by COAH’s Second Round regulations.⁵ The 1994 regulations recalculated a portion of the 1987-1993 affordable housing obligations for each municipality and computed the additional municipal affordable housing need from 1993 to 1999 using 1990 census data. These regulations identified a municipality’s cumulative obligations for the First and Second Rounds. Under regulations adopted for the Third Round, a municipality’s obligation to provide affordable housing for the First and Second Rounds is referred to cumulatively as the Prior Round obligation.

COAH’s Third Round and Related Judicial and Legislative Activity, (1999-2025)

The FHA had originally required housing rounds to be for a six-year period for the First and Second Rounds. In 2001, the time period increased to a 10-year period consistent with the Municipal Land Use Law (“MLUL”). In order to utilize 2000 census data, which hadn’t yet been released, COAH delayed the start of the Third Round from 1999 to 2004, with the Third Round time period initially ending in 2014. In December 2004, COAH’s first version of the Third Round rules⁶ became effective, and the 15-year Third Round *time period* (1999 – 2014) was condensed into an affordable housing *delivery period* from January 1, 2004, through January 1, 2014.

The 2004 Third Round rules marked a significant departure from the methods utilized in COAH’s Prior Round. Previously, COAH assigned an affordable housing obligation as an absolute number to each municipality. These Third Round rules implemented a “growth share” approach that linked the production of affordable housing to residential and non-residential development in a municipality.

On January 25, 2007, a New Jersey Appellate Court decision⁷ invalidated key elements of the first version of the Third Round rules, including the growth share approach, and the Court ordered COAH to propose and adopt amendments to its rules. COAH issued revised rules effective on June 2, 2008 (as well as a further rule revision effective on October 20, 2008), which largely retained the growth share approach.

4 - N.J.A.C. 5:92-1 et seq.

5 - N.J.A.C. 5:93-1.1 et seq.

6 - N.J.A.C. 5:94-1 and 5:95-1

7 - In re Adoption of N.J.A.C. 5:94 and 5:95, 390 N.J. Super. 1 (2007)

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Just as various parties had challenged COAH's initial Third Round regulations, parties challenged COAH's 2008 revised Third Round rules. On October 8, 2010, the Appellate Division issued its decision on the challenges.⁸ The Appellate Division upheld the COAH Prior Round regulations that assigned rehabilitation and Prior Round numbers to each municipality. However, the Court invalidated the regulations by which the agency assigned housing obligations in the Third Round, again ruling that COAH could not allocate obligations through a growth share formula. Instead, the Appellate Division directed COAH to use methods similar to those used in the First and Second Rounds.

Third Round Judicial Activity

After various challenges were filed, on September 26, 2013, the New Jersey Supreme Court upheld the Appellate Court decision⁹ and ordered COAH to prepare the necessary rules. COAH failed to adopt new rules, and more challenges ensued.

On March 10, 2015, the New Jersey Supreme Court issued a ruling on Fair Share Housing Center's ("FSHC's") Motion in Aid of Litigant's Rights, which became known as Mount Laurel IV.¹⁰ In this decision, the Court declared COAH "moribund" and then transferred responsibility for reviewing and approving housing elements and fair share plans from COAH to designated Mount Laurel trial judges. In the wake of Mount Laurel IV, municipalities could apply to the Courts, instead of COAH, if they wished to be protected from exclusionary zoning lawsuits. The Mount Laurel trial judges, with the assistance of a Court-appointed Special Adjudicator, were tasked with reviewing municipal plans much in the same manner as COAH had done previously. When a Court determined an affordable housing plan to satisfy a municipality's affordable housing obligations, it entered a Judgment of Compliance and Repose, the court equivalent of COAH's substantive certification.

While the New Jersey Supreme Court's decision set a process in motion for towns to address their Third Round obligation, the decision did not assign those obligations. Instead, that was to be done by the trial courts. One judge issued an opinion that established a fair share methodology for certain towns in Mercer County. In re Mun. of Princeton, 480 N.J. Super. 70 (Law Div. 2018). However, most towns ultimately entered into settlement agreements to set their fair share obligations. The Court stated that municipalities should rely on COAH's Second Round rules (N.J.A.C. 5:93) and

⁸ - In re Adoption of N.J.A.C. 5:96 and 5:97, 416 N.J. Super. 462 (2010)

⁹ - In re Adoption of N.J.A.C. 5:96 and 5:97 by New Jersey Council On Affordable Housing, 215 N.J. 578 (2013)

¹⁰ - In re Adoption of N.J.A.C. 5:96 & 5:97, 221 N.J. 1 (2015)

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those components of COAH's 2008 regulations that were specifically upheld, as well as the FHA, in their preparation of Third Round housing elements and fair share plans.

On January 17, 2017, the New Jersey Supreme Court rendered a decision¹¹ that found that the period between 1999 and 2015, now known as the "gap period," when no valid affordable housing regulations were in force, generated an affordable housing obligation. This obligation required an expanded definition of the municipal Present Need obligation to include the unaddressed housing needs of low- and moderate-income households that had formed during the gap period. This meant that the municipal affordable housing obligation would now comprise four components: Present Need (rehabilitation), Prior Round (1987-1999, new construction), Gap Need (1999-2015, new construction), and Prospective Need (Third Round, 2015 to 2025, new construction).

Third Round Legislative Activity

During the Third Round, the New Jersey Legislature amended the FHA in several ways. On July 17, 2008, P.L. 2008, c. 46, (referred to as the "Roberts Bill" or "A500") was enacted, amending the FHA in these key directions:

- It established a statewide 2.5% nonresidential development fee instead of requiring nonresidential developers to provide affordable housing;
- It eliminated new regional contribution agreements ("RCAs") as a compliance technique available to municipalities; previously a municipality could fund the transfer up to 50% of its fair share to so called "receiving" municipalities;
- It added a requirement that 13% of all affordable housing units be restricted to very low-income households, which it defined as households earning 30% or less of median income; and
- It added a requirement that municipalities had to commit to spend development fees within four years of the date of collection. This was later addressed in a Superior Court decision which found the four-year period begins at the time the Court has granted a Judgement of Compliance and Repose ("JOR").¹²

In July 2020, the State amended the FHA again to require, beginning in November 2020, that all affordable units that are subject to affirmative marketing requirements also be listed on the state's Affordable Housing Resource Center website.¹³ All

¹¹ - In Re Declaratory Judgment Actions Filed by Various Municipalities, 227 N.J. 508 (2017)

¹² - In the Matter of the Adoption of the Monroe City Housing Element and Fair Share Plan, and Implementing Ordinances, 442 N.J. Super. 565 (2015)

¹³ - <https://www.nj.gov/njhrc/>

affordable housing affirmative marketing plans are now required to include listing on the State Affordable Housing Resource Center website.

The Fourth Round (2025-2035)

The amendments to the FHA passed on March 20, 2024 (P.L. 2024 c.2) set forth the requirements in the law under which municipalities must address their affordable housing obligations in the Fourth Round and all subsequent rounds. The FHA Amendment in many ways represents a significant change from the means by which housing plans were previously devised. Highlights of the changes are as follows:

- Formally abolishes COAH;
- As noted in the introduction, required DCA to promulgate municipal obligations using the methodology set forth in the Act. These obligations are advisory, not binding;
- Established a timeline within which municipalities need to adopt and submit binding resolutions stipulating to their Fourth Round fair share obligations, in order for them to retain their immunity from exclusionary-zoning lawsuits;
- Required the New Jersey Housing and Mortgage Finance Agency (“HMFA”) and DCA to update rules and standards governing affordable housing production, trust funds, and affordable housing administration;
- Established a Court-based Affordable Housing Dispute Resolution Program (“Program”) that will be responsible for challenges to municipalities’ affordable housing obligation determinations and compliance efforts;
- Established a longer control period – 40 years, rather than 30 years – for new affordable rental units;
- Changed the criteria for affordable housing bonuses, making various additional categories of affordable housing eligible for bonuses;
- Established a timeline within which municipalities need to take various steps toward adoption of a Housing Element and Fair Share Plan, in order for them to retain their immunity from exclusionary-zoning lawsuits;
- Established new reporting and monitoring procedures and deadlines for both affordable units and affordable housing trust funds, and assigns oversight for reporting and monitoring to DCA.

In addition, with the establishment of this new body with the court system, on December 18, 2024, the Administrative Office of the Courts issued Administrative Directive #14-24, which established procedures for implementation of the Program

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and for municipalities to file their Fourth Round Declaratory Judgment (“DJ”) filings. As detailed under section covering requirements of an HEFSP, the Administrative Directive also set requirements for what must be included in a compliant Fourth Round HEFSP, though it created some conflicts with the FHA as amended in 2024.

This plan has been prepared to meet the requirements of the FHA as most recently amended, as well as the 2024 Administrative Directive and all applicable regulations.

BAYONNE’S AFFORDABLE HOUSING HISTORY

The City has demonstrated a long-standing commitment to affordable housing to its residents. In 1949, the City established the Bayonne Housing Authority, one of the first in the country, to address the housing needs of its lower income households. The Bayonne Housing Authority currently owns or operates more than 2,000 units in the City that are deed- or charter-restricted affordable, although most of these were constructed prior to the effective date of the Fair Housing Act.

First Round

From the advent of COAH’s establishment *vis-a-vis* the FHA, the City has been deemed an Urban Aid Eligible municipality. Consequently, the City was only required to address a present need for rehabilitation of substandard housing units, but not a new construction component in the First, Second, and third iteration of the Third Round rules. Like most Urban Aid municipalities, the City did not participate in the First Round (1987-1993).

Second Round

In May 1996, the City adopted a Second Round (1993-1999) Housing Element and Fair Share Plan and filed its petition for substantive certification with COAH on June 27, 1996. The Second Round plan addressed a cumulative 1987-1999 obligation consisting of a present need of 220 units. The City was able to fully satisfy this obligation with 248 rehabilitation credits from Bayonne Housing Authority rental units. On December 4, 1996, COAH issued final substantive certification of the City’s Second Round Housing Element and Fair Share Plan.

Due to COAH’s failure to adopt Third Round rules for 1999, the City petitioned and was granted extended Second Round certification on February 9, 2005, until December 20, 2005, when a Third Round Plan was filed.

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COAH's first iteration of the Third Round rules became effective on December 20, 2004. Unlike the First and Second Round Rules, urban aid eligible municipalities, were assigned a future demand for affordable housing as a "growth share".

The City prepared a Third Round housing plan which was adopted by the Planning Board on November 28, 2005 addressed a rehabilitation share of 302 units with 721 rehabilitation credits that included 713 units of rental rehabilitation by the Bayonne Housing Authority and 8 units of owner-occupied rehabilitation through a program administered by Hudson County. Due to the City's urban aid eligibility in the First and Second Rounds, it had no prior round obligation.

Based on the City's projected amount of growth, a new construction obligation of 548 units was calculated with a large portion of the growth anticipated from the redevelopment project for the Peninsula at Bayonne Harbor, Texaco and Kennedy Boulevard redevelopment sites. The 2005 housing plan included 442 credits from past housing activity and permitted bonuses. The additional 106 units were proposed to be addressed through inclusionary affordable housing in the City's numerous redevelopment districts. The 2005 Plan was filed with COAH on December 16, 2005.

While there were no objectors, COAH took no action on the City's 2005 Plan and, in fact, only certified three municipalities under the 2004 version of the Third Round Rules.

As noted in the judicial history of the Third Round, the 2004 rules were invalidated by the Appellate Court in 2007, which required the state agency to issue new rules, which it did in early June 2008. It set

On December 9, 2008 Bayonne adopted a revised Third Round Housing Element and Fair Share Plan addressing its cumulative Third Round fair share obligation. The second iteration of the Third Round rules, which expanded the housing round from 2014 to 2018, assigned a rehabilitation component of 523 units, which was a significant change from the 2004 COAH rules that required only the rehabilitation 302 dwellings. Credits were sought for the same units that fulfilled the rehabilitation obligation of 721 units of rehabilitation in the 2005 Plan with a surplus of 198 credits.

Bayonne's prior round obligation was calculated as zero units in both the 2004 Third Round rules and the rules as finally adopted on October 20, 2008. Accordingly, the 2008 Plan did not address a prior round obligation. The new construction (growth share) component for Bayonne allocated by COAH was 303 units. The City addressed this obligation with 75 age-restricted units, 39 supportive and special needs units, 28 family rental units, an 87-unit housing project to be constructed at the Peninsula at Bayonne Harbor redevelopment of the Military Ocean Terminal at Bayonne, and 75

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compliance bonuses. The 2008 Plan also requested a waiver for the construction of 103 units of single-room occupancy housing (“SRO”) in the former Bayonne Family YMCA (now 109 rooms are creditable). SRO’s were creditable in the First and Second Rounds, but not under the 2008 rules. This housing plan, since it uses the Second Round Rules per the NJ Supreme Court’s March 2015 decision and more than 10 years have passed since the project was first included in a housing plan, includes them to meet a portion of the City’s rehabilitation share.

While there were a few amendments and changes to the City’s affordable housing plan subsequent to the 2008 housing plan, Bayonne was required to produce a new plan because of the invalidation of the 2008 housing rules following the judiciary’s reversion of control over affordable housing matters in the state in March 2015.

Following the decision of the NJ Supreme Court in Mount Laurel IV, municipalities were given until the first week in July 2015 to file papers with trial court judges who had been specifically assigned to hear affordable housing matters. These filing, known as Declaratory Judgment actions, provided the opportunity for municipalities to have their affordable housing plans reviewed and granted status as compliant with their constitutional obligations. On July 7, 2015, the City filed its Complaint for Declaratory Judgment and requested temporary immunity from builder’s remedy lawsuits. An order was granted by Judge Mary Costello, P.J. Civil on August 4, 2015 which granted temporary immunity to permit the City to prepare and file a Third Round Housing Element and Fair Share Plan. The Planning Board adopted an HEFSP on December 15, 2015, and filed it with the Court seeking a Judgment of Compliance and Repose. This action was supported by Fair Share Housing Center in February 2016 and eventually by the special adjudicator (formerly court master) assigned to the case. The City’s HEFSP was approved by Judge Costello on September 22, 2016. Prior to that, Bayonne had separately petitioned the Court to approve its spending plan in order to support the Regan Development Corporation’s project on July 25, 2016, eventually named Tagliareni Plaza located at 732 Avenue E. The Order granting a Judgment of Compliance and Repose found that the City had met 614 units of its Present Need obligation of 646 units and had a credible plan to address the remaining 32 units, and that it had no Prospective Need obligation as a qualified urban aid municipality.

AFFORDABILITY REQUIREMENTS

Affordable housing is defined under the FHA as a dwelling, either for sale or rent that is within the financial means of households of low- or moderate-income as income is measured within each housing region. Bayonne is in Region 1, which includes the Counties of Bergen, Hudson, Passaic, and Sussex. Moderate income households are those earning between 50% and 80% of the regional median income. Low-income households are those with annual incomes that are between 30% and 50% of the regional median income. In 2008, the State Legislature created an additional sub-

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category of low income – very-low income, which has been defined as households earning 30% or less of the regional median income.

Through the Uniform Housing Affordability Controls (“UHAC”) found at N.J.A.C. 5:80-26.1 et seq., the maximum rent for a qualified unit must be affordable to households that earn no more than 60% of the median income for the region. The average rent must be affordable for households earning no more than 52% of the median income. The maximum sale prices for affordable units must be affordable for households that earn no more than 70% of the median income. The average sale price must be affordable for a household that earns no more than 55% of the median income.

The regional median income is now defined in the amended FHA and continues to utilize HUD income limits on a regional basis. In the spring of each year HUD releases updated income limits which will be reallocated to the six regions. It is from these income limits that the rents and sale prices for affordable units are derived. See Table 1 for 2024 income limits for Region 1 and Tables 2 and 3 for illustrative sale prices and gross rents from 2024. The sample rents and sale prices are illustrative and are gross figures which do not account for the specified utility allowance for rentals.

Table 1. 2024 Income Limits for Region 1

Household Income Level	1 Person Household	2 Person Household	3 Person Household	4 Person Household	5 Person Household
Median	\$84,288	\$96,329	\$108,371	\$120,412	\$130,045
Moderate	\$67,431	\$77,064	\$86,697	\$96,329	\$104,036
Low	\$42,144	\$48,165	\$54,185	\$60,206	\$65,022
Very Low	\$25,286	\$28,899	\$32,511	\$36,124	\$39,013

Source: AHPNJ, 2024 Affordable Housing Regional Income Limits by Household Size

Table 2. Illustrative 2024 Affordable Rents for Region 1

Household Income Level (% of Median Income)	1 Bedroom Unit Rent	2 Bedroom Unit Rent	3 Bedroom Unit Rent
Moderate (60% of Median)	\$1,355	\$1,626	\$1,878
Low (50% of Median)	\$1,129	\$1,355	\$1,565
Very Low (30% of Median)	\$677	\$813	\$939

Source: AHPNJ Affordable Housing Regional Income Limits and Rental Calculator

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Table 3. Illustrative 2024 Affordable Sales Prices for Region 1

Household Income Levels (% of Median Income)	1 Bedroom Unit Price	2 Bedroom Unit Price	3 Bedroom Unit Price
Moderate (70% of Median)	\$132,832	\$167,663	\$200,172
Low (50% of Median)	\$83,073	\$107,953	\$131,173
Very Low (30% of Median)	\$33,314	\$48,242	\$62,175

Source: AHPNJ Affordable Housing Regional Income Limits and Sales Calculator

HOUSING ELEMENT AND FAIR SHARE PLAN REQUIREMENTS

In accordance with the Municipal Land Use Law (N.J.S.A. 40:55D-1, *et seq.*), a municipal master plan must include a housing plan element as the foundation for the municipal zoning ordinance (see N.J.S.A. 40:55D-28b(3)). Pursuant to the Fair Housing Act (N.J.S.A. 52:27D-301 *et seq.*), a municipality's housing element must be designed to provide access to affordable housing to meet present and prospective housing needs, with particular attention to low- and moderate-income housing. Specifically, N.J.S.A. 52:27D-310 requires that the housing element contain at least the following, but some of these are not applicable as the City does not have a Prospective Need obligation, nor is located in a special planning area, such as the Highlands:

- a. An inventory of the municipality's housing stock by age, condition, purchase or rental value, occupancy characteristics, and type, including the number of units affordable to low- and moderate-income households and substandard housing capable of being rehabilitated;
- b. A projection of the municipality's housing stock, including the probable future construction of low- and moderate-income housing, for 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;
- c. An analysis of the municipality's demographic characteristics, including, but not necessarily limited to, household size, income level, and age;
- d. An analysis of the existing and probable future employment characteristics of the municipality;
- e. A determination of the municipality's present and prospective fair share of low- and moderate-income housing and its capacity to accommodate its present and prospective housing needs, including its fair share of low- and moderate-income housing, as established pursuant to section 3 of P.L. 2024, c.2 (C.52:27D-304.1);
- f. A consideration of the lands most appropriate for construction of low- and moderate-income housing and of the existing structures most appropriate for

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conversion to, or rehabilitation for, low- and moderate-income housing, including a consideration of lands of developers who have expressed a commitment to provide low and moderate income housing;

- g. An analysis of the extent to which municipal ordinances and other local factors advance or detract from the goal of preserving multigenerational family continuity as expressed in the recommendations of the Multigenerational Family Housing Continuity Commission, adopted pursuant to paragraph (1) of subsection f. of 23 section 1 of P.L.2021, c.273 (C.52:27D-329.20); and
- h. For a municipality located within the jurisdiction of the Highlands Water Protection and Planning Council, established pursuant to section 4 of P.L.2004, c.120 (C.13:20-4), an analysis of compliance of the housing element with the Highlands Regional Master Plan of lands in the Highlands Preservation Area, and lands in the Highlands Planning Area for Highlands-conforming municipalities. This analysis shall include consideration of the municipality's most recent Highlands Municipal Build Out Report, consideration of opportunities for redevelopment of existing developed lands into inclusionary or 100 percent affordable housing, or both, and opportunities for 100 percent affordable housing in both the Highlands Planning Area and Highlands Preservation Area that are consistent with the Highlands regional master plan; and
- i. An analysis of consistency with the State Development and Redevelopment Plan, including water, wastewater, stormwater, and multi-modal transportation based on guidance and technical assistance from the State Planning Commission.

This Fourth Round Housing Element and Fair Share Plan (HEFSP) has been prepared in compliance with the following additional requirements specified by Administrative Directive #14-24, issued by the Administrative Office of the Courts on December 13, 2024. In similar fashion as the MLUL requirements, some of these are not applicable to Bayonne, who, for example, did not enter into any settlement agreement with regard to its municipal affordable housing obligations.

- 1. One of the requirements for a final HEFSP is the inclusion of detailed site suitability analyses, based on the best available data, for each of the un-built inclusionary or 100 percent affordable housing sites in the plan as well as an identification of each of the sites that were proposed for such development and rejected, along with the reasons for such rejection.
- 2. The concept plan for the development of each of the selected sites should be overlaid on the most up to date environmental constraints map for that site as part of its analysis. When the detailed analyses are completed, the municipality can see what changes will be needed (either to the selected sites or to their zoning) to ensure that all of the units required by the settlement agreement will actually be produced. If it becomes apparent that one (or more)

of the sites in the plan does not have the capacity to accommodate all of the development proposed for it, the burden will be on the municipality either to adjust its zoning regulations (height, setbacks, etc.) so that the site will be able to yield the number of units and affordable units anticipated by the settlement agreement or to find other mechanisms or other sites as needed to address the likelihood of a shortfall.

3. The final HEFSP must fully document the creditworthiness of all of the existing affordable housing units in its HEFSP and to demonstrate that it has followed all of the applicable requirements for extending expiring controls, including confirmation that all of the units on which the controls have been extended are code-compliant or have been rehabilitated to code-compliance, and that all extended controls cover a full 30-year period beginning with the end of the original control period. Documentation as to the start dates and lengths of affordability controls applicable to these units and applicable Affordable Housing Agreements and/or deed restrictions is also required. Additionally, the income and bedroom distributions and continued creditworthiness of all other existing affordable units in the HEFSP must be provided.
4. The HEFSP must include an analysis of how the HEFSP complies with or will comply with all of the terms of the executed settlement agreement. Once the HEFSP has been prepared, it must be reviewed by Fair Share Housing Center and the Program's Special Adjudicator for compliance with the terms of the executed settlement agreement, the Fair Housing Act (FHA) and Uniform Housing Affordability Controls (UHAC) regulations. The HEFSP must be adopted by the Planning Board and the implementation components of the HEFSP must be adopted by the governing body.

The HEFSP must also include (in an Appendix) all adopted ordinances and resolutions needed to implement the HEFSP, including:

1. All zoning amendments (or redevelopment plans, if applicable).
2. An Affordable Housing Ordinance that includes, among other required regulations, its applicability to 100 percent affordable and tax credit projects, the monitoring and any reporting requirements set forth in the settlement agreement, requirements regarding very low income housing and very low income affordability consistent with the FHA and the settlement agreement, provisions for calculating annual increases in income levels and sales prices and rent levels, and a clarification regarding the minimum length of the affordability controls (at least 30 years, until the municipality takes action to release the controls).
3. The adoption of the mandatory set aside ordinance, if any, and the repeal of the existing growth share provisions of the code.

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4. An executed and updated Development Fee Ordinance that reflects the court's jurisdiction.
5. An Affirmative Marketing Plan adopted by resolution that contains specific directive to be followed by the Administrative Agent in affirmatively marketing affordable housing units, with an updated COAH form appended to the Affirmative Marketing Plan, and with both documents specifically reflecting the direct notification requirements set forth in the settlement agreement.
6. An updated and adopted Spending Plan indicating how the municipality intends to allocate development fees and other funds, and detailing (in mini manuals) how the municipality proposes to expend funds for affordability assistance, especially those funds earmarked for very low income affordability assistance.
7. A resolution of intent to fund any shortfall in the costs of the municipality's municipally sponsored affordable housing developments as well as its rehabilitation program, including by bonding if necessary.
8. Copies of the resolution(s) and/or contract(s) appointing one or more Administrative Agent(s) and of the adopted ordinance creating the position of, and resolution appointing, the Municipal Affordable Housing Liaison.
9. A resolution from the Planning Board adopting the HEFSP, and, if a final Judgment is sought before all of the implementing ordinances and resolutions can be adopted, a resolution of the governing body endorsing the HEFSP.

Consistent with N.J.A.C. 5:93-5.5, any municipally sponsored 100 percent affordable housing development will be required to be shovel-ready within two (2) years of the deadlines set forth in the settlement agreement:

1. The municipality will be required to submit the identity of the project sponsor, a detailed pro forma of project costs, and documentation of available funding to the municipality and/or project sponsor, including any pending applications for funding, and a commitment to provide a stable alternative source, in the form of a resolution of intent to fund shortfall, including by bonding, if necessary, in the event that a pending application for outside funding has not yet been not approved.
2. Additionally, a construction schedule or timetable must be submitted setting forth each step in the development process, including preparation and approval of a site plan, applications for state and federal permits, selection of a contractor, and start of construction, such that construction can begin within two (2) years of the deadline set forth in the settlement agreement.

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HOUSING CONDITIONS

A summary of Bayonne's housing stock by occupancy and number of units is shown in Table 4. The City's housing stock consists of an estimated 30,161 housing units, of which 35.2% are owner-occupied, 58.8% are renter-occupied, and 6.1% are vacant. The existing housing stock is primarily composed of two-family units (33.7%), apartment buildings with 10 or more units (23.5%), and attached or detached single-family dwellings (20.6%).

Table 4. Housing Units by Number of Units in Structure and Tenure, 2023

Number of Units in Structure	Owner-Occupied		Renter-Occupied		Vacant		Total	
	Units	Percent	Units	Percent	Units	Percent	Units	Percent
1, Detached	3,146	10.4%	947	3.1%	237	0.8%	4,330	14.4%
1, Attached	1,362	4.5%	432	1.4%	74	0.2%	1,868	6.2%
2	4,865	16.1%	4,519	15.0%	792	2.6%	10,176	33.7%
3 or 4	532	1.8%	2,827	9.4%	365	1.2%	3,724	12.3%
5 to 9	100	0.3%	2,752	9.1%	58	0.2%	2,910	9.6%
10 to 19	201	0.7%	2,000	6.6%	35	0.1%	2,236	7.4%
20 or more	370	1.2%	4,209	14.0%	275	0.9%	4,854	16.1%
Mobile Home	28	0.1%	35	0.1%	0	0.0%	63	0.2%
Other	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	10,604	35.2%	17,721	58.8%	1,836	6.1%	30,161	100%

Source: Table B25032 and Table DP04, U.S. Census Bureau, 2019-2023 American Community Survey Five-Year Estimates

The estimated age of Bayonne's housing stock is shown in Table 5. The median year of construction of all housing units in the City is 1955, which is ten years older than that of the County (1965) and 14 years older than the State (1969). More than one-third of the City's housing stock was built prior to 1940 and more than half of the City's housing stock was built prior to 1960. Owner-occupied units have an older median year of construction (1944) than renter-occupied units (1955).

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Table 5. Housing Units by Year Built and Tenure, 2023

Year Built	Owner-Occupied		Renter-Occupied		Vacant		Total	
	Units	Percent	Units	Percent	Units	Percent	Units	Percent
2020 or later	0	0.0%	300	1.0%	49	0.2%	349	1.2%
2010 to 2019	330	1.1%	1,268	4.2%	72	0.2%	1,670	5.5%
2000 to 2009	541	1.8%	925	3.1%	77	0.3%	1,543	5.1%
1990 to 1999	234	0.8%	577	1.9%	46	0.2%	857	2.8%
1980 to 1989	454	1.5%	1,219	4.0%	51	0.2%	1,724	5.7%
1970 to 1979	859	2.8%	2,353	7.8%	154	0.5%	3,366	11.2%
1960 to 1969	1,260	4.2%	2,059	6.8%	277	0.9%	3,596	11.9%
1950 to 1959	1,045	3.5%	2,509	8.3%	186	0.6%	3,740	12.4%
1940 to 1949	1,016	3.4%	1,181	3.9%	278	0.9%	2,475	8.2%
1939 or earlier	4,865	16.1%	5,330	17.7%	646	2.1%	10,841	35.9%
Total	10,604	35.2%	17,721	58.8%	1,836	6.1%	30,161	100%
Median Year Built	1944		1959		(X)		1955	

Sources: Table B25036, Table B25037, and Table DP04, U.S. Census Bureau, 2019-2023 American Community Survey Five-Year Estimates

The number of rooms per housing unit in Bayonne is shown in Table 6. The median number of rooms per unit in the City (4.4 rooms) is higher than the County (4.0 rooms) but lower than the State (5.7 rooms). An estimated 6.1% of units contain one or two rooms, 81.6% of units contain three to six rooms, and 12.4% of units contain seven or more rooms.

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Table 6. Number of Rooms per Housing Unit, 2023

Rooms per Unit	Units	Percent
1 Room	872	2.9%
2 Rooms	966	3.2%
3 Rooms	5,843	19.4%
4 Rooms	8,115	26.9%
5 Rooms	6,905	22.9%
6 Rooms	3,725	12.4%
7 Rooms	1,878	6.2%
8 Rooms	754	2.5%
9+ Rooms	1,103	3.7%
Total	30,161	100%
Median	4.4 rooms	

Source: Table DPo4 U.S. Census Bureau, 2019-2023 American Community Survey Five-Year Estimates

The estimated number of bedrooms per housing unit is shown in Table 7. Approximately one quarter of all housing units are studios or one-bedroom units. More than one-third of all housing units in Bayonne contain two bedrooms and another third contain three bedrooms. An estimated 8.1% of all units contain four or more bedrooms. In comparison to County estimates, Bayonne has a lower percentage of studios and one-bedroom units and a higher percentage of three- and four-bedroom units. In comparison to the State, the City has a higher percentage of one-bedroom units and a much lower percentage of units with four or more bedrooms.

Table 7. Number of Bedrooms per Housing Unit, 2023

Bedrooms per Unit	Units	Percent
Efficiency (Studio)	987	3.3%
1 Bedroom	6,568	21.8%
2 Bedrooms	10,328	34.2%
3 Bedrooms	9,817	32.5%
4 Bedrooms	1,854	6.1%
5+ Bedrooms	607	2.0%
Total	1,825	100%

Source: Table DPo4, U.S. Census Bureau, 2019-2023 American Community Survey Five-Year Estimates

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Table 8 shows the value of owner-occupied housing units in 2013 and 2023. Without adjusting for inflation, the median home value in the City increased from \$332,700 to \$446,100. Without adjusting for inflation, the median home value between 2013 and 2023 grew from \$332,700 to \$446,100, representing a 34.1% increase (compared to 30.7% across the State and 46.5% in Hudson County).

Based on NJDCA's 2024 Illustrative Sales Prices (See Table 2), approximately 8.6% (918 units) of for-sale housing units within the City would be considered affordable to low- and moderate-income households in 2023.

Table 8. Value of Owner-Occupied Housing Units, 2013 and 2023

Housing Unit Value	2013		2023	
	Units	Percent	Units	Percent
Less than \$50,000	176	1.8%	474	4.5%
\$50,000 to \$99,999	182	1.8%	109	1.0%
\$100,000 to \$149,999	191	1.9%	87	0.8%
\$150,000 to \$199,999	491	4.9%	248	2.3%
\$200,000 to \$299,999	2,836	28.5%	1145	10.8%
\$300,000 to \$499,999	4,680	47.1%	4514	42.6%
\$500,000 to \$999,999	1281	12.9%	3905	36.8%
\$1,000,000 or more	106	1.1%	122	1.2%
Total	9,943	100%	10,604	100%
Median Value	\$332,700		\$446,100	

Sources: Table Dp04, U.S. Census Bureau, 2009-2013 American Community Survey Five-Year Estimates; Table Dp04, U.S. Census Bureau, 2019-2023 American Community Survey Five-Year Estimates.

Table 9 shows gross rent estimates in Bayonne and Hudson County for 2023. The estimated median rent in the City (\$1,593) is less than the median rent of the County (\$1,811). Over half (56.2%) of renter-occupied units in the City are estimated to pay rents between \$1,000 and \$1,999. Based on NJDCA Illustrative Affordable Rents for 2024 (see Table 2), approximately 2,890 units, or 16.6% of the City's rental-occupied housing stock, may be affordable for very-low-income renters depending on the number of bedrooms present. Similarly, 12,643 units (72.8%) may be affordable for low- and moderate-income renters.

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Table 9. Gross Rent by Housing Unit, 2023

Gross Rent	Bayonne		Hudson County	
	Units	Percent	Units	Percent
Less than \$500	1,274	7.3%	11,355	5.7%
\$500 to \$999	1,616	9.3%	17,297	8.6%
\$1,000 to \$1,499	4,891	28.2%	42,233	21.1%
\$1,500 to \$1,999	4,872	28.0%	47,021	23.5%
\$2,000 to \$2,499	2,756	15.9%	29,384	14.7%
\$2,500 to \$2,999	1,274	7.3%	17,992	9.0%
\$3,000 or More	686	3.9%	34,933	17.4%
No rent paid	1,274	7.3%	3,177	(X)
Total	17,369	100%	200,215	100%
Median Rent	\$1,593		\$1,811	

Source: Table DP04, U.S. Census Bureau, 2019-2023 American Community Survey Five-Year Estimates

Generally, housing is considered affordable if the costs of rents, mortgages, and other essential housing costs consume 28% or less of an owner-household's income or 30% or less of a renter-household's income. Table 10 shows the percentage of income spent on housing costs by households of owner-occupied and renter-occupied units in Bayonne. An estimated 53.1% of all households in the City spend more than 30% of their income on housing costs. Specifically, 41.5% of homeowners and 62.3% of tenants in Bayonne are cost-burdened.

Table 10. Housing Affordability by Tenure, 2023

Monthly Housing Costs as Percent of Income	Owner-Occupied		Renter-Occupied		All Occupied	
	Units	Percent	Units	Percent	Units	Percent
Less than 20 Percent	4,125	40.2%	4,071	31.5%	8,196	35.3%
20 to 29 Percent	1,874	18.3%	4,882	37.7%	6,756	29.1%
30 Percent or More	4,260	41.5%	8,059	62.3%	12,319	53.1%
Total*	10,259	100%	12,941	100.0%	23,200	100.0%
*Remainder of occupied units have zero or negative income and/or no cash rent.						

Source: Table DP04, U.S. Census Bureau 2019-2023, American Community Survey Five-Year Estimates

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Table 11 shows the number of units in Bayonne that may possess indicators of housing deficiency. The FHA defines a *deficient housing unit* as “housing that (1) is over fifty years old and overcrowded, (2) lacks complete plumbing, or (3) lacks complete kitchen facilities.” However, the estimates in Table 11 are not synonymous with the City’s Present Need obligation as units may meet more than one indicator of housing deficiency. In Bayonne, an estimated 22,477 units, or 79.4% of the City’s housing stock, will be more than 50 years old by 2029 (built prior to 1979). As of 2023, zero units were estimated to have incomplete kitchen facilities, 743 units are potentially overcrowded and built prior to 1950, and 77 units have incomplete plumbing.

Table 11: Indicators of Housing Deficiency, Occupied Housing Units, 2023

Indicator	Units	Percent*
50+ Years Old**	22,477	79.4%
Incomplete Plumbing	77	0.3%
Incomplete Kitchen	0	0%
Crowded or Overcrowded and Built pre-1950	743	2.6%
* Indicator criteria are not mutually exclusive. Units may meet more than one indicator of housing deficiency.		
** Includes all units built prior to 1979.		

Source: Table B25050, Table B25052, and Table B25036, U.S. Census Bureau, 2019-2023 American Community Survey Five-Year Estimates

POPULATION CHARACTERISTICS

Table 12 shows a comparison of population changes by census year in Bayonne and Hudson County. The City and the County experienced population decline between 1950 and 2000. However, around 2000, the population of Bayonne and Hudson County stabilized and rebounded with the most rapid growth between 2010 and 2020. As of 2023, the City’s population was estimated at 70,468 people.

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Table 12. Population Change, 1950 to 2023

Year	Bayonne		Hudson County	
	Population	Percent Change	Population	Percent Change
1950	77,203	-2.5%	647,437	-0.7%
1960	74,215	-3.9%	610,734	-5.7%
1970	72,743	-2.0%	607,839	-0.5%
1980	65,047	-10.6%	556,972	-8.4%
1990	61,444	-5.5%	553,099	-0.7%
2000	61,842	+0.6%	608,975	+10.1%
2010	63,024	+1.9%	634,266	+4.2%
2020	71,686	+13.7%	724,854	+14.3%
2023*	70,468	-1.7%	705,472	-2.7%
*Estimate provided by American Community Survey Five-Year Estimates				

Sources: U.S. Census Bureau, Decennial Census 1950-2020; Table S0101, U.S. Census Bureau, 2019-2023
American Community Survey Five-Year Estimates

Table 13 shows City population estimates for each age cohort in 2013 and 2023. While the total population has increased by 10.4%, the distribution among age groups has shifted dramatically. Between 2013 and 2023, the number of children under age 9 increased by approximately 38%, and the 65-74 population increased by nearly 50%. Due to these population shifts, the median age in Bayonne has decreased slightly from 39.8 in 2013 to 38.6 in 2023.

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Table 13. Age of Population, 2013 and 2023

Age in Years	2013		2023		Percent Change 2013-2023
	Population	Percent	Population	Percent	
Under 5	3,698	5.8%	5,099	7.2%	+37.9%
5 to 9	3,410	5.3%	4,693	6.7%	+37.6%
10 to 14	3,903	6.1%	3,838	5.4%	-1.7%
15 to 19	3,847	6.0%	3,731	5.3%	-3.0%
20 to 24	4,092	6.4%	3,334	4.7%	-18.5%
25 to 34	9,311	14.6%	10,426	14.8%	+12.0%
35 to 44	10,090	15.8%	11,054	15.7%	+9.6%
45 to 54	9,226	14.5%	8,342	11.8%	-9.6%
55 to 59	4,113	6.4%	5,015	7.1%	+21.9%
60 to 64	3,668	5.7%	4,627	6.6%	+26.1%
65 to 74	4,396	6.9%	6,549	9.3%	+49.0%
75 to 84	2,734	4.3%	2,674	3.8%	-2.2%
85+	1,331	2.1%	1,086	1.5%	-18.4%
Total	63,819	100%	70,468	100%	+10.4%
Median Age	39.8		38.6		(X)

Source: Table DP05, U.S. Census Bureau, 2009-2013 American Community Survey Five-Year Estimates;
Table DP05, U.S. Census Bureau, 2019-2023 American Community Survey Five-Year Estimates

HOUSEHOLD CHARACTERISTICS

A household is defined by the U.S. Census Bureau as persons who occupy a single room or group of rooms constituting a housing unit; however, these persons may or may not be related. By comparison, a family is identified as a group of persons including a householder and one or more persons related by blood, marriage or adoption, all living in the same household.

Table 14 shows household size in Bayonne in 2013 and 2023. During this period, household size decreased slightly from 2.51 persons per household to 2.48. The distribution of household sizes saw a slight shift away from two-person households to one-, three-, and four-or-more person households.

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Table 14. Household Size of Occupied Units, 2013-2023

Household Size	2013		2023	
	Units	Percent	Units	Percent
1 Person	7,628	30.1%	9,269	32.7%
2 Persons	7,248	28.6%	6,932	24.5%
3 Persons	4,942	19.5%	5,998	21.2%
4+ Persons	5,525	21.8%	6,126	21.6%
Total	25,343	100%	28,325	100%
Average Household Size	2.51		2.48	

Source: Table S1101 and Table S2501, U.S. Census Bureau, 2019-2023 American Community Survey Five-Year Estimates

Table 15 shows household and family composition in Bayonne. An estimated 38.8% of households are married couples, and more than half of married couples have children. Female householders with no spouse present (31.8%) were significantly more represented in Bayonne than male householders with no spouse present (22.3%). In addition, an estimated 16.4%, or 4,635 households, consist of a householder living alone.

Table 15. Household Composition, 2023

Household Type	Households	Percent
Family households		
Married-couple household	10,994	38.8%
With Children Under 18	4,723	16.7%
Without Children Under 18	6,271	22.1%
Cohabiting couple household	1,992	7.0%
With Children Under 18	1,010	3.6%
Without Children Under 18	982	3.4%
Male householder, no spouse present	6,326	22.3%
With Children Under 18	312	1.1%
Without Children Under 18	6,014	21.2%
Female householder, no spouse present	9,013	31.8%
With Children Under 18	1,986	7.0%
Without Children Under 18	7,027	24.8%

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Table 15. Household Composition, 2023, cont.

Nonfamily households		
Householder living alone	4,635	16.4%
Total Households	28,325	100%

Source: Table DP02, U.S. Census Bureau, 2019-2023 American Community Survey Five-Year Estimates

INCOME CHARACTERISTICS

A summary of household income characteristics in Bayonne is shown in Table 16. In 2023, the median household income in the City was \$81,285, or approximately \$8,000 below the median of Hudson County (\$89,272) and \$20,000 below the median of New Jersey (\$101,050). While the distribution of household incomes in Bayonne is generally similar with the County, the percentage of households earning over \$200,000 in the City (11.8%) is approximately 7.5% less than the County (19.3%) and 8.9% less than the State.

Note that 2024 income limits for affordable housing eligibility in Region 1 range from \$25,286 (1-person, very low-income household) to \$130,045 (5-person, median-income household) depending on household size and income level (see Table 1).

Table 16. Household Income, 2023

Household Income	Households	Percent
Less than \$10,000	1,418	5.0%
\$10,000-\$14,999	1,364	4.8%
\$15,000-\$24,999	1,730	6.1%
\$25,000-\$34,999	2,056	7.3%
\$35,000-\$49,999	2,517	8.9%
\$50,000-\$74,999	4,096	14.5%
\$75,000-\$99,999	4,365	15.4%
\$100,000-\$149,999	5,002	17.7%
\$150,000-\$199,999	2,421	8.5%
\$200,000+	3,356	11.8%
Total	28,325	100%
Median Household Income	\$81,285	

Source: Table DP03, U.S. Census Bureau, 2019-2023 American Community Survey Five-Year Estimates

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Table 17 provides a comparison of estimated poverty rates in Bayonne, Hudson County, and New Jersey. The poverty rate among families and individuals in Bayonne is 17.3% and 14.4%, respectively. While the City's poverty rate among individuals is slightly lower than the County (14.8%), the poverty rate among families in the County (10.9%) is lower than the City. The statewide poverty rate among families and individuals is lower than Bayonne and the County at 7.0% and 9.7%, respectively.

Table 17. Poverty Rates among Individuals and Families, 2023

Governmental Level	Poverty Rate, Family	Poverty Rate, Individuals
Bayonne	17.3%	14.4%
Hudson County	10.9%	14.8%
New Jersey	7.0%	9.8%

Source: Table S1701 and Table S1702, U.S. Census Bureau, 2019-2023 American Community Survey Five-Year Estimates

EMPLOYMENT CHARACTERISTICS

Estimated employment among Bayonne residents by North American Industry Classification System (NAICS) categories is shown in Table 18. In 2023, the Educational Services, and Health Care and Social Assistance industry employed the largest percentage (23.8%) of the City's labor force. The next largest industry sectors were Transportation and Warehousing, and Utilities (12.5%), Professional, Scientific, and Management, and Administrative and Waste Management Services (12.3%), and Retail Trade (11.5%).

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Table 18. Employed Residents by Industry Sector, 2023

NAICS Industry	Employed Residents	Percent
Agriculture, Forestry, Fishing and Hunting, And Mining	0	0.0%
Construction	1,902	5.5%
Manufacturing	1,923	5.6%
Wholesale Trade	949	2.8%
Retail Trade	3,960	11.5%
Transportation and Warehousing, And Utilities	4,287	12.5%
Information	802	2.3%
Finance and Insurance, and Real Estate and Rental and Leasing	2,613	7.6%
Professional, Scientific, and Management, and Administrative and Waste Management Services	4,208	12.3%
Educational Services, and Health Care And Social Assistance	8,175	23.8%
Arts, Entertainment, and Recreation, and Accommodation And Food Services	2,430	7.1%
Other Services, Except Public Administration	1,256	3.7%
Public Administration	1,820	5.3%
Civilian employed population 16 years and over	34,325	100%

Source: Table DP03, U.S. Census Bureau, 2019-2023 American Community Survey Five-Year Estimates

Employment by occupation category is shown in Table 19. While Bayonne residents are employed in all occupation categories, the most common are Management, Business, Science, and Art (39.4%), Sales and Office (22.3%), and Service (17.3%).

Table 19. Employed Residents by Occupation, 2023

Occupation	Employed Residents	Percent
Management, Business, Science, Arts	13,523	39.4%
Service	5,923	17.3%
Sales and Office	7,639	22.3%
Natural Resources, Construction, Maintenance	2,741	8.0%
Production, Transportation, Material Moving	4,499	13.1%
Civilian employed population 16 years and over	34,325	100%

Source: Table DP03, U.S. Census Bureau, 2019-2023 American Community Survey Five-Year Estimates

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Change in estimated employment among Bayonne residents is shown in Table 20. From 2013 to 2023, the City's labor force grew steadily from 32,702 in 2013 to 36,369 in 2023. During this ten-year period, the City's estimated unemployment rate decreased from 8.0% to 5.6%. The City's unemployment rate in 2023 was less than that of Hudson County (5.9%) and New Jersey (6.2%).

Table 20. Change in Employment, 2013-2023

Year	Labor Force	Employed Residents	Unemployed Residents	Unemployment Rate
2013	32,702	30,073	2,629	8.0%
2014	32,742	30,296	2,446	7.5%
2015	33,040	30,689	2,351	7.1%
2016	33,031	30,762	2,269	6.9%
2017	33,366	31,158	2,208	6.6%
2018	32,893	30,842	2,051	6.2%
2019	32,959	30,970	1,989	6.0%
2020	33,355	31,172	2,183	6.5%
2021	36,357	34,106	2,251	6.2%
2022	36,447	34,262	2,185	6.0%
2023	36,369	34,325	2,044	5.6%

Source: Table DP03, U.S. Census Bureau, American Community Survey Five-Year Estimates

Table 21 compares employment estimates within Bayonne and Hudson County regardless of where workers live. In 2022, an estimated 15,115 workers were employed in the City, comprising 5.3% of the 283,125 total jobs in Hudson County.

Table 21. Estimated Employment, 2022

Year	Bayonne	Hudson County
2022	15,115	283,125

Source: U.S. Census Bureau, OnTheMap Application and LEHD Origin-Destination Employment Statistics (Beginning of Quarter Employment, 2nd Quarter of 2002-2022).

Common commuting destinations among Bayonne residents are shown in Table 22. In 2022, Bayonne and Manhattan were tied for the most common place of employment (14.3%). Other common commuting destinations were major cities in Hudson and Essex County, including Jersey City (13.4%), Newark (4.4%), and Hoboken (1.9%) as well as four of the five boroughs of New York City.

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Table 22. Top Ten Commuting Destinations for Bayonne Residents, 2022

Destination	Workers	Percent of Workers
Bayonne, NJ	4,850	14.3%
Manhattan, NY	4,829	14.3%
Jersey City, NJ	4,540	13.4%
Newark, NJ	1,483	4.4%
Brooklyn, NY	1,202	3.6%
Queens, NY	662	2.0%
Hoboken, NJ	641	1.9%
Elizabeth, NJ	619	1.8%
Staten Island, NY	527	1.6%
Secaucus, NJ	521	1.5%
All Other Locations	13,958	41.3%
Total	33,832	100%

Source: U.S. Census Bureau, OnTheMap Application and LEHD Origin-Destination Employment Statistics (Beginning of Quarter Employment, 2nd Quarter of 2002-2022).

POPULATION AND EMPLOYMENT PROJECTIONS

The North Jersey Transportation Planning Authority (NJTPA) is the Metropolitan Planning Organization (MPO) for the northern New Jersey region, which contains thirteen counties in northern New Jersey, including Bergen County. The NJTPA publishes population and employment forecasts for counties and municipalities in the region. Between 2015 and 2050, the NJTPA projects that the population and employment of Bayonne will increase by 14.3% and 32.9%, respectively. As shown in Table 24, population growth in the City is expected to be congruous with the Region between 2015 and 2050 but slightly lower than the County, while employment growth in the City is expected to be congruous with the County but slightly less than the Region.

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Table 23. Population and Employment Projections, 2015-2050

Location	Population			Employment		
	Estimate 2015	Projected 2050	Percent Change	Estimate 2015	Projected 2050	Percent Change
Bayonne	65,394	74,750	+14.3%	17,304	22,999	+32.9%
Hudson County	662,619	856,947	+29.3%	282,020	366,913	+30.1%
NJTPA Region	6,688,013	7,743,120	+15.8%	2,910,458	3,375,651	+16.0%

Source: North Jersey Transportation Planning Authority, Appendix E - 2050 Demographic Forecasts

HOUSING UNIT PROJECTIONS

A ten-year projection of new housing units in the City is shown in Table 24. Projections are based on the balance Certificates of Occupancy (CO's) and demolitions between 2013 and 2023. According to the permit data, there is an annual average net increase of 246.5 dwelling units per year. If this rate were to remain relatively constant, Bayonne could see growth of approximately 2,958 new units by 2035.

Table 24. Residential C.O.'s and Demolition Permits Issued, 2013-2023

Year	Certificates of Occupancy	Demolitions	Net New Dwellings
2013	58	2	56
2014	213	6	207
2015	37	18	19
2016	56	0	56
2017	64	1	63
2018	154	13	141
2019	454	12	442
2020	667	9	658
2021	297	0	297
2022	416	8	408
2023	366	2	364
Total	2,782	71	2,711
Annual Average	252.9	6.5	246.5

Source: NJDCA Construction Reporter, Building Permits, Yearly Summary Data

Availability of Existing and Planned Infrastructure

While housing rehabilitation is not generally affected by the state of utility infrastructure, if the time arrives when new construction is used as credit towards a rehabilitation obligation, then it becomes a more important factor. Bayonne is one of 21 municipalities in the state with combined sanitary and storm water sewers (CSO). Bayonne's local collection systems connect to the regional Passaic Valley Sewerage Commission (PVSC) that treats wastewater in which it is one of eight municipalities with CSOs. Except for newer development on the Bayonne Peninsula and Constable Hook, all of the system in Bayonne is CSO. NJDEP requires each CSO to have a discharge permit for their outfalls and to have what is called a long term control plan to eventually eliminate this dual discharge. What occurs with such systems is during dry to moderate rainfall, the volume in the piping system can be handled by the sanitary pumping stations and sewage treatment plants so that adequate processes can be applied and wastewater discharge to water bodies meets environmental and health standards. During heavy rainfall, however, this capacity is overcome, and untreated sewage can be discharged into streets, basements, streams and rivers. The long term control plan for Bayonne is part of the PVSC plan that is pending and under review by NJDEP. The plan was submitted for review in October 2020.

In the meantime, the City continues to experience growth through redevelopment. From 2010 to 2024 (estimated), Bayonne added about 11,500 persons and nearly 7,000 housing units on a base of 63,024 people in 2010 and 25,237 housing units. While it is pointed out that Bayonne's population had its highest counted peak in 1920 at 88,979 people, it is likely that the number of dwelling units was significantly smaller than exists today. Consequently, the use of water and sanitary sewer would be higher, as historically, water usage and its aftermath, effluent, would also increase. The City lacks adequate pumping station capacity and force mains in the south end to address the volume from heavier rains. Stop gap measures, such as holding tanks, are being built into the basements of new development to prevent CSO overflow from creating nuisance and potential health problems. The City is working on a number of engineering solutions and exploring funding for infrastructure improvements.

For water, while Bayonne has a sufficient allocation for water at this time, the potential redevelopment levels on the Peninsula at Bayonne Harbor and Constable Hook may mean that additional water may also be needed towards the end of the Fourth Round as additional buildings are constructed and occupied. The development trends noted that started about 15 years ago continue unabated for the foreseeable future.

Anticipated Land Use Patterns

Anticipated land use patterns include the continued redevelopment on the Bayonne Peninsula and piecemeal redevelopment along the City's major arterials such as Broadway as new uses arise. There will also be scattered-site residential infill in the residential zones in Bayonne.

City of Bayonne**Fourth Round Housing Element and Fair Share Plan****June 10, 2025****City Economic Development Policies**

The City of Bayonne has seen a substantial decline in manufacturing and industrial activities. The loss of manufacturing and oil production facilities have created the chance to redevelop the land for new uses that the City anticipates will provide new strength to its economy. It is anticipated that the City will continue to draw retail, office and light industrial uses to the Peninsula and through mixed-use redevelopment.

Constraints on Development

Bayonne is not located within the jurisdiction of the Meadowlands, Highlands, Pinelands or CAFRA. There are no known federal regulations that would hinder the development projected as part of the City's Fourth Round HEFSP.

Existing land ownership patterns may present a constraint on future development within the City. Bayonne has limited vacant land, thus new development will require the redevelopment of existing vacant and occupied structures. This will be complicated by the land ownership patterns in Bayonne. The municipality is densely settled with small lots. New residential and commercial development will require developers to assemble several small lots from different owners, which is costly and time consuming. The City has actively used statutory redevelopment to assist in land acquisition for redevelopment projects.

Larger parcels available for redevelopment typically have environmental remediation requirements that necessitate long term solutions before they can be reused.

The City of Bayonne borders Newark Bay and Upper New York Bay. The City does not have any streams or Category 1 Waterways within its boundaries. Also, according to NJDEP, freshwater wetlands are mainly limited to perimeter features where bay waters meet the land. This does not significantly impede development within the City.

CONSIDERATION OF LANDS APPROPRIATE FOR AFFORDABLE HOUSING

Consistent with smart growth planning principles, Bayonne has chosen to distribute housing throughout the City, including redevelopment areas. The City has abundant access to transportation, including local and regional bus routes and the Hudson-Bergen Light Rail Line, which provide connections throughout the New York Metropolitan Area. Services and employment opportunities are found along the 50 blocks on Broadway, the Rt. 440 corridor, Constable Hook and future redevelopment areas.

Bayonne's Master Plan envisions the judicious redevelopment of select areas in the City as a means of encouraging appropriate private investment that will benefit residents and business owners as well as the overall economic health of Bayonne which will directly and indirectly benefit low- and moderate-income households.

FAIR SHARE PLAN

BAYONNE'S AFFORDABLE HOUSING OBLIGATION

A municipality's cumulative Fourth Round affordable housing obligation consists of four components: Fourth Round Present Need (Rehabilitation Share), Prior Round Prospective Need, Third Round "Gap"/Prospective Need, and Fourth Round Prospective Need. For the City of Bayonne, these four components were determined as follows:

- Fourth Round Present Need/Rehabilitation Share: 749
- Prior Round Prospective Need: ○
- Third Round "Gap"/ Prospective Need: ○
- Fourth Round Prospective Need: ○

As a Qualified Urban Aid Municipality, the City does not have a Prospective Need obligation to address. However, the City is required to address its Present Need obligation of 749 units.

FOURTH ROUND PRESENT NEED

The amended FHA defines *present need* as "the number of substandard existing deficient housing units currently occupied by low- and moderate-income households" and *deficient housing unit* as "housing that (1) is over fifty years old and overcrowded, (2) lacks complete plumbing, or (3) lacks complete kitchen facilities." The City's Fourth Round Present Need of 749 was calculated by DCA according to its October 2024 methodology report. The City accepted DCA's determination of its Fourth Round Present Need obligation by resolution on January 22, 2025, and Fourth Round DJ filing submitted to the Program/Superior Court on January 24, 2025.

In the history of affordable housing rules and regulations in New Jersey, the rehabilitation share has been calculated using U.S. Decennial Census indicators of sub-standard housing cross-linked to demographic profiles. Since this information came from the long form Census, which was replaced by sampling in the American Community Survey (ACS), the traditional snapshot of data has been April 1 of each Census year (1980, 1990, 2000, 2010, and 2020).

In prior rounds, as noted above, the rehabilitation share of municipal affordable housing obligation was reset at each Decennial Census count. Consequently, Bayonne has established April 1, 2020, as the starting point for units that may be eligible to be counted towards its Fourth Round Present Need.

MEANS OF ADDRESSING PRESENT NEED

N.J.A.C. 5:93 requires municipalities to satisfy the Present Need (Rehabilitation Share) by bringing deficient units up to building code standard, including major systems such as plumbing, heating, building structure, electrical, roof, lead abatement, weatherization, and exterior material replacement, such as siding. A minimum average of \$8,000 must be expended for each unit in hard costs and \$2,000 for administrative costs (N.J.A.C. 5:93-5.2(h)). The City of Bayonne plans to apply rehabilitation credits from the following programs and projects that are eligible to satisfy its Fourth Round Present Need of 749:

1. Continued participation in the Hudson County owner-occupied (homeowner) rehabilitation program;
2. Completed Bayonne Housing Authority projects since April 2020;
3. A new municipal rehabilitation program to be administrated by the Bayonne Housing Authority; and
4. The Plattykill Manor rehabilitation project;
5. The Oak Street Bergen County United Way new construction project;

Hudson County HOME Investment Partnership Program

Hudson County's HOME Investment Partnership Program utilizes HUD pass-through funding to build new rental units through new construction or rehabilitation. The units are deed restricted to very low-, low-, and moderate-income households in accordance with HUD guidelines, which are accepted as meeting the Fair Housing Act pursuant to N.J.A.C. 5:80-26.1.

Since April 1, 2020, the County HOME program funded the rehabilitation of four (4) rental units in Bayonne with a total contribution of \$880,000, or \$220,000 per unit.¹⁴ Bayonne is eligible for **4 credits** towards its Present Need from rehabilitated units completed through the County's HOME program. The City will incorporate full documentation into this housing plan once it is obtained. Bayonne will continue to participate in Hudson County's HOME Program for owner-occupied housing rehabilitation in the Fourth Round.

¹⁴ HOME Activities Report – New Jersey – April 30, 2024. HUD Exchange.

https://www.hudexchange.info/programs/home/home-activities-reports/?filter_DateYearEach=2024&filter_State=NJ&program=HOME&group=Act, accessed May 28, 2025.

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Bayonne Housing Authority – Rehabilitation (Ongoing)

The Bayonne Housing Authority was established in 1949 and owns or manages more than 2,000 rental units earmarked for low- and moderate-income households. Annual budgets of the Housing Authority have established capital budgets as required for HUD funding of public housing agencies. All of the units rehabilitated are rental units, thus meeting N.J.A.C. 5:93-5.2(f) that prohibits municipalities from excluding rental units from their rehabilitation program.

As listed in Table 25, Bayonne is eligible for **792 credits** towards its Present Need for ongoing and budgeted rehabilitation activity by the Bayonne Housing Authority. All rehabilitation projects are expected to be completed within six months of adoption of this plan, or approximately by 2026.

Table 25. Bayonne Housing Authority Rehabilitation Activity

Location	Units	Type of Work	Cost per Unit	Total Cost	Estimated Completion
Back Bay Gardens	250	(1)	\$10,919	\$2,628,000 ⁽¹⁾	6 months
Pamrapo Gardens Annex	56	(2) (3)	\$29,214	\$314,000 ⁽²⁾ <u>\$1,322,000⁽³⁾</u> \$1,636,000	90 days
Pamrapo Gardens	108	(4)	\$10,399	\$1,987,000 ⁽⁴⁾	6 months
Begen Point Gardens	108	(5)		\$1,406,677 ⁽⁵⁾	
Centerville Gardens	108	(6)		\$1,434,000 ⁽⁶⁾	
LaTourette Gardens	162	(7)		<u>\$236,000⁽⁷⁾</u> \$5,054,000	
Total	792		-	\$9,318,000	-
(1) Exterior cladding replacement (2) Roof replacement (3) Kitchen replacement/renovation (4) Entrance area (wall, door, stairs) (5) Electrical work (6) Apartment door replacement (7) Fire escape upgrades					

The Housing Authority is also slated to receive additional funding for the renovation of buildings in their portfolio that will result in future credits that may be applied to Bayonne's Present Need. However, there is no crediting of rehabilitation activities beyond the period of the Fourth Round to carry into the Fifth Round, as there would be for Prospective Need.

City of Bayonne**Fourth Round Housing Element and Fair Share Plan****June 10, 2025****Bayonne Housing Authority – New Rehabilitation Program (Proposed)**

The City will enter into an agreement with the Bayonne Housing Authority for a new rehabilitation program to be operated by the Authority for owner-occupied (in one, two- and three-family structures) and landlord rental property with up to six apartments. As indicated in Table 5, approximately 35% of dwellings are owner-occupied and 58% are renter occupied (the remainder are vacant). The Housing Authority has expertise in managing property and in particular, the rehabilitation and renovation of property, with connections to contractors, real estate lawyers, engineers and other professionals versed in the types of services necessary to operate a successful rehabilitation program. The City would pay for the program with a target of rehabilitating 50 units in the ten-year Fourth Round at an average cost of \$40,000 per unit, or \$2 million. In addition, it is expected that the Housing Authority will need to hire additional personnel to run such a program. Accordingly, \$300,000 in administrative expenses is also budgeted, with the expectation that this amount will be reviewed at the end of each fiscal year and adjusted by mutual agreement as the scope of the administrative costs becomes understood. A preliminary operating manual for the rehabilitation program has been prepared (Appendix B) and will be finalized pursuant to UHAC requirements. The program will be affirmatively marketed and administered by the BHA in coordination with the City.

Plattykill Manor Apartments – Rehabilitation (Completed)

The Plattykill Manor Apartments is a 147-unit apartment complex consisting of five buildings at 18-52 East 12th Street (Block 268, Lot 2). The property is owned by Plattykill Urban Renewal, LLC, and contains 146 units for low- and moderate-income households. Consistent with a Tax Agreement with the City dated June 15, 1978 that was extended for a period of 20 additional years in 2018, the property is currently receiving a tax exemption pursuant to the New Jersey Long Term Tax Exemption Law, N.J.S.A. 40A:20-1 et. seq. Under the terms of the law and the agreement, the tax exemption granted by the City is required for the project's continued viability as a project-based Section 8 housing project to provide low- and moderate-income housing.

Pursuant to the amended PILOT agreement (Appendix C), Plattykill Urban Renewal LLC was required to maintain the affordable units. As noted in a certification from Gary Woldiger, Director of Operations for Plattykill Urban Renewal LLC, the capital expenditures to renovate and rehabilitate major systems of 146 rental units were completed between 2020 and 2025 as shown in Table 26 and Appendix C.

Table 26. Plattykill Manor Apartments Rehabilitation Activity, 2020-2025

Work Description	Units	Amount per Unit	Amount
Kitchens – Premium Package	146	\$8,000	\$1,168,000
Full Bathrooms	146	\$7,000	\$1,022,000

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Half Bathrooms	28	\$5,000	\$140,000
Façade Exterior Retaining Wall Upgrades	146	\$350,000	\$350,000
New Compactors	146	\$15,000	\$75,000
New Fire Pumps/Fire Alarm Upgrades	146	\$60,000	\$300,000
New H/H/W Boilers	146	\$160,000	\$800,000
Total	146	\$26,404	\$3,855,000

Bayonne is eligible for **146 credits** towards its Present Need for the rehabilitation of Plattykill Manor.

Bayonne Family Community Center – Rehabilitation (Proposed)

The Bayonne Family Community Center (“BFCC”) is a residential building at 259 Avenue E (Block 206, Lot 2) that was created through the conversion of the former YMCA building from 79 units into 109 single room occupancy (SRO) units in 2005. The project was assisted by the Regan Development Corp., who also reconstructed the Maidenform factory into senior living units and built Tagliareni Plaza. The owner, Bayonne Family Community Center, Inc., continues to offer programs for adults and youth, including the 109 affordable rental units for single-person households and the provision of referrals for services and programs offered through partnership with other agencies and organizations. All affordable units are efficiency units, consisting of 99 units for low-income households and 10 units for moderate-income households. The project is licensed as a Class A boarding facility. The first certificate of occupancy was issued in March 2005. The project qualifies for credit as an alternative living arrangement under N.J.A.C. 5:93-5.8.

When the reconstruction was completed, affordability controls of 20 years were established with a start date of March 1, 2005, to meet the requirement of at least 10 years established by N.J.A.C. 5:93-5.8(d). Pursuant to N.J.A.C. 5:80-26.1, the affordability controls for projects utilizing HOME and Balanced Housing funds are accepted for credit in lieu of COAH’s requirements.

The BFCC was financed with funds from the receipt of Regional Contribution Agreement monies, the Hudson County HOME Program, Balanced Housing Funds and CDBG Funds. The level of governmental funding demonstrates that the project met strict guidelines for meeting a special housing need in Bayonne.

As noted in a letter from William Lawson of the Bayonne Family Community Center Board of Trustees, dated May 29, 2025, renovations and repairs of major systems at the facility have been identified and will be eligible for credit toward the City’s Fourth Round Present Need (Appendix D). Bayonne Family Community Center and the City intend to enter into an Agreement to provide funding from the City’s affordable

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housing trust fund to finance the work necessary to repair and/or replace roofing systems, rooms damaged by water infiltration, plumbing systems, electrical systems, HVAC systems, stairwells, fire escapes, the elevator, etc. Bayonne proposes to fund the rehabilitation at a level of \$30,000 per unit, for a total of \$3,270,000. The City will enter into an appropriate agreement with the non-profit organization to ensure that the units remain at a low income level meeting income restrictions on the units, will ensure that they are in place for a minimum of 10 years per N.J.A.C. 5:93-5.2(g), that the property is separated from the national YMCA organization, and that it sets a schedule for improvements to the facility.

Bayonne is eligible for **109 credits** towards its Present Need for the rehabilitation of existing affordable units and major systems at the Bayonne Family Community Center.

Oak Street - Bergen County United Way (Approved New Construction)

The Bayonne Housing Authority and Bergen County United Way (BCUW) teamed up to develop a 100% affordable housing building at 1-15 W. Oak Court, otherwise known as Bock 471, Lots 1-7 on the tax assessment maps of Bayonne. The land was acquired by the BHA from PSE&G after remediation which was given an unrestricted status following cleanup. The project applied for 9% Low Income Housing Tax Credits for a 40-unit apartment development of six floors – four residential floors over two floors of parking. The project has 20 units earmarked for special needs occupancy and the other units are restricted to those persons aged 55 and older. Typically, such projects are developed with a single purpose corporation, which in this case is Madeline Housing Partners, LLC. The project was allocated tax credits on December 15, 2022 (Appendix E) and has been in development since that time. Construction staging has started and the project is expected to be completed and opened in the late spring 2026.

Bayonne is eligible for **40 credits** towards its Present Need for the construction of new affordable units at Oak Street.

SUMMARY OF CREDITS TOWARDS PRESENT NEED

As shown in Table 27, the City will fully address its Fourth Round Present Need of 749 through 982 credits from a combination of units rehabilitated since April 1, 2020, ongoing rehabilitation activity, and new construction of affordable units.

Table 27. Fourth Round Present Need Credit Summary

Program/Project	Credits
Plattykill Manor Apartments (Completed Rehab.)	146
Hudson County HOME Program (Completed Rehab.)	4
Bayonne Housing Authority (Ongoing Rehab.)	792
Oak Street – BHA and BCUW (New Construction)	40
Total	982

Accordingly, Bayonne has met its obligation for Present Need in the Fourth Round.

ADDITIONAL EFFORTS FOR AFFORDABLE HOUSING PRODUCTION

The City of Bayonne remains committed to providing additional opportunities for the construction of new affordable housing (also see the discussion under Affordable Housing Trust Fund). The City, for example, assisted in pre-development costs with the Oak Street project that is a joint venture with BC UW and the Bayonne Housing Authority. The City's priorities for affordable housing are those that provide assistance or preference for military veterans, including disabled veterans; the special needs population, including but not limited to, adults with developmental disabilities, homeless veterans, and victims of domestic violence; and senior citizen housing.

The Bayonne Housing Authority, aside from being a public housing authority chartered under federal laws in 1949, also has a non-profit arm that allows it to take advantage of low income housing tax credits, which is a main component in the production of new affordable housing development, as well as other sources of funding. Thus there is an in-built flexibility in being to sponsor a project, co-sponsor a project or purchase and substantially renovate or convert a project for affordable housing purposes.

In the event that the City participates in any BHA development project, a project agreement, financial agreement, and stipulation as to the affirmative marketing, income restrictions, length of affordability controls, and procedures for occupancy of the development will be formalized prior to any transfer of funds from the affordable housing trust to the BHA or any other such new construction project.

MONITORING/STATUS REPORT

In accordance with the requirements of N.J.S.A. 52:27D-329.2 and -329.4 as amended by P.L. 2024 c.2, by February 15 of each year of the Fourth Round, the City will provide a detailed accounting through DCA's new Affordable Housing Monitoring System ("AHMS") of all affordable units constructed and construction starts during the prior calendar year, and of all residential and non-residential fees collected, interest earned, and other income collected and deposited into the City's affordable housing trust fund during the prior calendar year. The City will also provide a detailed accounting in AHMS of all expenditures of affordable housing trust funds during the prior calendar year, including purposes and amounts, and documentation of the balance remaining in the affordable housing trust fund as of December 31 of that year.

ADMINISTRATION AND AFFIRMATIVE MARKETING

The City of Bayonne has adopted several ordinances for affordable housing operation, management, marketing and development fees as the rules governing affordable

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housing have changed over the years. These ordinances are presently codified as Chapter 33, Articles XIV through IXX. Due to their adoption over a number of years, inconsistent passages and remnants of earlier rule requirements have occurred prompting the drafting of a new comprehensive affordable housing ordinance entitled, “Omnibus Affordable Housing Ordinance” (Appendix F). While the draft omnibus ordinance was not adopted as proposed in the City’s Third Round HEFSP in 2015, additional legislative and judicial activity underscore the need for a new ordinance. Once DCA and HMFA finalize their rule proposals (anticipated after June 30, 2025), the City will prepare update the Omnibus Affordable Housing Ordinance in accordance with court-upheld COAH rules, DCA’s proposed new regulations at N.J.A.C. 5:99, and UHAC’s new 2025 regulations that are forthcoming. The City’s affordable housing ordinances govern the creation, administration, and occupancy of affordable units in the City. It establishes the required low- and moderate-income set-asides, development fees, programs that might be implemented to provide an opportunity for affordable housing, eligibility requirements, and occupancy standards.

As stipulated in Article 14, Development Fees and Housing Trust Fund of the Planning and Development Regulations of the City of Bayonne (Chapter 33-14.1 to 33-14.9 of the codified ordinances of the municipality) all collection of development fee revenues will be consistent with local regulations for both residential and non-residential developments and in accordance with extant rules and P.L.2008, c.46, sections 8 (N.J.S.A. 52:27D-329.2) and 32-38 (N.J.S.A. 40:55D-8.1 through 8.7).

Suzanne Mack, the City Planner, will continue to hold the position of Municipal Housing Liaison. Any future City Planner shall also hold this position unless it is changed by action of the City Council.

Affirmative marketing of affordable units in the City is conducted differently by each individual agent. Affirmative marketing is 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 the affordable units located in the City. Additionally, the affirmative marketing plan is intended to target those potentially eligible persons who are least likely to apply for affordable units and who reside or work in Housing Region I, consisting of Bergen, Hudson, Passaic, and Sussex Counties.

The Affirmative Marketing Plan lays out the random-selection and income qualification procedure of the administrative agent, which is consistent with COAH’s rules and N.J.A.C. 5:80-26.1. All newly created affordable units will comply with the minimum 30-year or 40-year (for rentals) affordability control required by UHAC, N.J.A.C. 5:80-26.1 et seq. This plan must be adhered to by all private, nonprofit or municipal developers of affordable housing units and must cover the period of deed restriction or affordability controls on each affordable unit. In accordance with the July 2020 amendment to the FHA, the City will include in its Affirmative Marketing Plan

City of Bayonne**Fourth Round Housing Element and Fair Share Plan****June 10, 2025**

the requirement that all units subject to affirmative marketing requirements be listed on the state Housing Resource Center website.¹⁵

AFFORDABLE HOUSING TRUST FUND

The City has prepared a Fourth Round Spending Plan (Appendix G), which discusses anticipated revenues, collection of revenues, and the use of revenues, in accordance with N.J.A.C. 5:93-5.1(c). All collected revenues are placed in one of two Affordable Housing Trust Funds and will be dispensed for the use of affordable housing activities as indicated in the Fourth Round Spending Plan. Once DCA and HMFA finalize their rule proposals (anticipated after June 30, 2025), the City will prepare an updated spending plan in accordance with DCA's proposed new regulations at N.J.A.C. 5:99, UHAC's new 2025 regulations that are anticipated to be released shortly, any remaining relevant COAH rules, not superseded by either the proposed 2025 DCA regulations or the upcoming 2025 revised UHAC rules.

Pursuant to the City's plan, Bayonne may use the funds in the trust fund for the following:

- Rehabilitation program;
- New construction of affordable housing units and related development costs;
- Extensions or improvements of roads and infrastructure directly serving affordable housing development sites;
- 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;
- Green building strategies designed to be cost-saving 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 units;
- Maintenance and repair of affordable housing units;
- Repayment of municipal bonds issued to finance low- and moderate-income housing activity
- Any other activity as specified in the approved spending plan; and
- Affordability assistance.

¹⁵ - <https://njhrc.gov>

City of Bayonne**Fourth Round Housing Element and Fair Share Plan****June 10, 2025**

Bayonne expects to primarily use the funds to assist additional rehabilitation efforts in the community beyond that required by the Fair Housing Act, based on observations of the physical condition of the housing stock, comments at public meetings in front of City Council and the Planning Board, and the continued demand for housing which makes keeping existing dwellings in the best shape.

The City is also in the fortunate position of anticipating substantial revenues from affordable housing development fees that were not actually realized in the Third Round. Though significant funds were anticipated in the Third Round, these failed to materialize and it is only in the last few years that larger non-residential development has been approved and constructed in the City. Consequently, these added funds can be utilized towards new construction, as well, to support affordable housing developers like the Bergen County United Way in creating new affordable housing in Bayonne. Such housing is not an obligation of the City under the Fair Housing Act; subsequently all of the rules and formulas that apply to new construction – such as limitations on the percentage of senior units – would not come into play because the City would not be seeking new construction credit in the housing plan.

New projects would also be a means of meeting the rules on spending on affordability assistance. This is funding that makes units more affordable, or directly benefits tenants and buyers with security deposit assistance, closing costs assistance and down payment help. At least 30% of collected development fees, excluding expenditures made from the inception of the fund on all new construction, are required to be used for affordability assistance to low- and moderate-income households in affordable units included in the housing plan.

Lastly, as noted in the Spending Plan, no more than 20% of the revenues collected from development fees shall be spent on administration, including, but not limited to, salaries and benefits for municipal employees or consultant fees necessary to develop or implement a rehabilitation program, a new construction program, a housing element and fair share plan, and/or an affirmative marketing program.

COST GENERATION

The City's Zoning Ordinance has been reviewed to eliminate unnecessary cost generating standards and provides for expediting the review of development applications containing affordable housing. Such expediting may consist of, but is not limited to, scheduling of pre-application conferences and special monthly public hearings. All development applications containing affordable housing are reviewed for consistency with the Zoning Ordinance, Residential Site Improvement Standards ("RSIS" - N.J.A.C. 5:21-1 et seq.) and the mandate of the FHA regarding unnecessary cost generating features. The City will comply with COAH's requirements for unnecessary cost generating requirements, N.J.A.C. 5:93-10.1, procedures for

City of Bayonne**Fourth Round Housing Element and Fair Share Plan****June 10, 2025**

development applications containing affordable housing, N.J.A.C. 5:93-10.4, and requirements for special studies and escrow accounts where an application contains affordable housing, N.J.A.C. 5:93-10.3. Once DCA and HMFA finalize their rule proposals (not anticipated before June 30, 2025), the City will revise its Zoning Ordinance, if needed, in accordance with DCA's proposed new regulations at N.J.A.C. 5:99, and UHAC's new 2025 regulations, anticipated to be released shortly, in order to address any new requirements to address cost generative issues.

MULTIGENERATIONAL FAMILY HOUSING CONTINUITY

The FHA requires an HEFSP to provide 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 N.J.S. 52:27D-329.20). As of May 2025, no recommendations have been issued by the Commission.

STATE DEVELOPMENT AND REDEVELOPMENT PLAN

The entirety of Bayonne is located in the Metropolitan Planning Area (PA-1) as established by the State Development and Redevelopment Plan. The State Plan's intent for the Metropolitan Planning Area is to:

- Provide for much of the state's future growth in compact development and redevelopment;
- Revitalize cities, towns and neighborhoods, and in particular overburdened neighborhoods;
- Address existing legacy issues such as air pollution, urban heat islands, lead contamination, Brownfields, urban highways, and combined sewer systems;
- Prevent displacement and gentrification;
- Promote growth that occurs in Centers, other appropriate areas that are pedestrian friendly, and in compact transit-oriented forms;
- Rebalance urbanization with natural systems;
- Promote increased biodiversity and habitat restoration;
- Stabilize and enhance older inner ring suburbs;
- Redesign and revitalize auto oriented areas;
- Protect and enhance the character of existing stable communities

City of Bayonne**Fourth Round Housing Element and Fair Share Plan****June 10, 2025**

The City plans to address its Fourth Round Present Need through rehabilitation of existing units and, where eligible, new construction of affordable units that are eligible for credit toward its Present Need. It is expected that additional funds will remain in the affordable housing trust fund which may then be used to support new construction activity to build 100% municipally sponsored construction. As a developed urban community with ample multi-modal transportation connections, the City will achieve this through continued redevelopment and revitalization of land in a manner that is consistent with the intent of the SDRP and the City's Master Plan.

SUMMARY

The City of Bayonne commits to address its Fourth Round Present Need of 749. The City will continue to coordinate with the Bayonne Housing Authority to continue its program of rehabilitating existing units. The City has demonstrated that it has at least 982 credits towards its 749-unit obligation through rehabilitation completed by the Hudson County HOME Investment Partnership Program, Plattykill Manor Apartments, ongoing rehabilitation activity by the Bayonne Housing Authority, and approved new construction at Oak Street.

It is expected that additional, though not required affordable housing may also be developed by utilizing excess funds in the affordable housing trust to support 100% municipally sponsored development with qualified developers to benefit the residents of Bayonne and the wider region.

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City of Bayonne

Fourth Round Housing Element and Fair Share Plan _____ June 10, 2025

APPENDIX A - Fourth Round Declaratory Judgment Filing, Binding Resolution



INGLESINO TAYLOR

600 Parsippany Road, Suite 204
 Parsippany, New Jersey 07054
 Tel: (973) 947-7111
 Fax: (973) 887-2700
 John P. Inglesino, Esq. (007751991)
 Derek W. Orth, Esq. (001152013)
*Attorneys for Petitioner,
 The City of Bayonne*

**IN THE MATTER OF THE
 APPLICATION OF THE CITY OF
 BAYONNE FOR A DETERMINATION OF
MOUNT LAUREL COMPLIANCE**

SUPERIOR COURT OF NEW JERSEY
 LAW DIVISION: HUDSON COUNTY
 Docket No.: HUD-L-305-25

Mount Laurel Action

**COMPLAINT FOR DECLARATORY
 JUDGMENT**

Declaratory Plaintiff, the City of Bayonne (the “City”), a municipal corporation and body politic organized under the laws of the State of New Jersey, with offices located at 630 Avenue C, Bayonne, New Jersey, 07002, by way of Complaint for Declaratory Judgment, hereby states:

Jurisdiction

1. In accordance with Directive #14-24 of the Administrative Office of the Courts, and the New Jersey Fair Housing Act, N.J.S.A. 52:27D-301 et seq., as amended by P.L. 2024, c. 2, N.J.S.A. 52:27D-304.1 et al. (hereinafter the “FHA”), Plaintiff/Petitioner, the City of Bayonne, voluntarily files this action seeking, amongst other things, an order awarding the City a “Compliance Certification” and/or a Final Judgment of Compliance and Repose, as those terms are defined in N.J.S.A. 52:27D-301, and declaring the City constitutionally compliant with the FHA and the *Mount Laurel* doctrine, and awarding the City immunity and protection from *Mount Laurel* compliance and exclusionary zoning litigation (including builder’s remedy litigation)

during the pendency of this litigation and ultimately for the period of July 1, 2025 through June 30, 2035.

2. Jurisdiction is established pursuant to the “Uniform Declaratory Judgments Law,” N.J.S.A. 2A:16-50, et seq., the FHA, as amended by P.L. 2024, c. 2, N.J.S.A. 52:27D-304.1 thru -304.3 and Directive 14-24 of the Administrative Office of the Courts.

The City’s Mt. Laurel Compliance During the Third Round

3. The City is situated on a peninsula in southern Hudson County, New Jersey, across the Kill Van Kull and New York Bay from New York City. As a Hudson County municipality, the City is located within Region I as defined by N.J.S.A. 52:27D-304.2, which also includes the counties of Bergen, Passaic, and Sussex.

4. The City has long been a qualifying Urban Aid municipality, meaning that it does not maintain a prospective need obligation, and only has a present need, or “rehab obligation.”

5. The City has an extensive history of compliance with the Mount Laurel doctrine and the FHA.

6. In response to the New Jersey Supreme Court’s decision of In re N.J.A.C. 5:96 & 5:97 (“Mt. Laurel IV”), 221 N.J. 1 (2015); on or about July 7, 2015, the City filed its Third Round declaratory judgment action in the case entitled In the Matter of the Application of the City of Bayonne for a Determination of Mount Laurel Compliance and bearing Docket No.: HUD-L-2873-15.

7. On or about September 22, 2016, the Honorable Mary K. Costello, P.J., Civil, entered a Judgment of Compliance and Repose on September 22, 2016, which adjudged and declared, inter alia, that “[t]he City’s present need obligation is hereby established to be 646 units, and the City currently has 614 credits to apply towards this obligation. The City’s Prior Third

Round obligation is hereby established to be zero units. The City's Third Round prospective need obligation is hereby established to be zero units. The City's 2015 Plan proposes a reasonable mechanism to rehabilitate the remaining 32 units required by its present need obligation through its existing rehabilitation program."

8. As detailed in the mid-point review filed with the court, the City rehabilitated an additional 63 units, surpassing the 32 units required by the court's order.

9. The City's Third Round Judgment issued in the 2015 Action entitles the City to immunity and repose from all Mount Laurel lawsuits and exclusionary zoning litigation, including "builder's remedy", constitutional compliance actions, and/or any other lawsuits brought under Mount Laurel principles, through July 9, 2025.

The Fourth Round

10. On March 20, 2024, Governor Murphy signed into law, P.L. 2024, c. 2, which among other things, amends various provisions of the FHA, abolishes the Council on Affordable Housing ("COAH") and establishes the Affordable Housing Dispute Resolution Program ("Program").

11. P.L. 2024, c.2, sets forth that the Fourth Round period of affordable housing obligations shall run from July 1, 2025, through June 30, 2035 ("Fourth Round" or "Round Four").

12. P.L. 2024, c. 2, adopted the methodology to calculate every municipality's present and prospective need affordable housing obligation for the Fourth Round (2025-2035) and beyond.

13. The amendments to the FHA require the Department of Community Affairs ("DCA") to apply the methodology set forth within sections 6 and 7 of P.L. 2024, c. 2, (N.J.S.A. 52:27D-304.2 and N.J.S.A. 52:27D-304.3) and to prepare and publish a report on the calculations

of each regional need and each municipality's Fourth Round present and prospective need affordable housing obligations within seven months of March 20, 2024.

14. Pursuant to N.J.S.A. 52:27D-304.1e of the FHA, the calculations in the DCA Report are not binding on municipalities.

15. Rather, pursuant to N.J.S.A. 52:27D-304.1 of the FHA, each municipality is required to ultimately determine its respective Fourth Round present and prospective need fair share obligations and adopt a binding resolution describing the basis for the municipality's determination on or before January 31, 2025.

16. P.L. 2024, c.2, directs that each municipality shall determine its Fourth Round present and prospective need fair share obligations, with consideration of the calculations in the DCA Report, and in accordance with the formulas established in N.J.S.A. 52:27D-304.2 and - 304.3 of the FHA using "necessary datasets that are updated to the greatest extent practicable".

17. A municipality that fails to timely adopt a binding resolution committing to its Fourth Round affordable housing obligations by January 31, 2024, shall automatically lose immunity from exclusionary zoning litigation until such time as the municipality is determined to have come into compliance with the FHA.

18. On or about October 29, 2024, the DCA issued non-binding calculations for the City in the Fourth Round Report, determining that its Fourth Round present need obligation (i.e. rehabilitation obligation) would be 749 affordable housing units and a prospective need of zero (0) affordable housing units.

19. On or about January 22, 2025, in accordance with the Act, the City adopted Resolution No.: 25-01-22-062 finding that its Fourth Round obligations is 749 affordable housing units for its present need obligation (i.e. rehabilitation obligation), as may be reduced by

windshield surveys and/or other permissible techniques, and zero (0) affordable units for its prospective need obligation. A true and accurate copy of Resolution No.: 25-01-22-062 is attached hereto as **Exhibit A**.

20. The City's commitment to its Fourth Round obligation is subject to the City's reservation of all rights, including amongst other things, the right to further adjustments, changes, or the elimination of the City's Fourth Round Present Need Obligation; should additional information or evidence become available or discoverable to the City in the future; based on lack of available vacant and developable land ("vacant land adjustment"), sewer or water ("durational adjustment"); due to regional planning considerations, inputs, and/or formulas, such as the Highlands Regional Master Plan and its build out; a successful legal challenge to P.L. 2024, c.2; a legislative change or amendment to P.L. 2024, c. 2; a successful challenge to any directive or regulation adopted pursuant to P.L. 2024, c.2, or any change or amendment to such directives or regulations; should third party challenge the calculations used to determine the City's Fourth Round Resolution for therein; and/or should third-party claim(s) the City's Fourth Round Present and/or require an increase based on a claim for reallocation or modification of the Regional present and/or prospective need obligations.

21. Through the instant litigation, the City now seeks the following relief in relation to its Fourth Round (2025-2035) affordable housing obligation(s): (a) to secure the jurisdiction of the Affordable Housing Dispute Resolution Program (the "Program") and the Court pursuant to P.L. 2024, c.2, Directive # 14-24; (b) to have the Program and the Court approve the City's Fourth Round Present Need and Prospective Need obligations, as set forth in the resolution adopted by the City; (c) to have the Program and the Court approve the City's Housing Element and Fair Share Plane ("HEFSP") and Spending Plan to be adopted by the City's Planning Board and endorsed by

the City Council and issue a conditional or unconditional “Compliance Certification” and/or Final Judgment of Compliance and Repose pursuant to the FHA or other similar declaration; (d) to the extent it is not automatically granted pursuant to the FHA, through the filing of this Action and binding Resolution, to have the Program and the Court confirm the City’s immunity from all *Mount Laurel* compliance and exclusionary zoning litigation, including builder’s remedy lawsuits, during both the pendency of this Action, as set forth in the P.L. 2024, c. 2, and ultimately for the duration of Fourth Round, i.e., through June 30, 2035; and (e) to have the Program and the Court take such other actions and grant such other relief as may be appropriate to ensure that the City receives and secures all protections as afforded to it in complying with the requirements of the FHA and the *Mount Laurel* doctrine, including, without limitation, all immunities and presumptions of validity necessary for the City to satisfy its affordable housing obligations voluntarily without having to endure the expense and burdens of unnecessary litigation, including any separate third-party litigation.

COUNT ONE

(DECLARATORY RELIEF)

22. The City repeats and realleges each and every allegation previously set forth in this Complaint as if set forth at length herein.

23. Pursuant to the Act, the Directive, and the Declaratory Judgments Act, N.J.S.A. 2A:16-50, et seq., the City has a right to a declaratory judgment verifying and confirming the City’s full compliance with its Fourth Round constitutional affordable housing obligations.

WHEREFORE, Petitioner, the City of Bayonne, respectfully request that the Court enter an Order:

- a. Declaring that the City has established jurisdiction for participation under the Program and the Court to confirm its present and prospective affordable housing needs as set forth in the binding resolution as attached as **Exhibit A** to this declaratory judgment action;
- b. Issuance of an Order declaring that the City's determination of its Fourth Round Present and Prospective Need Obligations, as set forth within the City's Fourth Round Binding Resolution, complies with P.L. 2024, c. 2, and is therefore established and presumed valid;
- c. Declaring that the City has fully discharged its affordable housing obligations under the Act and is granted immunity from exclusionary zoning lawsuits, N.J.S.A. 52:27D-304(u), maintain control over its own planning processes, N.J.S.A. 52:27D-304.1(f)(1)(a), and can manage its own housing obligations (N.J.S.A. 52:27D-304.1(a), -313.2) for the period beginning July 1, 2025, and ending June 30, 2025;
- d. Declaring the approval of the City's HEFSP and Spending Plan subsequent to its adoption by the Planning Board and its endorsement by the City Council, including, as appropriate and applicable, (1) an adjustment to its Present Need, also referred to as the rehabilitation obligation, in accordance with the windshield survey authorized by COAH regulations; (2) an adjustment based on any future legislation that may be adopted that allows an adjustment of the affordable housing obligations; (3) an adjustment based upon any ruling in litigation involving affordable housing obligations; and or (4) any further applicable adjustment permitted in accordance with the Act and or applicable COAH regulations;

- e. Declaring that the City has fully discharged its obligations under the Act and any challenges to its calculation of its present and prospective need obligations for the Fourth Round must be resolved in accordance with the Program; and
- f. Granting the City such additional relief as the court deems equitable and just.

DESIGNATION OF TRIAL COUNSEL

Pursuant to R. 4:25-4, notice is hereby given that Derek W. Orth, Esq., is designated as trial counsel for Petitioner, the City of Bayonne, in the above captioned matter.

CERTIFICATION PURSUANT TO R. 4:5-1

Pursuant to R. 4:5-1, I hereby certify that the matter in controversy is not the subject matter of any other action pending in any Court or of a pending arbitration or administrative proceeding, and that no other action or arbitration or administrative proceeding is contemplated, except that Petitioner will be adopting and filing declaratory judgment actions for its housing element and fair share plans as well as appropriate implementing ordinances and resolutions pursuant to the Act.

I hereby certify that the foregoing statements made by me are true. I am aware that if any of the foregoing statements made by me are willingly false, I am subject to punishment.

INGLESINO TAYLOR

*Attorneys for Petitioner,
The City of Bayonne*

By: /s/ Derek W. Orth
DEREK W. ORTH

Date: January 24, 2025

EXHIBIT A

Agenda No. R-7

On the motion: Council Member Carroll
Seconded by Council Member Perez

MUNICIPAL COUNCIL OF CITY OF BAYONNE

RESOLUTION NO.: 25-01-22-062

**RESOLUTION OF THE MUNICIPAL COUNCIL OF THE CITY OF BAYONNE,
COUNTY OF HUDSON, NEW JERSEY AUTHORIZING PARTICIPATION IN THE
STATE AFFORDABLE HOUSING DISPUTE RESOLUTION PROGRAM AND
DECLARING THE CITY OF BAYONNE'S FOURTH ROUND AFFORDABLE HOUSING
OBLIGATION**

WHEREAS, in furtherance of the Mt. Laurel doctrine, the Fair Housing Act, N.J.S.A. 52:27D-301 et seq., was amended and supplemented by the New Jersey Legislature (the "Legislature") on March 20, 2024 under P.L. 2024, c. 2 (the "Act"), to establish new State-wide affordable housing compliance guidelines for the compliance period of 2025-2035 (the "Fourth Round"); and

WHEREAS, pursuant to the Act, the Legislature abolished the Council on Affordable Housing ("COAH") and imposed new duties upon the Department of Community Affairs (the "DCA") to administer and implement the Fourth Round, while also creating the Affordable Housing Dispute Resolution Program (the "Program") to adjudicate disputes concerning a municipality's compliance with the Mt. Laurel doctrine; and

WHEREAS, pursuant to the Act, the DCA was required to submit a report to the Governor by December 1, 2024 providing non-binding calculations of "regional need and municipal present and prospective obligations" for each municipality in the State; and

WHEREAS, the City of Bayonne (the "City") is a qualifying urban aid municipality, pursuant to N.J.S.A. 52:27D-178 et seq., with no prospective need obligation; and

WHEREAS, in or about October 2024, the DCA, as stated prior, issued calculations finding that the City has a prospective need of 0 affordable housing units based on the City's status as an urban aid municipality under N.J.S.A. 52:27D-178 et seq., and a present need (i.e. rehabilitation obligation) of 749 affordable housing units in the Fourth Round; and

WHEREAS, pursuant to the Act, a municipality, after considering, but not being bound by, the DCA's calculations, must determine its prospective and present fair share obligations for the Fourth Round and declare same via binding resolution no later than January 31, 2025; and

WHEREAS, pursuant to the Act and Directive #14-24 of the Administrative Director of the Courts, a municipality must, by the sooner of 48 hours following adoption of a binding resolution declaring its Fourth Round obligations or February 3, 2025, file a “declaratory judgment complaint and Civil Case Information Statement” with the Superior Court of New Jersey in the county in which the municipality is located to effectuate its participation in the Program.

NOW, THEREFORE, BE IT RESOLVED BY THE MUNICIPAL COUNCIL OF THE CITY OF BAYONNE, NEW JERSEY, AS FOLLOWS:

Section 1. The aforementioned recitals are incorporated herein as though fully set forth at length.

Section 2. In accordance with the Act, and consistent with the DCA’s calculations, the Municipal Council of the City of Bayonne hereby declares the City’s Fourth Round prospective need as 0 affordable housing units, based on the City’s status as a qualifying urban aid municipality under N.J.S.A. 52:27D-178 et seq., and its present need (i.e. rehabilitation obligation) as 749 affordable housing units, as may be reduced through windshield surveys and/or other permissible techniques.

Section 3. In accordance with the Act, the Municipal Council of the City of Bayonne hereby authorizes the law firm Inglesino Taylor, as affordable housing counsel to the City, to file a declaratory judgment action and Civil Case Information Statement within 48 hours of adoption of this Resolution, or within such other times frames as permitted by law, in the Superior Court of New Jersey, County of Hudson, declaring the City’s present and prospective need obligations for the Fourth Round, and any such other steps as required in accordance with law.

Section 4. In accordance with the Act, this Resolution shall be published on the City’s municipal website within 48 hours of its adoption.

Section 5. A copy of this Resolution shall be available for public inspection at the office of the City Clerk during regular business hours.

Section 6. This Resolution shall take effect immediately.

Council Member	Aye	Nay	Abstain	Absent
Booker	X			
Carroll	X			
Perez	X			
Weimmer	X			
LaPelusa	X			

A TRUE COPY

Madelene C. Medina
CITY CLERK

I, MADELENE C. MEDINA, City Clerk of the City of Bayonne, in the County of Hudson and State of New Jersey, DO HEREBY CERTIFY that the foregoing is a true copy of a resolution adopted by the Municipal Council of the City of Bayonne at a meeting held January 22, 2025 as the same is taken from and compared with the original now remaining on file and of record in my office.

IN WITNESS WHEREOF, I have set my hand and affixed the corporate seal of the City of Bayonne, this 23rd day of January, 2025

Madelene C. Medina

Madelene C. Medina
City Clerk

Agenda No. R-7

On the motion: Council Member Carroll
Seconded by Council Member Perez

MUNICIPAL COUNCIL OF CITY OF BAYONNE

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Section 6. This Resolution shall take effect immediately.

Council Member	Aye	Nay	Abstain	Absent
Booker	X			
Carroll	X			
Perez	X			
Weimmer	X			
LaPelusa	X			

A TRUE COPY

Madelene C. Medina
CITY CLERK

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IN WITNESS WHEREOF, I have set my hand and affixed the corporate seal of the City of Bayonne, this 23rd day of January, 2025

Madelene C. Medina

Madelene C. Medina
City Clerk

Civil Case Information Statement

Case Details: HUDSON | Civil Part Docket# L-000305-25

Case Caption: IN THE MATTER OF BAYONNE CITY

Case Initiation Date: 01/24/2025

Attorney Name: JOHN THOMAS EDER

Firm Name: INGLESINO TAYLOR

Address: 600 PARSIPPANY RD STE 204

PARSIPPANY NJ 07054

Phone: 9739477111

Name of Party: PLAINTIFF : City of Bayonne

Name of Defendant's Primary Insurance Company

(if known): None

Case Type: AFFORDABLE HOUSING

Document Type: Complaint

Jury Demand: NONE

Is this a professional malpractice case? NO

Related cases pending: NO

If yes, list docket numbers:

Do you anticipate adding any parties (arising out of same transaction or occurrence)? NO

Does this case involve claims related to COVID-19? NO

Are sexual abuse claims alleged by: City of Bayonne? NO

THE INFORMATION PROVIDED ON THIS FORM CANNOT BE INTRODUCED INTO EVIDENCE

CASE CHARACTERISTICS FOR PURPOSES OF DETERMINING IF CASE IS APPROPRIATE FOR MEDIATION

Do parties have a current, past, or recurrent relationship? NO

If yes, is that relationship:

Does the statute governing this case provide for payment of fees by the losing party? NO

Use this space to alert the court to any special case characteristics that may warrant individual management or accelerated disposition:

Do you or your client need any disability accommodations? NO

If yes, please identify the requested accommodation:

Will an interpreter be needed? NO

If yes, for what language:

Please check off each applicable category: Putative Class Action? NO Title 59? NO Consumer Fraud? NO Medical Debt Claim? NO

I certify that confidential personal identifiers have been redacted from documents now submitted to the court, and will be redacted from all documents submitted in the future in accordance with *Rule* 1:38-7(b)

01/24/2025

Dated

/s/ JOHN THOMAS EDER

Signed

City of Bayonne

Fourth Round Housing Element and Fair Share Plan June 10, 2025

APPENDIX B - Operating Manual for Rehabilitation Program

Bayonne Housing Authority

County of Hudson

Residential Rehabilitation Loan Program Policy and Procedures Manual

2025

OVERALL PROGRAM POLICY STATEMENT

A. SUMMARY STATEMENT

The Bayonne Housing Authority has established a housing rehabilitation program to be funded through local and Federal funding resources, as these may be available. The use of these funds in the housing rehabilitation program will be governed by any applicable funding regulations and Housing Authority policy as set forth herein. The procedures and policy in this Manual shall apply to the rehabilitation of low and moderate-income dwelling units in existing structures.

The Housing Authority housing rehabilitation program will provide housing improvement funds to City homeowners and for one to two unit homes that are owner occupied in the way of a zero interest deferred loan.

1. Meet family income criteria as established by the Housing Authority program and the U.S. Department of Housing and Urban Development regulations.
2. Have a demonstrable need to make housing improvements to correct eligible housing deficiencies.
3. Comply with Housing Authority application procedures and provide required personal and financial information.
4. Agree to use the money in accordance with established Housing Authority procedures and applicable regulations regarding such expenditures.
5. Eliminate all substandard property conditions. The property must be habitable or be made habitable within the limits of the program and in compliance with applicable building codes and this program guide.

Nothing herein is intended to limit the Housing Authority's ability to cap the monies spent on hard costs. In the event the costs of addressing the housing needs of those who qualify under this program exceed the funding availability. The code official will prioritize the needs of repairs, replacement and reconstruction according to severity of the project. Repairs will be made up to the Bayonne Housing Authority's prescribed limit of \$40,000.00 of home repairs. The homeowner will have the option to have additional repairs done at their own cost.

The Housing Authority has attempted to make the program as easy to use as possible and will have staff from its rehabilitation program available to provide assistance.

The housing rehabilitation program will be affirmatively marketed using brochures, posters, advertisements, notices and informational meetings.

B. TYPES OF ASSISTANCE AND INCOME CRITERIA

The Bayonne Housing Authority rehabilitation program provides home improvement funds to eligible City property owners under a Direct Subsidy Program. The assistance and family income limits are consistent with NJ Department of Community Affairs regulations and are as available upon request.

1. Direct Subsidies

This assistance is in the form of a deferred payment loan for a maximum amount of up to \$40,000 per structure for one-three family owner-occupied structures or to landlords of up to six-unit buildings. For all work done, the Housing Inspector shall evaluate the construction problems, code violations and/or health and safety conditions related to occupancy of a dwelling by utilizing Federal Community Development Block Grant assistance. The housing inspector will prepare a detailed scope of work to be considered and a written justification of need for review and approval by the housing rehabilitation program administrator or another designated entity. In all cases, the total amount of a borrower's existing mortgage(s) plus all program financing may not exceed one hundred percent (100%) of the after rehabilitation appraised value of the property. Deferred payment mortgage loans will be secured by placing a second mortgage on the property being financed. A third position is allowable with written permission of the housing rehabilitation program administrator.

The property owner of housing located in the Bayonne Housing Authority may be eligible for this direct subsidy loan provided:

- a. The assisted occupied housing unit requires rehabilitation to meet housing quality standards as set forth in the Uniform Construction Code (N.J.A.C. 5:23) and the Rehabilitation Subcode (N.J.A.C. 5:23-6).
- b. The occupant is a household which is certified by the Housing Authority as a low or moderate-income household; and
- c. The property owner is not the recipient of/or eligible for assistance under other rehabilitation programs; and
- d. The property owner is able to provide evidence of property insurance in the form of a Certificate of Insurance that names the Housing Authority Rehabilitation Program as an additional insured. At a minimum, the building on the property shall be kept insured against loss from fire; and,
- e. the property owner is able to provide evidence that any existing property mortgage and local taxes are current in payment.

A property owner may apply for assistance after having been previously assisted provided all conditions noted above (a – e) are addressed.

If the property owner sells during the term of the loan and after receipt of this assistance, the owner will be required to repay the loan at the time of the sale.

Compliance with these conditions will be assured through the filing and recording of a subordinated mortgage in the amount of the loan and setting forth the conditions under which repayment will be required.

Once the recording of subordinate mortgage is complete, subordination of this mortgage will not be allowed. If the homeowner refinances the mortgage, repayment of the Community Development loan will be required.

2. Income Criteria

For a property owner to receive direct subsidy assistance, the occupant household's combined current family income from all sources, including assets, must not exceed the amount established by the NJ Department of Community Affairs as a low and moderate income household as the maximum income for low or moderate-income households in the Region 1 area.

C. ELIGIBLE HOME IMPROVEMENTS

The Bayonne Housing Authority housing rehabilitation program home improvement funds must be spent to correct violations of the State and Bayonne Housing Authority housing and construction codes (Uniform Construction Code N.J.A.C. 5:23 and Rehabilitation Subcode N.J.A.C. 5:23-6) and correct deficiencies required to qualify the unit(s) as a standard housing unit meeting U.S. Department of Housing and Urban Development housing quality standards. The Bayonne Housing Authority housing rehabilitation program administrators will inspect properties to determine eligible improvement needs. All properties rehabilitated under the program must comply with all relevant State and municipal codes.

Generally, financial assistance is provided for the repair, renovation, reconstruction or replacement of substandard heating, electrical and plumbing systems; structural repairs; insulation and other improvements designed to reduce operating expenses; improvements to correct code violations and other repair work necessary to upgrade the housing unit to standard condition in accordance with the provisions of New Jersey Uniform Construction Rehabilitation Subcode N.J.A.C. 5:23-6. Priority consideration will be given to rehabilitation improvements designed to correct primary code violations which affect the health and safety of occupants of the unit or which are related to the weathertightness of the structure.

Physical conditions and standards are described below for housing that is decent, safe, sanitary and in good repair. All items listed are illustrative of areas or items that may be addressed based on staff determination and Housing Authority review.

1. Site. The site components, such as fencing and retaining walls, grounds, lighting, mailboxes/project signs, parking lots/driveways, play areas and equipment, refuse disposal, roads, storm drainage and walkways must be free of health and safety hazards and be in good repair. The site must not be subject to material adverse conditions, such as abandoned vehicles, dangerous walks or steps, poor drainage, septic tank back-ups, sewer hazards, excess accumulations of trash, vermin or rodent infestation or fire hazards.
2. Building exterior. Each building on the site must be structurally sound, secure, habitable, and in good repair. Each building's doors, fire escapes, foundations, lighting, roofs, walls, and windows, where applicable, must be free of health and safety hazards, operable, and in good repair.
3. Building systems. Each building's domestic water, electrical system, elevators, emergency power, fire protection, HVAC, and sanitary system must be free of health and safety hazards, functionally adequate, operable, and in good repair.
4. Dwelling units.
 - a. Each dwelling unit within a building must be structurally sound, habitable, and in good repair. All areas and aspects of the dwelling unit (for example, the unit's bathroom, call-for-aid (if applicable), ceiling, doors, electrical systems, floors, hot water heater, HVAC (where individual units are provided), kitchen, lighting, outlets/switches, patio/porch/balcony, smoke detectors, stairs, walls, and windows) must be free of health and safety hazards, functionally adequate, operable, and in good repair.
 - b. Where applicable, the dwelling unit must have hot and cold running water, including an adequate source of potable water (note for example that single room occupancy units need not contain water facilities).
 - c. If the dwelling unit includes its own sanitary facility, it must be in proper operating condition, usable in privacy, and adequate for personal hygiene and the disposal of human waste.
 - d. The dwelling unit must include at least one battery-operated or hard-wired smoke detector, in proper working condition, on each level of the unit.

5. Common areas. The common areas must be structurally sound, secure, and functionally adequate for the purposes intended. The basement/garage/carport, restrooms, closets, utility, mechanical, community rooms, day care, halls/corridors, stairs, kitchens, laundry rooms, office, porch, patio, balcony, and trash collection areas, if applicable, must be free of health and safety hazards, operable, and in good repair. All common area ceilings, doors, floors, HVAC, lighting, outlets/switches, smoke detectors, stairs, walls, and windows, to the extent applicable, must be free of health and safety hazards, operable, and in good repair.
6. Health and safety concerns. All areas and components of the housing must be free of health and safety hazards. These areas include, but are not limited to, air quality, electrical hazards, elevators, emergency/fire exits, flammable materials, garbage and debris, handrail hazards, infestation and lead-based paint. For example, the buildings must have fire exits that are not blocked and have handrails that are undamaged and have no other observable deficiencies. The housing must have no evidence of infestation by rats, mice or other vermin, or of garbage and debris. The housing must have no evidence of electrical hazards, natural hazards, or fire hazards. The dwelling units and common areas must have proper ventilation and be free of mold, odor (e.g., propane, natural gas, methane gas), or other observable deficiencies. The housing must comply with all requirements related to the evaluation and reduction of lead-based paint hazards and have available proper certifications of such.

Work proposed for a building listed or eligible for listing in the State or National Register of Historic Places or located in an historic district listed in the State or National Register shall be reviewed by appropriate New Jersey Historic Preservation Office staff to ensure that it conforms to the Secretary of the Interior's Standards for Rehabilitation. Any exterior work proposed for a building designated by the City as an historic structure or located in a designated historic district must first be reviewed and approved by appropriate City officials.

D. APPLICATION PROCEDURES

If an interested owner meets the Housing Authority's housing rehabilitation program guidelines, a request for assistance will be processed. The housing rehabilitation program administrators will assist in the preparation of required documentation and in determining the type of assistance for which the owner may be eligible. Application procedures may be summarized as follows:

1. Interested owners shall prepare and submit a preapplication form to allow the housing rehabilitation program administrators to complete a preliminary case review and place the pre applicant on the Housing Authority's rehabilitation Program waiting list. Preapplication forms shall be date stamped to indicate date of receipt by the program.

2. Pre-applications which appear to meet program guidelines will be placed on a waiting list in the chronological order in which pre-applications are received.
3. Pre-applications which do not meet program guidelines will be placed in an inactive file and the pre-applicant will be notified of the reason(s) the request is not being processed. Pre-applicants so notified may reapply if deficiencies in their preapplication are corrected.
4. Pre-applicants will be selected from the waiting list in strict conformity to the established chronological order of the waiting list for preliminary case review.
5. The housing rehabilitation program administrators will notify the owner of the results of the preliminary case review and if the owner appears eligible for assistance and priority processing, an interview appointment date will be scheduled.
6. At the meeting with the housing rehabilitation program administrators, a formal application will be completed, confidential personal and financial data will be collected and approval to secure third-party verification must be authorized by the owner. At the time of application, staff will request authorization to obtain a credit report for the applicant. All taxes and other assessment against the borrower's property must be paid in full at the time of application for program financing. No portion of the proceeds of the program financing shall be used to refinance existing indebtedness on the property to be approved.
7. The borrower will be required to maintain hazard insurance with extended coverage on the mortgaged property in an amount not less than the deferred payment mortgage loan plus existing mortgages on the property. The Bayonne Housing Authority shall be named as loss payee as its interest appears.
8. The deferred payment mortgage loan may not be assumed by another eligible borrower.
9. The deferred payment mortgage loan may be prepaid without penalty.
10. The deferred payment mortgage loan may be subordinated for **no-cash-out** refinancing and other reasonable purposes under the following conditions:

- a. The borrower requests the subordination in writing from the housing rehabilitation program administrators;
 - b. That the program loan occupies the same mortgage position after the subordination as was occupied before the subordination.
 - c. There is sufficient equity in the property to protect the Housing Authority's investment.
 - d. Each subordination request will be decided on a case-by-case basis.
11. Preliminary information on home improvement needs will be requested and will be verified with a preliminary inspection.
 12. Upon verification of the owner's eligibility and need for assistance, an appointment will be made to complete a comprehensive inspection of the housing unit.
 13. After the property inspection, the housing rehabilitation program administrators will prepare a home improvement report, scope of work.
 14. If the owner meets rehabilitation guidelines, final financial and legal documentation will be collected and all information will be processed for assistance approval.

E. CODE ENFORCEMENT PARTICIPATION

The inspection and scope of work process shall include the participation of the City's Code Enforcement Officer as follows:

1. A detailed property inspection will be provided by the designated code official and a scope of work and construction specifications, will be prepared based on that inspection.
2. After preparation of the scope of work, the property work write-up will be reviewed by the City Code Enforcement Officer, and the final scope of work and any alternates will be agreed upon. The code official prepares a written scope of work highlighting all code and health related issues. Three copies of the signed scope of work is provided tot the home owner as a guide to obtain bids for construction
3. After construction completion, designated code official will certify that the unit rehabilitation meets New Jersey Uniform Construction Code, Rehabilitation Subcode (NJAC 5:23-6) standards.

Schedule of Terms and Conditions Housing Rehabilitation Program Bayonne Housing Authority, New Jersey

Description

<u>I. Basic Assistance</u>	<u>Terms and Conditions</u>
A. Owner-Occupied 1-2 Family Structure	
Maximum Assistance	\$40,000 per structure
Interest Rate	Zero Percent
Payment	Deferred until time of property sale or Transfer of deed
B. Multi-Family Owner-Occupied (up to 3 total units & Investor-Owned Structure (up to six units)	
Maximum Assistance	\$20,000 per unit
Interest Rate	Zero Percent
Payment	Deferred until time of property sale or Transfer of deed

Mixed use properties are not eligible for the rehabilitation program

ELIGIBILITY QUALIFICATIONS

The housing rehabilitation program will utilize the following specific owner, improvement and property tests for determining eligibility:

A. DEFINITION OF INCOME

Income shall be gross income from all sources received by the head of household, spouse and other household members. Annual income includes:

1. The full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services;
2. The net income from the operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight line depreciation, as provided in Internal Revenue Service regulations. Any withdrawal of cash or assets from the operation of a business or profession will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the family;
3. Interest, dividends, and other net income of any kind from real or personal property. Expenditures for amortization of capital indebtedness shall not be used as deductions in determining net income. Any withdrawal of cash or assets from an investment will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested by the family. Where the family has net family assets in excess of \$5,000, annual income shall include the greater of the actual income derived from all net family assets or a percentage of the value of such assets based on the current passbook savings rate;
4. The full amount of periodic amounts received from Social Security, annuities, insurance policies, retirement funds, pensions, disability or death benefits, and other similar types of periodic receipts, including a lump-sum amount or prospective monthly amounts for the delayed start of a periodic amount;
5. Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation and severance pay;
6. Welfare assistance;
7. Periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from organizations or from persons not residing in the dwelling;

8. All regular pay, special pay and allowances of a member of the Armed Forces.

B. HOUSEHOLD SIZE DETERMINATION

Household size shall be determined or based upon the number of persons occupying the dwelling unit, or utilizing the unit as a permanent address at the time of application submission and eligibility determination.

C. QUALIFICATION OF HOUSING UNITS

Assistance shall be provided only to owners whose housing units do not meet established State and/or Local Building Codes and which exhibit one or more substandard conditions under those standards.

D. ASSISTANCE/LIMITATIONS

The following limitations shall apply to the assistance monies:

1. Funds must first be used for the purpose of covering the cost of repairs and improvements necessary to make the structure and dwelling unit conform to improvements required under the New Jersey Uniform Construction Code, Rehabilitation Subcode (NJAC 5:23.6) and applicable City Ordinances as set forth in Section IV of this Policy and Procedural Manual.
2. Improvements initiated or completed prior to the approval of assistance or not completed in full conformity with Housing Authority Administrative procedures, as set forth herein, will not be eligible for financing under the provisions of this housing rehabilitation program.
3. Assistance may not exceed the lesser of:
 - a. the actual and approved cost of eligible repairs and improvements; or
 - b. the maximum amount of assistance the owner is eligible to receive.
4. In order to protect the value of the investment being made by the Housing Authority, eligibility for participation includes a requirement that all mortgages and liens secured by the property that will hold a senior position to the Housing Authority's lien, are current at the time the rehabilitation assistance is provided.
5. The level of property hazard insurance coverage must cover the existing secured debt plus the amount of the Housing Authority's deferred loan. The policy must also include a loss payee clause which designates the Housing Authority as beneficiary.

6. The property location will be reviewed to determine if it is in a flood hazard zone. Properties within the 100-year flood hazard boundary will be required to have flood insurance. Insurance will be evidenced in the case file prior to case approval.
7. The maximum number of owners to be assisted shall not exceed fund availability established by the Bayonne Housing Authority.
8. In the event assistance is provided for improvements to a mixed-use structure, only residential costs shall be eligible for assistance.

SPECIFIC PROGRAM GUIDELINES

A. DEFINITIONS

Definitions used in implementing the Bayonne Housing Authority housing rehabilitation program shall include those set forth in the City of Bayonne Affordable Housing Ordinance.

B. ANNUAL INCOME

Annual income shall be determined in accordance with provisions of Section II.A. (Definition of Income) presented previously in this Policy and Procedural Manual.

C. APPLICABLE LOCAL STANDARDS

Compliance with established state and local codes and ordinances shall be required. These local standards shall include:

1. New Jersey Uniform Construction Code, Rehabilitation Subcode (N.J.A.C. 5:23-6).
2. The 1996 BOCA National Property Maintenance Code, as amended.
3. International Building Code, 2021, New Jersey Edition.
4. International Residential Code, 2021, New Jersey Edition
5. City of Bayonne Board of Health Ordinance

D. PROCUREMENT STANDARDS

The Bayonne Housing Authority shall perform a cost or price analysis for every procurement action, including change orders. Accordingly, the Housing Authority must ensure that, with the exception of actions to abate a condition of eminent threat to the health and safety of the occupants, an independent cost estimate will be completed prior to receiving proposals. A subsequent price analysis will then be used to determine the most reasonable proposal. Cost analysis or cost comparison, when feasible, may be conducted for actions necessary to abate items of an emergency nature.

PROGRAM PRIORITY CRITERIA

The Bayonne Housing Authority may receive requests for housing rehabilitation program assistance which will exceed its available funds for the program. If this event occurs and in order to provide for equitable distribution of funds, the following prioritization procedures shall be followed:

A. FUNDING CYCLE (S)

A time period during which preapplications will be processed by the Housing Authority will be established. Generally, this time period shall be the initial two months of each funding cycle. Potential assistance recipients must submit a preapplication to be considered during a funding cycle period. Should additional program funds be available after processing all preapplications during a funding cycle period, additional pre-application processing funding cycles, as required, will be established.

B. PRE-APPLICATION ACCEPTANCE

The Housing Authority will accept pre-applications on a continuous year-round basis, and will process pre-applications in the earliest funding cycle possible. Pre-applicants will be selected from the waiting list in strict conformity to the established chronological order of the waiting list for preliminary case review.

C. STRUCTURAL CONDITION CONSIDERATIONS

Assistance for selected applicants will be for activities which are designed to correct primary code violations which affect the health and safety of occupants of the unit, or which are related to the weathertightness of the structure. This determination shall be made based on information included in the preapplication and application and the subsequent inspection and determination of the housing rehabilitation program administrators.

D. EMERGENCY ASSISTANCE

In the event of a determination of a special hardship or emergency condition, a waiver of a portion of the assistance policy requirements and processing provisions may be made by the Housing Administrator provided the following conditions are met:

1. Must be owner occupied 1, 2 or 3-family unit
2. Evidence of household and income eligibility has been provided.
3. Immediate assistance is required to correct a condition which is an imminent health and safety hazard.
4. The applicant commits to comply with housing rehabilitation program objectives and policy requirements.
5. The substandard conditions can be corrected/eliminated within 3 working days after approval.

Provision of emergency assistance shall be at the discretion of the Rehabilitation Housing Administrator, based on a review of documentation submitted to support such a request and the recommendation of the program administrators.

E. REMOVAL FROM WAITING LIST

Pre-applicants will be notified by the program administrators at such time as their request for assistance is to be processed in accordance with program policy and procedures. Notification shall consist of the following as necessary to elicit an applicant response.

1. Correspondence via first class mail indicating the assistance request is to be processed and requesting a response to establish an interview appointment within 14 days.
2. Second notification via first class mail requesting a response within 10 days.
3. A third notification via certified mail requesting a response within 10 days.
4. At each stage, regular attempts to initiate contact via telephone will also be made.
5. Similarly, these notices will be provided in the event an applicant fails to provide required program documentation.

An applicant who fails to respond to the above three notices shall be removed from further consideration unless the applicant reapplies for assistance. Such a reapplying applicant shall be placed at the bottom of the then current waiting list and must await their sequential turn to be processed for assistance.

CONTRACTING PROCEDURES

The program will be implemented so as to offer and maximize employment opportunities to area residents qualified in the construction trades and will actively seek the participation of minority contractors. The following contracting procedures will be utilized in order to facilitate program objectives.

A. CONTRACTOR LISTINGS

The housing rehabilitation administrators will maintain a list of contractors for property rehabilitation work. Contractors will be identified and recruited by advertising, public meeting(s), and other resources such as homeowner referral, state, county and municipal records. The list will show contractors in different areas or expertise (electrical contractors, plumbing contractors, general contractors, etc.). All contractors included on this list must show evidence of competence in their claimed area of expertise (contractors will be required to cite several examples of their recent work); must provide public liability insurance and Workmen's Compensation Insurance certificates; and must provide affirmative action and non-collusion affidavits. Plumbing and electrical contractors must be licensed. Proof of US HUD and US EPA lead paint certifications are required, as well as NJ DCA contractor registration.

The housing rehabilitation program administrator will maintain an up-to-date contractor listing which will include the following:

1. A listing of presently active contractors will be compiled. The listing of active contractors will include all contractors who have provided estimates or bids since the inception of the program and have not indicated that they wish to withdraw from program participation.
2. A listing of inactive contractors will also be compiled. These inactive contractors will be comprised of all who initially indicated interest in the program, but who have either not provided estimates or bids or have indicated they have no further interest in the program. Contractors will be defined as inactive provided they indicate to the housing rehabilitation program administrators they no longer wish to be maintained on the active listing files, or if they have failed to estimate on a job for a period of six months. In such cases, the contractor will be notified that they are being placed on the inactive list. However, contractors may be retained on the active list upon notification to the housing rehabilitation program staff that they wish to continue as active contractors in the program.
3. The housing rehabilitation program administrators will maintain their listing of active contractors as an open ended listing and will immediately add a contractor to that list when so requested by the contractor provided the contractor provides required documentation.

4. The housing rehabilitation program administrators will actively seek to expand their listing of contractors through advertisement and referrals and solutions in trade journals and minority business publications.
5. The borrower may solicit general contractors as long as the contractors meet all program requirements and are approved as such by the housing rehabilitation program administrators.
6. All contractors will be subject to verification as to qualifications and financial capacity through a contract of references, inspection of prior work and other resources available to the Housing Authority prior to being placed on the active contractor listing.
7. The borrower may not serve as his or her own general contractor.

B. REMOVAL OF CONTRACTORS FROM LISTING

A contractor may be removed from the contractors lists if the housing rehabilitation program administrators find that the contractor, through his or her own deficiency, has failed on at least one occasion, to substantially meet the terms of an agreement entered into with a program participant or evidence of incompetence or illegal activity is provided from other sources.

C. CONTRACTOR QUOTATION

In the event the required construction involved the provision of assistance to correct an emergency condition and/or limited construction identified by the program and involving an estimated cost of not more than twenty thousand dollars (\$20,000), three informal quotes must be solicited by the homeowners provided:

1. The program administrators determine this procedure to be the most appropriate means of securing a contractor.
2. Homeowners shall solicit quotes from contractors. The Bayonne Housing Authority does not provide a list of recommended contractors. However, the rehabilitation program office does maintain a list of contractors with all updated credentials.
3. The program administrators fully document the quote solicitation process.
4. The lowest quote is determined by the program administrator to be reasonable based on the program estimate of costs.
5. Quotations in excess of twenty thousand dollars (\$20,000) shall require formal bids for the work assisted by the rehabilitation program administrator.

D. ELIGIBLE REPAIRS AND REPLACEMENT

Eligible repairs and replacement will be determined by the **housing inspector**, not the homeowner. Repairs that need to be done to ensure safety and health is at the discretion of the building inspector. They include, but are not limited to, the following:

1. Repairs or replacement of obsolete equipment and wiring to the electrical system when there is a threat to health and safety or inadequate capacity;
2. Replacement of the heating system when there is no heat or inadequate heating;
3. Replacement of the potable water or sanitary plumbing systems, hot water heaters, and access to the water supply from municipal utilities;
4. Replacement of windows when the windows are inoperable and cannot be made operable or the framing is rotten or twisted;
5. Replacement of roofs resulting in leaks, structurally unsound underlayment, unsafe, or open to the elements;
6. Replacement of doors that do not open and shut properly from warping and frame damage, including locking systems when replaced at the same time;
7. Bathroom.
 - a. Replacement of sinks and toilets when fixtures are leaking, cracked, or inoperable;
 - b. Replacement of the tub or shower when current surface is damaged or poses an unsafe condition, or leaks;
8. Kitchen. Replacement of cabinets, sinks and appliances (if part of comprehensive renovation project);
9. Faulty porches and steps that present a safety risk;
10. Establishing barrier free access for disabled resident;
11. Structural repair;
12. Replacement of exterior cladding systems (siding, stucco and similar materials);
13. Repair or replacement of flooring where joist and subfloor structural problems are corrected; and
14. Lead-based paint removal

E. ESTIMATE SELECTION PROCEDURE

1. In accepting an estimate received as a result of the above outlined procedure, the following shall govern:

2. The acceptance or rejection of an estimate shall be at the discretion of the housing rehabilitation administrator and the code official. However, the housing rehabilitation housing rehabilitation administrator will require that the lowest responsible estimate be accepted for a home rehabilitation project or the cost difference can be paid by the homeowner from non-program funds.
3. The acceptance or rejection of an estimate for a non profit project shall be at the discretion of the housing rehabilitation administrator and the code official. The housing rehabilitation administrator will require that the lowest responsible estimate be accepted by the representative of the nonprofit.
4. Should the low estimate appear to be acceptable with the exception of minor errors or deviations from accepted estimate submission procedures, these minor procedural variations may be waived by the housing rehabilitation administrator and code officials.
5. Should the low estimate appear to be acceptable with the exception that the cost of rehabilitation exceeds available program resources, the housing rehabilitation administrator, at the request of the owner, may negotiate with the contractor to attempt to either reduce the cost of construction or reduce the scope of work to conform to the owner's funding limitations.
6. Should all the estimates appear to be excessive, (defined as greater than 10 percent deviation from program estimate to the project total cost) the housing rehabilitation administrator may return the estimate to the interested contractors and request that they resubmit with more reasonable costs within a maximum of three working days from the opening estimates.
7. Should all estimates received and/or resubmitted estimates remain unreasonable on the basis of the housing rehabilitation administrator estimate of construction costs, all estimates will be rejected and the estimating procedure will be repeated.

B. CONSTRUCTION CONTRACT

1. Construction contract documents shall be prepared by the housing rehabilitation administrator in accordance with the standard contract document format established by the Housing Authority. The procedures in this regard shall be as follows:
2. A contract will be prepared by the housing rehabilitation administrator for execution by the contractor and the homeowner/nonprofit representative.
3. The homeowner and the successful contractor will be notified and a preconstruction meeting shall be scheduled to sign contracts at the Community Development office.
4. Construction work should be stated within 30 days of contract execution and completed within 90 days after the construction contract is executed (weather permitting) as more particularly described in Paragraph M. Below.

5. No advance payments will be made to the contractor from the start of construction work.
6. Contractors will be paid in states with a percentage of retained funds, as specified in paragraph K. Below.
7. A certificate of final inspection will be signed by the code official before the final payment is issued.

C. PERMITS

1. The successful construction contractor will be responsible for securing all required permits. In order to assure strict compliance with all applicable codes, the following procedures shall apply to program activities:
2. A copy of the rehabilitation case approval form together with the construction proceed order and work write-up for each approved case, will be forwarded to the City Code Enforcement Officer.
3. A photostatic copy of all construction permits will be placed in each case file before a construction proceed order will be issued or before a specific work item may be started.
4. Evidence of code compliance (copy of certificate of acceptance) and issuance of ALL required inspection approvals will be incorporated in the case files prior to authorization of final payment.

D. CHANGE ORDERS

All construction activity requiring a contract change order shall immediately be reduced to writing as to the necessity for the change order, the work items and the dollar amount of the change. Also, in addition to securing homeowner and contractor signatures, all change orders are to be reviewed and approved by housing rehabilitation administrator.

E. COST ALLOWANCE.

Wherever practicable, the housing rehabilitation administrator shall include a material cost allowance as well as a quality reference in construction specifications for all major fixtures and equipment. These material cost allowances will be provided for such items as electrical fixtures, appliances, cabinets, floor coverings and similar items. Any upgrade from these cost allowances will be at the expense of the property owner or the nonprofit organization.

F. PAYMENT SCHEDULE

1. The standard construction contract payment schedule will be two payments as follows unless special conditions warrant an alternate payment schedule.

2. Payment 1: Upon completion of 50% or more of construction and the prevailing wages paperwork required under the contract, a payment in an amount equal to 45% of the construction amount will be made.
3. Payment 2: Upon completion of 100% of construction required under the contract and receipt of all inspection certifications, warranties and release of liens, a payment in an amount equal to 90% (less prior payments, if any) of the construction contract amount will be made.

G. MAXIMUM OPEN CONSTRUCTION CONTRACTS

1. The maximum number of open construction contracts administered by the Bayonne Housing Authority housing rehabilitation program which may be held by a single contractor and/or its subsidiaries shall be two (2) contracts. This limitation has been established to:
2. Maintain an open competitive bidding/estimating procedure which will broaden the base of contractor participation and reduce the potential for a single contractor to eliminate competitive contractors from the process.
3. Reduce the potential for extensive construction delays which may result from contractors, securing contracts in excess of their capacity to perform over the short term.

H. CONTRACT PERFORMANCE AND PENALTIES

1. Unless otherwise agreed by mutual consent of the owner, contractor and program administrators, the following performance schedule provisions shall apply:

2. The construction contract shall be executed by the selected contractor within 18 days of bid/estimate opening and notification.
3. Construction shall commence on site within 30 days of the date the construction contract is fully executed.
4. Construction shall be complete (conditions permitting) within 90 days of the date the construction contract is fully executed.
5. The contractor is to provide an estimated completion date of the project.
6. Any extension of the construction performance schedule, establish in the construction contract shall require a written construction contract change order specifying the schedule change, mutually agreed and fully executed by the owner, the contractor, housing rehabilitation administrator and code officials. The extension of schedule time shall not be unreasonably withheld when evidence of good cause for such extension is provided.
7. In the event contractor is determined to be in violation of the construction performance schedule (as it may be amended) by more than 30 days, the construction contract may be terminated by the owner with the consent of the housing rehabilitation administrator. In the event of such violation of the construction performance schedule provisions, the termination of the agreement may occur without prior notice to the contractor.
8. In the event a construction contract is terminated, items in the contract not completed by the original contractor will be contracted for completion in accordance with program procedures. The cost of completing original construction contract items shall be deducted from the original contract amount before any arrangements for a final payment to the original contractors are made.

I. OTHER CONTRACTING PROVISIONS

In addition to the above provisions, participating contractors will be required to comply with the following contracting provisions:

1. Change order unit price costs will be limited to, the costs quoted in the contract bid documents or absent a bid price generally acceptable prices used by the program and other participating contractors.
2. The behavior and misdemeanor of all contractors and that of their employees and subcontractors at any construction site shall be professional and workmanlike and shall be devoid of abusive and vulgar language and mannerisms.
3. During the period that a contractor has a program construction contract open on a particular program project, the contractor shall not enter into separate side agreements or arrangements with the property owner without the consent of the housing rehabilitation administrator and a fully executed change order.
4. All change orders are to be written documents conforming to program standards, approved by an authorized program representative and executed by the owner, program representative and contractor.
5. Contractors will be expected to conform to and comply with project work write-ups and contracting specifications and applicable provisions of this Policy and Procedural Manual
6. If the program is not given notice at any point during construction that subcontractors, material men or suppliers have not been paid for work done or materials supplied to and for the project, the program shall retain amounts sufficient to satisfy the claims until satisfactory evidence of satisfaction and release by the subcontractors, materialmen or suppliers are presented. The contractor shall promptly pay or bond any liens established.
7. If, in the opinion of the program staff, the contractor has satisfied the contract and the borrower refuses to request or release the final payment, the program may require the borrower to explain in writing within ten (10) days why the program should not make direct payment to the contractor. The program may then refer the case to the appropriate entities responsible for arbitrating construction disputes.

CASE PROCESSING PROCEDURES

A. CASE APPROVAL AND DISBURSEMENTS TO THE CONSTRUCTION LOAN ACCOUNT

1. The Housing Authority will establish a rehabilitation construction loan account to address the administrative complexities of the housing rehabilitation program implementation and the need to provide timely payments to small contractors. Accordingly, the following procedure has been developed.
2. The housing rehabilitation program forms "Case Approval Sheet" and "Case Approval Summary Sheet" will be presented to the Housing Administrator for review and approval.
3. A construction loan account will be established using housing fund resources, local funds or other sources. No deposit to the escrow account shall be made until after the contract has been executed between the property owner and the rehabilitation contractor. This construction loan account will be funded at the level necessary to make available cash resources necessary to make timely payments to housing rehabilitation contractors for construction completed on approved owner properties. The construction loan account shall be an interest bearing account.
4. Funds will be transferred to the construction loan account on the basis of a requisition to the Program fund source account, which will reflect an estimate of the cash needs of the program by the housing rehabilitation program staff. The requisition shall be submitted to the Housing Authority and the fund transfer shall be subject to the approval of the Housing Administrator.
5. A separate housing rehabilitation program obligation ledger will be maintained to provide a record of fund availability and commitments for each source program.
6. Construction loan account case sheets will be used to provide adequate control over the financial status of each individual case. Deposited funds shall be expended over the construction period.
7. Cash in the construction loan account will not be specifically designated as held for each applicant.

B. EXPENDITURE REGULATIONS

Funds will be disbursed from the construction loan account in accordance with Housing Authority procedures and State regulations. Basically, these procedures and regulations are designed to assure that approved funds are properly expended on authorized improvements, and may be summarized as follows:

1. A lien will be placed on the property and recorded in the appropriate Hudson County office of Records to assure the housing rehabilitation program direct subsidy loan is repaid in the event of a default under the loan terms and conditions during the loan period.
2. A construction contract will be entered into between the owner and a contractor, who must be registered with the housing rehabilitation program, and properly insured.
3. Established estimating procedures will be used to assure fair and competitive home improvement costs.
4. Construction will be regularly inspected by the housing rehabilitation program administrators and progress payments must be approved by the rehabilitation program administrators, as well as the owner.
5. All payments will be made in accordance with Housing Authority housing rehabilitation program vouchering procedures and will require proper verifications and certifications.
6. Final construction documentation will be collected for the file and supplied to the applicant at the time of construction completion.

C. CONSTRUCTION LOAN ACCOUNT DISBURSEMENTS

1. Payments due rehabilitation contractors in accordance with the above expenditure regulations will be processed as follows:
2. The rehabilitation contractor or material supplier will submit a voucher to the program administrators with receipts attached for payment. This voucher will be prepared on the established rehabilitation program disbursement account voucher.
3. The program administrators will receive the voucher and review the voucher against the contract to determine that the request is in keeping with provisions of the contract. The program administrators will then review the voucher against the availability of funds committed to the owner to assure that funds are available.
4. Once the program administrators have determined that the voucher is appropriate in terms of the contractual obligations and funds are available, the subject property will be inspected to verify that work requested for payment has been completed. Once this inspection has been made, the program administrators will, if all is in order, approve the voucher.
5. A check will be prepared by the Housing Authority in the name of the property owner and the contractor or material supplier. The check will be attached to the documentation submitted and disbursed by the housing administrators.

6. The housing rehabilitation program administrators will properly note the disbursement of funds in a control ledger and file the voucher and attached receipts in the project case file. The housing administrator will retain a copy of the voucher as a separate program record.
7. The housing rehabilitation program administrators will make appropriate entries into the property owner for Disposition of Funds ledger.
8. The program administrators will secure the homeowner's endorsement on the check and will then allow the contractor to pick up the check as payment for work completed provided the required acknowledgement of receipt of the check is signed or the check will be mailed to the contractor.
9. The schedule for payments from the escrow checking account will provide for periodic payments.

D. PAYMENT AND CONTRACTURAL DISPUTES

In the event there arises a dispute regarding payment, construction or contractual matters, disputes shall be resolved in accordance with the following policy:

1. The housing rehabilitation program administrators shall attempt to negotiate any dispute and establish a settlement which is acceptable to the owner, the contractor and the Housing Authority.
2. In the event the dispute cannot be negotiated, the housing rehabilitation program administrators;
 - a. May order that all construction activity cease and advise the owner and the contractor that the Contractual Agreement is to be held in abeyance for cause if such action is deemed necessary, and the dispute is to be submitted for arbitration as set forth below.
 - b. Shall complete a detailed inspection of the subject premises and identify all work items:
 - 1) satisfactorily completed;
 - 2) unsatisfactorily completed; or
 - 3) not completed.
 - c. Shall, based on the above inspection and a review of the contractor's bid documents, the project cost estimate, and available cost data, determine the value of:

- 1) work satisfactorily complete;
 - 2) work required to correct all unsatisfactorily completed construction; and/or
 - 3) work remaining to be completed.
3. Upon completion of the actions described in Paragraph D.2. above, the housing rehabilitation program administrators shall provide their recommendation for resolution of the dispute. If the dispute is resolved in accordance with the administration recommendation or other acceptable manner, the resolution shall be duly memorialized and no further action will be required. In the event the dispute cannot be resolved, the matter will be submitted to arbitration as set forth below.
 4. In the event the dispute cannot be resolved through negotiation, the matter shall be submitted to binding arbitration before a neutral third party, preferably an established arbitration service. In the event arbitration is required, the following procedure shall apply:
 - a. The arbitrator shall schedule a hearing for the matter in a timely manner.
 - b. Parties to the dispute and their representatives may attend the arbitration hearing.
 - c. Written and oral arguments and statements may be presented at the hearing.
 - d. Based upon the information presented at the hearing, the arbitrator shall determine the manner of resolution of the dispute.
 - e. Resolution of the dispute may include unilateral Bayonne Housing Authority acceptance or rejection of materials or construction quality and/or payment or withholding of payment of program funds.
 5. None of the above procedures shall be considered to abridge in any way the rights of any of the parties in the dispute to seek such legal remedies to which they may be entitled.

E. RECAPTURE OF UNUSED FUNDS

In the event that all or a portion of the assistance approved for use by an applicant is not used for the purpose of completing approved housing rehabilitation activities, those funds shall be recaptured by the Housing Authority and used for the purpose of completing other housing rehabilitation program activities.

F. AUDITS AND REPORTS

1. The housing rehabilitation program staff shall maintain sufficient on-site records and information necessary for the documentation of any and all facets of the rehabilitation program. The Housing Authority and housing rehabilitation program administrators shall permit on-site inspection and auditing of all records, books, papers and documents associated with the housing rehabilitation program by authorized representatives of the Housing Authority and its designees. The Housing Authority and housing rehabilitation program staff agree to maintain all records, reports, and other documentation following the completion of all close-out procedures respecting the use of funds and the final settlement and conclusion of all issues arising out of the housing rehabilitation program.
2. The housing rehabilitation program administrators shall provide reports on the project as described herein. These reports shall enable the Housing Authority to prepare and submit performance and evaluation reports, which contain completed copies of all required forms and narratives as may be required by the City of Bayonne.

G. MORTGAGE AND SUBORDINATION

1. The Housing Authority will secure its interests in assisted properties through filing and recording of a subordinated mortgage which specifies the terms and conditions of its assistance as described herein. However, the Housing Authority recognizes that the owners of assisted property may find it necessary to refinance. The deferred payment mortgage loan may be subordinated for **no-cash-out** refinancing and other reasonable purposes. If the homeowner solicits additional refinancing, it will be required that the deferred payment mortgage loan be repaid to the City. At the time of lien repayment, hardship cases unable to pay all or part of the lien may request forgiveness consideration. The Governing Body will be apprised of the circumstances resulting any possible default and will consider any override decision based on documentation presented by program staff.

City of Bayonne

Fourth Round Housing Element and Fair Share Plan June 10, 2025

APPENDIX C - Plattykill Manor Apartments Documentation



Plattykill Manor Apartments

22-26 E12th St

32-36 E12th St

19-23 E19th St

31-35 E19th St

51 Ave E

Bayonne, New Jersey 07002

May 26, 2025

Joseph D. Skillender Jr., ESQ

Director of Planning, Zoning, and Development

City of Bayonne Department of Planning, Zoning, and Development

**RE Plattykill Manor Apartments Capital
Expenditures 2020-2025**

Dear Mr. Skillender:

Please be advised that this letter serves as a certification that Plattykill Manor have completed the below capital expenditures from 2020 2025. Should you have any questions or need additional information, please let us know.

Description	# of units	Amount
Kitchens - Premium Package	146	1,168,000
Full Bathrooms	146	1,022,000
Half Bathrooms	28	140,000
Façade Exterior retaining wall upgrades	1	350,000
New Compactors	5	75,000
New Fire Pumps/fire alarm upgrades	5	300,000
New H/H/W Boilers	5	800,000
Total		3,855,000

Sincerely,

Plattykill Manor Urban Renewal, LLC

Gary Woldiger, Director of Operations

Gary Woldiger

O-21-04
1/20/21

ORDINANCE OF THE CITY OF BAYONNE, COUNTY OF HUDSON AMENDING A FINANCIAL AGREEMENT BY AND BETWEEN THE CITY OF BAYONNE AND PLATTYKILL URBAN RENEWAL, LLC FOR THE PROPERTY LOCATED AT 18-52 EAST 12TH STREET, WHICH PROPERTY IS IDENTIFIED AS BLOCK 268, LOT 2 AS SHOWN ON THE OFFICIAL TAX MAP OF THE CITY OF BAYONNE

WHEREAS, the City of Bayonne, in the County of Hudson, New Jersey (the “**City**”), a public body corporate and politic of the State of New Jersey (the “**State**”), is authorized pursuant to the Local Redevelopment and Housing Law, *N.J.S.A. 40A:12A-1 et seq.* (the “**Redevelopment Law**”), to determine whether certain parcels of land within the City constitute an area in need of rehabilitation and/or an area in need of redevelopment; and

WHEREAS, Plattykill Urban Renewal, LLC (the “**Entity**”) is the owner of certain property identified on the Tax Maps of the City as Block 268, Lot 2 (the “**Property**”) as more particularly described by the metes and bounds description set forth in the application submitted by the Entity (the “**Application**”); and

WHEREAS, the Property is currently receiving a tax exemption pursuant to the New Jersey Long Term Tax Exemption Law, *N.J.S.A. 40A:20-1 et. seq.* (the “**Exemption Law**”) as the property operates as a 147 unit low and moderate income apartment complex; and

WHEREAS, under the terms of the proposed agreement the Entity will be required to maintain the low and moderate income units as a condition of the financial agreement; and

WHEREAS, under the terms of the agreement the Entity is required to undertake the rehabilitation of each individual unit within the property to be completed within twenty-four months of the effective date of the financial agreement; and

WHEREAS, the Entity has requested an extension related to the required construction time framed based upon the need to protect the safety and welfare of the residents from increased exposure due to Covid-19; and

WHEREAS, the agreement permits the Municipal Council to grant and extension due to the current state of emergency related to the pandemic; and

WHEREAS, the City Council deems it to be in the best interest of the residents to extent the time frame for the commencement and completion of the required rehabilitation of the project.

NOW THEREFORE, be it Ordained that the City Council of the City of Bayonne does hereby amend the Agreement with Plattykill Urban Renewal, LLC as follows:

Section 1. The Rehabilitation of the Project shall commence by July 1, 2021 and shall be completed no later than December 31, 2022.

Section 2. All other terms and conditions of the Agreement between the City of Bayonne and Plattykill Urban Renewal, LLC remain in full force and effect.

Section 3. The tax exemption granted remains conditioned on the rehabilitation of the 147 units within the property and the maintenance of the low- and moderate-income designation of each unit.

Section 4. Counsel is authorized to prepare, and the Mayor is hereby authorized to execute any additional documents that may be necessary to implement and carry out the intent of the Ordinance.

SECOND AMENDMENT TO THE IN LIEU MINIMUM PAYMENT AGREEMENT**BETWEEN****PLATTYKILL URBAN RENEWAL, LLC****AND****THE CITY OF BAYONNE**

THIS SECOND AMENDMENT to the In Lieu Minimum Payment Agreement ("Second Amendment") entered into between PLATTYKILL URBAN RENEWAL, LLC, an urban renewal entity qualified to do business under the provisions of the Long Term Tax Exemption Law of 1992, as amended and supplemented, N.J.S.A. 40A:20-1, et seq. (the "LTTE Law") having its principal address of 691 Elizabeth Avenue, #2, Newark, NJ 07112 (hereinafter referred to as the "Entity"), and the City of Bayonne, a municipal corporation of the State of New Jersey, County of Hudson, having an address of 630 Avenue C, Bayonne, N.J. 07002 (hereinafter referred to as the "City"), hereby amends that certain In Lieu Minimum Payment Agreement (the "Tax Agreement") dated June 15, 1978 as amended by the Settlement Agreement dated May 20, 2009 (the "Settlement Agreement"), and as amended by the November 27, 2018 Amendment to the In Lieu Minimum Payment Agreement (the "First Amendment").

WITNESSETH:

WHEREAS, in accordance with the Limited-Dividend Nonprofit Housing Corporations or Associations Law, as amended, N.J.S.A. 55:16-1, et seq. (now repealed) (the "Limited-Dividend Law"), Plattykill Manor Assocs. (the "Sponsor") entered into the Tax Agreement with the City dated June 15, 1978, for the property located at 18-52 E. 12th Street, Block 268, Lot 2, Bayonne, New Jersey, (the "Project") a copy of which is attached as Exhibit A. The Tax Agreement was approved by Resolution of the City dated September 14, 1977; and

WHEREAS, the Tax Agreement was modified by a Settlement Agreement between the City and the Sponsor dated May 20, 2009 which was approved by Resolution dated March 18,

2009 which modified the calculation of the annual service charge, a copy of which is attached as Exhibit B.; and

WHEREAS, the Entity acquired the Project on April 18, 2014 subject to the Tax Agreement and Settlement Agreement pursuant to a Transfer of the In Lieu Minimum Payment Agreement; and

WHEREAS, on November 7, 2018 the City approved the First Amendment to the Tax Agreement and Settlement Agreement providing for an extension for the tax exemption from November 1, 2018 through May 1, 2020, a copy of which is attached hereto as Exhibit C. The First Amendment, dated November 27, 2018, also increased the annual service charge to be the greater of the sum of \$220,000 per year for the period effective November 1, 2018 through May 1, 2020 or 30% of the net sum of subsidized tenants' shelter rent actually paid by the tenants excluding all forms of government subsidy or assistance paid to the property owner on behalf of tenants, less costs of utilities to owner, including fuel, electricity, gas, water and sewer charges; and

WHEREAS, Plattykill Urban Renewal, LLC has continued to abide by the terms of the Tax Agreement and Settlement Agreement and First Amendment and has made all payments due under the Tax Agreement and Settlement Agreement and First Amendment; and

WHEREAS, the Tax Agreement and the Settlement Agreement and First Amendment remain in full force and effect as of the date of this Second Amendment; and

WHEREAS, the Limited-Dividend Law was repealed by the LTTE Law. In the enactment of LTTE Law, the Legislature provided:

An urban renewal entity organized and operating under a law repealed by this act shall not be affected by that repeal. Any financial agreement entered into and any tax exemption granted or extended, shall remain binding upon the urban renewal entity and the municipality, subject to modification by mutual written consent, as if the law under which it was entered into, or granted or extended, had not been repealed by this act. Ch. 431, Laws 1991.

WHEREAS, pursuant to Ch. 431, Laws 1991, the Tax Agreement and Settlement Agreement and First Amendment, continue to be binding upon the Entity and the City under the repealed Limited-Dividend Law and the Tax Agreement and Settlement Agreement and First Amendment will continue to govern the terms of the tax in lieu payment to the City; and

WHEREAS, pursuant to Ch. 297, Laws 2019, effective January 13, 2020, the Legislature provided:

Notwithstanding the provisions of sections 12 and 13 of P.L.1991, c. 431 (C.40A:20-12 and C.40A:20-13) to the contrary, the governing body of a municipality may agree to continue a tax exemption for a State or federally subsidized housing project beyond the date on which existing first mortgage financing is fully paid so long as the project remains subject to affordability controls pursuant to:

- a. project-based federal rental assistance, authorized pursuant to section 8 of the United States Housing Act of 1937 (42 U.S.C. s.1437f), or other federal or State project-based assistance;
- b. the Uniform Housing Affordability Controls promulgated by the New Jersey Housing and Mortgage Finance Agency; or
- c. the rent and income limits established by the federal Low Income Housing Tax Credit program pursuant to section 42 of the Internal Revenue Code (26 U.S.C. s.42).

WHEREAS, the Project meets the requirements of Ch. 297, Laws 2019; and

WHEREAS, the Entity was formed pursuant to the LTTE Law provisions specified in N.J.S.A. 40A:20-5; and

WHEREAS, the City reiterates its findings set forth in the recitals of the Tax Agreement and Settlement Agreement and First Amendment regarding the benefits to the City of the Project's tax exemption and further finds that continuation of the tax exemption will benefit the City; and

WHEREAS, in consideration of this Second Amendment, the Entity has agreed that within six months of the execution of this Second Amendment the Entity will commence a rehabilitation of all units at the subject property to be completed within eighteen months after the

commencement of the rehabilitation. The anticipated rehabilitation will be an improvement of all units' kitchen and bathroom areas in a total amount of approximately \$1,811,040, or \$12,320 per unit. A copy of the anticipated rehabilitation work is attached as Exhibit D.

WHEREAS, the City and the Entity have determined that it is in their mutual best interests to modify and amend the Tax Agreement and Settlement Agreement and First Amendment to provide for an extension of the in lieu payment to the City; and

WHEREAS, modifications or amendments to tax exemptions and financial agreements are authorized pursuant to N.J.S.A. 55:16-1, et seq., N.J.S.A. 40A:20-1 et seq., and Ch. 297, Laws 2019 subject to the mutual consent of the City and the Entity; and

WHEREAS, the Entity and the City accordingly desire to provide for an extension of an additional term of fifteen years from the expiration date set forth in the First Amendment, which was May 1, 2020, through May 1, 2035; and

WHEREAS, by the adoption of Ordinance 0-20-29 on April 15, 2020, the City approved this Second Amendment to the Tax Agreement and Settlement Agreement and First Amendment; and

NOW, THEREFORE, in consideration of the mutual covenants herein contained, and for other good and valuation consideration,

IT IS HEREBY MUTUALLY COVENANTED AND AGREED, by and between the parties, that the Tax Agreement and Settlement Agreement and First Amendment is hereby amended as follows:

1. The tax exemption granted by the City under this Second Amendment to the Tax Agreement and Settlement Agreement and First Amendment is required for the Project's continued viability as a Section 8 housing project to provide low and moderate income housing in the City; and

2. The tax exemption granted by the City under the Second Amendment to the Tax Agreement and Settlement Agreement and First Amendment is required for the proposed rehabilitation as set forth in Exhibit D; and

3. The Entity and the City agree that the Tax Agreement and Settlement Agreement and First Amendment shall be extended for an additional fifteen (15) year term from May 1, 2020 through May 1, 2035, consistent with the terms and provisions of the Limited-Dividend Law, LTTE Law, Ch. 297, Laws 2019, and all applicable local, state and federal laws that may apply to the Project; and

4. The Entity and the City agree that the Tax Agreement and Settlement Agreement and First Amendment, shall be amended to provide that:

(v) The calculation of the minimum payment contained in Paragraph 6 of the Tax Agreement, as amended by the Settlement Agreement and as amended by the First Amendment, shall upon May 1, 2020, be the greater of (a) the sum of \$230,000 per year for the period effective from May 1, 2020 through June 30, 2023 or (b) 30% of the net sum of subsidized tenants' shelter rent actually paid by the tenants excluding all forms of government subsidy or assistance paid to the property owner on behalf of tenants, less costs of utilities to owner, including fuel, electricity, gas, water and sewer charges.

(ii) From July 1, 2023 through June 30, 2025, Plattykill URE will pay, as the annual service charge, the greater of (a) the sum of \$240,000 per year or

- (b) 30% of the net sum of subsidized tenant's shelter rent actually paid by the tenants excluding all forms of government subsidy or assistance paid to the property owner on behalf of tenants, less costs of utilities to owner, including fuel, electricity, gas, water and sewer charges.
- (iii) From July 1, 2025 through June 30, 2030, Plattykill URE will pay, as the annual service charge, the greater of (a) the sum of \$275,000 per year or (b) 30% of the net sum of subsidized tenant's shelter rent actually paid by the tenants excluding all forms of government subsidy or assistance paid to the property owner on behalf of tenants, less costs of utilities to owner, including fuel, electricity, gas, water and sewer charges.
- (iv) From July 1, 2030 through May 1, 2035, Plattykill URE will pay, as the annual service charge, the greater of (a) the sum of \$315,000 per year or (b) 30% of the net sum of subsidized tenant's shelter rent actually paid by the tenants excluding all forms of government subsidy or assistance paid to the property owner on behalf of tenants, less costs of utilities to owner, including fuel, electricity, gas, water and sewer charges.
- (v) In the event that HUD terminates the project based Section 8 Contract with the owner, for any resulting unsubsidized unit owner shall pay a proportionate in lieu payment for that unit equal to 15% of gross shelter rent for that unit less cost of utilities to owner including fuel, electricity, gas, water and sewer charges, provided however, that in no event shall the yearly minimum in lieu of payment to the City of Bayonne for the property be less than: (a) \$230,000 per year for the period effective from the date of May 1, 2020 through June 30, 2023; (b) \$240,000 per year for

the period effective July 1, 2023 through June 30, 2025; (c) \$275,000 per year for the period effective July 1, 2025 through June 30, 2030; and (d) \$315,000 per year for the period effective July 1, 2030 through May 1, 2035.

- (vi) Effective May 1, 2020 through May 1, 2035, the City may terminate the Tax Agreement and Settlement Agreement and First Amendment and this Second Amendment in the event the Entity does not commence the rehabilitation within six months from the execution of this Second Amendment and complete the rehabilitation, as set forth in Exhibit D, within twenty four months from the commencement of the rehabilitation. In addition, if the Entity fails to complete at least 35% of the rehabilitation for the units within eighteen months of the execution of this Second Amendment then the City may terminate this agreement. The Entity by a showing of good cause may request an extension of the time frames for the Rehabilitation obligation from the City. The Entity and the City hereby agree that good cause shall include the New Jersey State of Emergency due to the COVID-19 pandemic. Any extension must be approved by the City at a public hearing.

5. The Entity agrees that, during the three year period following the execution of this Agreement, it will not take action to evict a tenant based on the tenant's failure to pay rent if the tenant's failure to pay rent is due to the tenant's loss of a job.

6. The Entity shall pay a fee of five thousand dollars (\$5,000) to the City on the Effective Date to offset the costs and expenses of the City associated with this agreement and the application and analysis and other costs related to same.

7. The Entity shall also pay annually an administrative fee to the City in addition to the Annual Service Charge. The Administrative Fee shall be computed as two percent (2%) of the greater of the Annual Service Charge or Minimum Annual Service Charge required pursuant above. This fee shall be payable and due on or before December 31st of each year, and collected in the same manner as the Annual Service Charge. In the event the Entity fails to pay the Administrative Fee when due and owing, the amount unpaid shall bear the highest rate of interest permitted under applicable New Jersey law in the case of unpaid taxes or tax liens until paid. Notwithstanding the foregoing, the City may, in its sole discretion, reduce or waive the Administrative Fee to the extent the Entity can justify a financial need for a waiver or reduction; provided, that, any reduction or waiver of the Administrative Fee by the City shall not be deemed to be a reduction or waiver of the Entity's obligations under the term of the this Agreement. The City recognizes the benefit to the City from the Project's 147 units of Section 8 low income housing and wishes to maintain the Project as affordable housing within the City. Therefore, the City agrees that if the Entity has maintained the Project as Section 8 low income housing through the 15 year extension of the Agreement, and the Entity remains in good standing under the Agreement, the City will meet with representatives of the Entity in Year 14 to discuss extending the Agreement for an additional period of time pursuant to Ch. 297, Laws 2019. Any such discussions will be followed by the submission of an application for an extension of the Agreement by the Entity, which will be considered and

reviewed for approval by the City's municipal council prior to the expiration of this Second Amendment.

8. The Entity also agrees that during the term of the Agreement and in consideration for the agreed upon financial terms that as an expressed condition the Entity will be solely responsible for the collection, storage, removal and disposal of all waste and recyclables associated with the Property and its uses. The Entity shall be responsible for all costs associated with regards to this provision and hereby affirmatively waives any claim or rights for reimbursement of costs. The waste collection shall commence within three months of the execution of this agreement and shall be approved by the City in regards to the manner in which the waste is handled and stored for collection.

9. It is understood and agreed that in the event the City shall be named as party in any action brought against the City or Entity by allegation of any breach, Default or a violation of any of the provisions of this Agreement, the provisions of the Limited-Dividend Law, Long Term Tax Exemption Law or any other applicable law, and/or in any way related to the Project, the Entity shall, at its sole cost and expense, defend, indemnify and hold the City harmless from and against all liability, losses, damages, demands, costs, claims, actions or expenses (including reasonable attorneys' fees and expenses) of every kind, character and nature arising out of or resulting from the action or inaction of the Entity and/or by reason of any breach, Default or a violation of any of the provisions of this Agreement, the provisions of the Limited-Dividend Law, Long Term Tax Exemption Law or any other applicable law, and/or in any way related to the Project, except for any misconduct by the City or any of its officers, officials, employees or agents. However, the City maintains the right to intervene as a party thereto, to which intervention the Entity hereby consents.

10. All other provisions of the aforesaid Tax Agreement and Settlement Agreement and First Amendment shall remain in full force and effect as amended by this Second Amendment.

IN WITNESS WHEREOF, the parties have caused this Amendment to be executed this
30th day of April, 2020.

WITNESS:

ATTEST:

PLATYKILL URBAN RENEWAL, LLC

By: _____

CITY OF BAYONNE

By: _____

O-20-29
04/15/20

ORDINANCE OF THE CITY OF BAYONNE, COUNTY OF HUDSON APPROVING A FINANCIAL AGREEMENT BY AND BETWEEN THE CITY OF BAYONNE AND PLATTYKILL URBAN RENEWAL, LLC FOR THE PROPERTY LOCATED AT 18-52 EAST 12TH STREET, WHICH PROPERTY IS IDENTIFIED AS BLOCK 268, LOT 2 AS SHOWN ON THE OFFICIAL TAX MAP OF THE CITY OF BAYONNE

WHEREAS, the City of Bayonne, in the County of Hudson, New Jersey (the "City"), a public body corporate and politic of the State of New Jersey (the "State"), is authorized pursuant to the Local Redevelopment and Housing Law, *N.J.S.A. 40A:12A-1 et seq.* (the "**Redevelopment Law**"), to determine whether certain parcels of land within the City constitute an area in need of rehabilitation and/or an area in need of redevelopment; and

WHEREAS, the Municipal Council of the City (the "**Municipal Council**") adopted 9802-04-040, which designated the entire City of Bayonne as an area in need of rehabilitation in accordance with the provisions of *N.J.S.A. 40A:12A-14* of the Redevelopment Law; and

WHEREAS, Plattykill Urban Renewal, LLC (the "Entity") is the owner of certain property identified on the Tax Maps of the City as Block 268, Lot 2 (the "**Property**") as more particularly described by the metes and bounds description set forth in the application submitted by the Entity (the "**Application**"); and

WHEREAS, the Property is currently receiving a tax exemption pursuant to the New Jersey Long Term Tax Exemption Law, *N.J.S.A. 40A:20-1 et. seq.* (the "Exemption Law") as the property operates as a 147 unit low and moderate income apartment complex; and

WHEREAS, the Entity has submitted an Application to the City for approval of an extension of the tax exemption for the Project pursuant to the Exemption Law, which Application is attached hereto as *Exhibit A*; and

WHEREAS, the Entity has applied to the City Council for tax exemption pursuant to the New Jersey Long Term Tax Exemption Law, *N.J.S.A. 40A:20-1 et. seq.* (the "Exemption Law") and *N.J.S.A. 55:16-18* with respect to the Project; and

WHEREAS, under the terms of the proposed agreement the Entity will undertake the rehabilitation of each individual unit within the property to be completed within twenty four months of the effective date of the financial agreement; and

WHEREAS, under the terms of the proposed agreement the Entity will be required to maintain the low and moderate income units as a condition of the financial agreement; and

WHEREAS, the City Council finds that the requested tax exemptions will benefit the City and its inhabitants by furthering the improving the quality live of the projects residents and maintaining the affordability of the property, and that the benefits would substantially outweigh the costs, if any, associated with the tax exemptions;

WHEREAS, as part of its application for a tax exemption, the Entity has submitted a form of Financial Agreement (the "Financial Agreement") providing for payments in lieu of taxes, a copy of which is attached to this Ordinance; and

WHEREAS, the Entity has presented to this body certain financial information, copies of which are attached as exhibits to this Ordinance; and

WHEREAS, the City Council deems it to be in the best interest of the City to pass an Ordinance authorizing the City to enter into the proposed Financial Agreement with Plattykill Urban Renewal, LLC on the terms and conditions stated in the applicable form of Financial Agreement attached to this Ordinance;

NOW THEREFORE, be it Ordained that the City Council of the City of Bayonne does hereby adopt the tax exemptions for Plattykill Urban Renewal, LLC as follows:

Section 1. The development of the Project is hereby approved for the grant of a tax exemption under the Exemption Law by virtue of, pursuant to and in conformity with the provisions of the Exemption Law.

Section 2. The Mayor is hereby authorized to execute the Financial Agreement with Plattykill Urban Renewal, LLC in substantially the form attached hereto and subject to any further review, analysis or modifications that counsel may deem appropriate.

Section 3. During the term of the tax exemption with respect to Plattykill Urban Renewal, LLC, there shall be paid to the City in lieu of any taxes to be paid on the improvements of the Project, an annual service charge determined as provided in the Financial Agreement.

Section 4. The tax exemption grated is conditioned on the rehabilitation of the 147 units within the property and the maintenance of the low- and moderate-income designation of each unit.

Section 5. Counsel is authorized to prepare, and the Mayor is hereby authorized to execute any additional documents that may be necessary to implement and carry out the intent of the Financial Agreement.

EXHIBIT A

IN LIEU MINIMUM PAYMENT AGREEMENT

THIS AGREEMENT, made this 15 day of June 1978 between Platykill Manor Associates (hereinafter the Sponsor) which is a Limited Dividend Housing Association formed pursuant to the Limited Dividend Non-profit Housing Corporation or Associations Law as amended, or hereinafter amended (N.J.S.A. 55:16-1 et seq. hereinafter referred to as the "Limited Dividend" Law), having its principal office at 59-13th Street, Hoboken, New Jersey, and the City of Bayonne, a municipal corporation in the County of Hudson and State New Jersey (hereinafter designated as 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 and subject to the requirements of Section 18 of the Limited Dividend Law (N.J.S.A. 55:16-18) and a Resolution of the City Council of the Municipality dated September 14, 1977.

2. (a) The Municipality recognizes and approves the Sponsor as the proposed owner of its respective proposed project (as hereinafter defined) as set forth in the schedules annexed hereto.

(b) The Sponsor intends to develop and construct its Project pursuant to the National Housing Acts. The grant of tax abatement contained herein shall apply to the Sponsor and its Project as it is initiated as defined in Paragraph 5 hereof.

For these purposes, Project or Development are synonymous and are defined as one or more parcels of real estate being rehabilitated pursuant to one common construction and permanent mortgage.

3. It is expressly understood and agreed that the Municipality enters into this Agreement in reliance upon the data set forth in the financial plan for the project and set forth in the schedules hereto, and upon the supervision over the Sponsor vested by statute in the Public Housing and Development Authority in the Department of Community Affairs of the State of New Jersey (hereinafter referred to as the "Authority") and in the Department of Housing and Urban Development of the United States Government. The Municipality recognizes, however, the right of HUD to direct the Sponsor to make reasonable changes in the construction, maintenance and operation of the Projects including change in number of apartment units and/or rental, in its view, to ensure compliance with the financial and statutory requirements or its regulations and the federal and State statutes applicable to the Project, as amended or hereinafter amended. In such event, the financial plans set forth in the schedules hereto and this Agreement shall

be considered to be automatically amended to conform to the final financial plans of such Project.

4. The land upon which the Project is to be undertaken and which is hereby granted exemption from taxation is described as set forth in Part A of the schedules hereto.

5. The tax exemption established hereby shall be effective for the real estate or portion thereof and improvements thereon upon the date the Sponsor executes a first mortgage upon said parcel of real estate and the development pursuant to the mortgage insurance commitment of the Secretary of Housing and Urban Development or upon initiation of the rehabilitation construction, pursuant to said mortgage loan, whichever is sooner and shall continue for the period of said Federally insured Mortgage but not more than forty (40) years from the effective date. Taxes shall be apportioned between the in lieu service payment and prior existing taxes as of the effective date established by this Paragraph 5.

6. (a) In consideration of the aforesaid exemption from taxation, the Sponsor shall make payment to the Municipality of an annual service charge for municipal services supplied to said development, of not less than the minimum payment as defined in subsection (b) of this paragraph.

(b) The minimum payment, subject to adjustments as herein provided, referred to in this Agreement is defined as follows:

The greater of

(i) \$79,200, per annum or

(ii) 15% of the net sum of tenant shelter rents

actually paid by the tenants (shelter rent to exclude all forms of government subsidy or assistance paid to the owner) less cost of utilities to owner, including fuel, electricity, gas, water and sewer charges. The minimum fixed dollar payment is to be adjusted as follows. At anytime subsequent to the effective date of the abatement as defined in Paragraph 5 hereof, in the event that the tax rate for the municipality increases or decreases, or the total tax structure due to new state legislation causes a reduction or increase in the tax burden, the minimum fixed dollar payment shall be adjusted by the same proportion equal to the percentage increase or decrease in tax rate or tax burden. In addition, in the event that the average aggregate assessed valuation for multi-family residential apartment buildings in the municipality increases or decreases, as a result of re-evaluation and reassessment of the entire class at any time subsequent to the effective date of the abatement, the minimum fixed dollar payment shall be adjusted by the same proportion equal to the percentage increase or decrease in multi-family residential apartment building aggregate assessed value as a class. In the event both rate and class assessed value change, each calculation shall be applied separately to reach a resultant adjustment as set forth herein.

(c) The aforesaid payment by the Sponsor shall be made on a quarterly basis in accordance with bills issued by the Tax collector of the Municipality and in the same manner and on the same dates as real estate taxes are paid in the Municipality. Said quarterly payments shall be in the amount of one-fourth (1/4) of the minimum service charge set forth above except that no later than April 15 of any year after the issuance of a State or local Certificate of Occupancy for one or more units, or for the entire development, the Sponsor shall submit to the Tax Collector of the Municipality, for as long as this Agreement is in effect, including the April 15th of the year following the termination of the development as a limited dividend housing development, an auditor's report, certified to by a certified public accountant, setting forth the actual figures for the prior year comprising the annual gross shelter rents actually paid by tenants less utilities paid by the Sponsor of the development, and excluding all rental assistance or other government subsidy, and the total service charge due the Municipality at fifteen per cent (15%) thereof determined in the manner described herein. The Sponsor shall simultaneously pay the difference, if any, between 15% of the gross shelter rents (excluding all government assistance) less utilities, as herein defined, shown by the audit, and the sum of the four quarterly payments paid by the Sponsor to the Municipality. The Municipality may accept payment without prejudice to its right to challenge the accuracy of the audit and the amount due.

(d) All quarterly payments made under paragraph (b) above shall be in lieu of taxes and the Municipality shall have all the rights and remedies of tax enforcement granted to Municipalities by law just as if said payments constituted regular tax obligations on real property within the Municipality. If, however, the Municipality disputes the total amount of the annual service charge due it, based upon the Sponsor's annual report, it may apply to the Superior Court, Chancery Division, for an accounting of the service charge due the Municipality, in accordance with the Agreement and the Limited-Dividend Law. Any such action must be commenced within one year of the receipt of the Sponsor's report by the Municipality.

7. The tax exemption provided herein for each respective Project shall apply only so long as the Sponsor or its successors or assigns and the development remain subject to the provisions of the aforesaid Limited-Dividend Law (N.J.S.A. 55:16-1 et seq.) and the supervision of the Authority but in no event longer than forty (40) years from the effective date of the exemption as set forth in Paragraph 5 herein.

8. Upon any termination of such tax exemption of the Project, whether by affirmative action of the Sponsor, its successors and assigns or by virtue of the provisions of the Limited-Dividend Law, the respective development shall be taxed as omitted property in accordance with law.

9. The Sponsor, its successors and assigns shall,

upon request, permit inspection of property, equipment, buildings and other facilities of the development and also permit examination and audit of its books, contracts, records, documents and papers regarding operation of the projects by representatives duly authorized by the Municipality. Any such inspection, examination, or audit shall be made during the reasonable hours of the business day, in the presence of an officer or agent of the Sponsor or its successors and assigns.

10. A notice or communication sent by either party to the other hereunder shall be sent by certified mail, return receipt requested, addressed as follows:

(a) When sent by the Municipality to the Sponsor it should be addressed to Joseph Barry, Esq., 744 Broad Street, Newark, New Jersey 07102, or to such other address as the Sponsor may hereafter designate in writing.

(b) When sent by Sponsor to the Municipality, it shall be addressed to City Clerk, City Hall, Bayonne, New Jersey, or to such other addresses in respect to either party as that party may designate in writing. Copies of any notices by any party hereto, particularly any termination notice, shall be sent to HUD, attention Area Director, Newark Insuring Office, Gateway I, Newark, New Jersey.

11. It is agreed and understood that subject to the terms and provisions of paragraph 7 herein, and provided Sponsor

has not terminated this agreement the Sponsor agrees that without first obtaining the prior written consent of the Municipality, it will not sell or transfer title to the real estate described in the annexed schedules, to a corporation, association or entity, unless such corporation, association or entity qualified under the Limited-Dividend Law (N.J.S.A. 55:16-1 et seq.), as amended, and owns no other development at the time of the transfer and the transfer is approved by the Municipality. For these purposes a refinancing or mortgaging of the project by the Sponsor or any successor in interest shall not be considered a sale.

12. In the event of a breach of the within Agreement by either of the parties hereto or a dispute arising between the parties in reference to the terms and provisions as set forth herein either party may apply to the Superior Court, Chancery Division, to settle and resolve said dispute in such fashion as will tend to accomplish the purposes of the act known as the "Limited Dividend Nonprofit Housing Corporations or Associations Law."

13. Notwithstanding anything to the contrary set forth in this agreement, the Sponsor may terminate the exemption granted it for its respective project upon 90 days written notice to the Municipality. In the event of such termination by the Sponsor, the in lieu payments shall cease; the real estate shall be returned to the tax rolls; and the property assessed and taxed in

accordance with the laws of the State of New Jersey,

14. Notwithstanding anything in this Agreement to the Contrary, any foreclosure, assignment or transfer of the subject real estate to or by the Secretary of the Department of Housing & Urban Development of the United States shall not require the consent of the Municipality.

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

CITY OF BAYONNE

By *James J. Poulos*
Mayor

CLERK OF THE CITY OF BAYONNE

By *Edith M. Scott*

PLATYKILL MANOR ASSOCIATES

By *Joseph Barry*
General Partner

APPROVED AS TO FORM: *Frank J. Ziobro*
FRANK J. ZIOBRO, DIRECTOR
DEPARTMENT OF LAW

SCHEDULE A DESCRIPTION

All that certain plot, tract or parcel of land and premises, hereinafter particularly described, situate, lying and being in the City of Bayonne, County of Hudson, and State of New Jersey.

BEGINNING at the point of intersection formed by the northeasterly line of East 11th Street with the northwesterly line of Avenue E, and from thence running westerly of Avenue E, and from thence running (1) northeasterly along said northwesterly line of Avenue E, 218.08 feet to the southwesterly line of East 12th Street; thence (2) northwesterly along said southwesterly line of East 12th Street north 48 degrees 52 minutes west, 440.48 feet; thence (3) southwesterly and parallel to the southeasterly line of Broadway south 42 degrees 20 minutes west 200.04 feet to the said northeasterly line of East 11th Street; thence (4) southeasterly along said northeasterly line of East 11th Street south 48 degrees 52 minutes east 349.53 feet to the point and place of beginning.

Also described as Block 14, Lot 5A.

EXHIBIT B

SETTLEMENT AGREEMENT

WHEREAS Plaintiff, Platty Kill Manor Associates, a Limited Dividend Housing Association, having its principle office at 59-13th Street, Hoboken, New Jersey, has filed a Complaint in the Superior Court of New Jersey, Hudson County, Chancery Division, against the City alleging overpayment in connection with an in lieu minimum payment agreement entered into in 1978; and

WHEREAS, pursuant to the Limited Dividend Nonprofit Housing Corporation or Associations Law, N.J.S.A. 55:16-1 et seq. (hereinafter identified as the "Limited Dividend Law"), Plaintiff, Platty Kill Manor Associates, was formed as a Limited Dividend Housing Association in order to undertake the rehabilitation of a property in Bayonne, New Jersey for occupancy by low income families to be subsidized under the National Housing Acts; and

WHEREAS, the Limited Dividend Law was adopted based upon a declaration by the Legislature that there was a severe housing shortage in the State and there were places in many municipalities wherein residential dwellings lacked proper sanitary facilities and were in need of major repairs or unfit for residential use. It was determined that these conditions were detrimental to the health, safety, morals and welfare of the citizens of New Jersey and the creation of Limited Dividend Housing Associations served a public purpose by the provision of housing and the clearance and redevelopment of blighted areas; and

WHEREAS, Plaintiff, as Limited Dividend Housing Association, constructed and developed a 147 unit low income housing complex in the City of Bayonne (hereinafter the "Project" or "Property"); and



WHEREAS, Section 18 of the Limited Dividend Law provided that such a project and improvement shall be exempt from all property taxation; provided, that the developer and the municipality may enter into an in lieu of taxes agreement; and

WHEREAS, pursuant to the Limited Dividend Law and as a means of facilitating the development of the Project, Plaintiff and the City entered into an "In Lieu Minimum Payment Agreement" (hereinafter the "Agreement") dated June 15, 1978; and

WHEREAS, the Municipality entered into the Agreement through the authority conferred upon it by Section 18 of the Limited Dividend Law (N.J.S.A. 55:16-18) and by resolution of the City Council of the Municipality dated September 14, 1977; and

WHEREAS, in accordance with terms of the Agreement, Plaintiff received tax abatement for the Project, under the authority of Section 18 of the Limited Dividend Law, as set forth in the terms of the Agreement; and

WHEREAS, the terms of the Agreement provided that in consideration of the above-noted tax exemption, Plaintiff was required to make payment to the municipality of an annual service charge for municipal services supplied to the Project of not less than the minimum payment as defined in the Agreement as follows:

- a. The greater of
 - i) \$79,200, per annum or
 - ii) 15% of the net sum of tenant shelter rents actually paid by the tenants (shelter rent to exclude all forms of government subsidy or assistance paid to the owner) less costs of utilities to owner, including fuel, electricity, gas, water and sewer charges. (Paragraph 6 of the Agreement).

The Agreement further provided that the minimum fixed dollar payment would be adjusted as follows:

At anytime subsequent to the effective date of the abatement as defined in the agreement, in the event that the tax rate for the municipality increases or decreases, or the total tax structure due to new state legislation causes a reduction or increase in the tax burden, the minimum fixed dollar payment shall be adjusted by the same proportion equal to the percentage increase or decrease in the tax rate or tax burden. In addition, in the event that the average aggregate assessed valuation for multi-family residential apartment buildings in the municipality increases or decreases, as a result of re-evaluation and reassessment of the entire class at any time subsequent to the effective date of the abatement, the minimum fixed dollar payment shall be adjusted by the same proportion equal to the percentage increase or decrease in multi-family residential apartment building aggregate assessed value as a class. In the event both rate and class assessed value change, each calculation shall be applied separate to reach a resultant adjustment as set forth herein. (Paragraph 6 of the Agreement)

WHEREAS, the tax exemption provided to Plaintiff for the Property would remain in effect as long as the Plaintiff or its successors or assignees remained subject to the provision of the Limited Dividend Law but in no event longer than forty (40) years from the effective date of the exemption; and

WHEREAS, based upon the formula set forth in the Agreement for the calculation of the adjustment to the minimum payment due from Plaintiff in consideration of the exemption from taxation, the amount of the minimum payment eventually exceeded the amount of taxes that would have been due to the City had the Property been returned to the tax rolls and the property assessed and taxed in accordance with the laws of the State of New Jersey; and

WHEREAS, Plaintiff maintains that it substantially over paid the Municipality based on its contention that the parties never intended to permit

the "payment in lieu" to exceed the amount due had the Property been assessed as a non-exempt property; and

WHEREAS, at all times during the period that the "payment in lieu" is alleged to have exceeded the amount due had the Property been assessed as a non-exempt Property, Plaintiff and the Project remained as a qualified Limited Dividend Housing Association and continues as such thereby entitling Plaintiff to the exemption from taxation because of the legitimate public interest served by the Project;

WHEREAS, the Law Director and Tax Assessor recommend that, to avoid the expense, delay and uncertainty of further litigation, the City of Bayonne enter into a Settlement Agreement that resolves the litigation as follows:

1. The In Lieu Minimum Payment Agreement dated June 15, 1978 between the parties shall be reinstated, subject to the following:
 - A. The minimum payment for the tax abatement shall be \$180,000 per year except for the current (2009) tax year for which the taxes shall be cancelled in settlement and full satisfaction of any and all prior overpayment of taxes alleged by Plaintiff and in consideration for the changes set forth in the settlement;
 - B. The alternative method of calculating the minimum payment based on the rate or assessment set forth in

Paragraph 6B of the original Agreement is hereby stricken from the Agreement;

C. As an alternative to the calculation of the minimum payment contained in Paragraph 6B of the original Agreement, defined as 15% of the net sum of tenant shelter rents actually paid by the tenants excluding all forms of government subsidy or assistance paid to the property owner less costs of utilities to owner, including fuel, electricity, gas, water and sewer charges, the new minimum payment shall now be the greater of the sum of \$180,000 as identified in Paragraph 1A hereof, or 30% of the net sum of subsidized tenants' shelter rent actually paid by the tenants excluding all forms of government subsidy or assistance paid to the property owner on behalf of tenants, less costs of utilities to owner, including fuel, electricity, gas, water and sewer charges.

D. In the event that HUD terminates the project based Section 8 Contract with the owner, for any resulting unsubsidized unit owner shall pay a proportionate in lieu payment for that unit equal to 15% of gross shelter rent for that unit less cost of utilities to owner including fuel, electricity, gas, water and sewer charges, provided however, that in no


event shall the yearly minimum in lieu of payment to the
City of Bayonne for the property be less than \$180,000 per
year.


; and

WHEREAS, on March 18, 2009 and April 27, 2009, the Municipal
Council authorized a Stipulation of Settlement on the terms set forth above;

NOW, THEREFORE, the parties hereto enter into this Settlement
Agreement in order to resolve the aforesaid litigation.

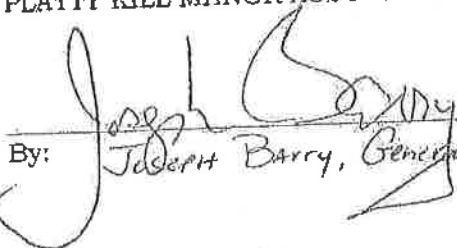
Attested:


ROBERT F. SLOAN
CITY CLERK
A. V. DELIA, Esq.
City Counsel


MARK A. SMITH,
MAYOR

DATED: 5/20/09

PLATTY KILL MANOR ASSOCIATES


By: Joseph Barry, General Partner

Tax A

MUNICIPAL COUNCIL OF THE CITY OF BAYONNE**RESOLUTION NO. 09-04-29- 105**

WHEREAS on March 18, 2009 this body approved of settlement language in connection with a lawsuit filed by Platty Kill Manor Associates, a Limited Dividend Housing Association, having its principle office at 59-13th Street, Hoboken, New Jersey, in the Superior Court of New Jersey, Hudson County, Chancery Division, against the City alleging overpayment in connection with an in lieu minimum payment agreement entered into in 1978; and

WHEREAS, subsequent to said approval, legal counsel amended the language set forth in paragraphs c and d of said settlement (as more particularly set forth below); now, therefore, be it

RESOLVED, that the Mayor and Clerk are hereby authorized to enter into a revised Settlement Agreement, modified as set forth below, in order to resolve the aforesaid litigation.

REVISED

- C. As an alternative to the calculation of the minimum payment contained in Paragraph 6B of the original Agreement, defined as 15% of the net sum of tenant shelter rents actually paid by the tenants excluding all forms of government subsidy or assistance paid to the property owner less costs of utilities to owner, including fuel, electricity, gas, water and sewer charges, the new minimum payment shall now be the greater of the sum of \$180,000 as identified in Paragraph 1A hereof, or 30% of the net sum of

subsidized tenants' shelter rent actually paid by the tenants excluding all forms of government subsidy or assistance paid to the property owner on behalf of tenants, less costs of utilities to owner, including fuel, electricity, gas, water and sewer charges.

D. In the event that HUD terminates the project based Section 8 Contract with the owner, for any resulting unsubsidized unit owner shall pay a proportionate in lieu payment for that unit equal to 15% of gross shelter rent for that unit less cost of utilities to owner including fuel, electricity, gas, water and sewer charges, provided however, that in no event shall the yearly minimum in lieu of payment to the City of Bayonne for the property be less than \$180,000 per year.

A TRUE COPY

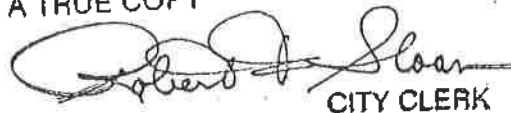

CITY CLERK

EXHIBIT C

AMENDMENT TO THE IN LIEU MINIMUM PAYMENT AGREEMENT

BETWEEN

PLATTYKILL URBAN RENEWAL, LLC

AND

THE CITY OF BAYONNE

THIS AMENDMENT to the In Lieu Minimum Payment Agreement ("Amendment") entered into between PLATTYKILL URBAN RENEWAL, LLC, an urban renewal entity qualified to do business under the provisions of the Long Term Tax Exemption Law of 1992, as amended and supplemented, N.J.S.A. 40A:20-1, et seq. (the "LTTE Law") having its principal address of 691 Elizabeth Avenue, #2, Newark, NJ 07112 (hereinafter referred to as the "Entity"), and the City of Bayonne, a municipal corporation of the State of New Jersey, County of Hudson, having an address of 630 Avenue C, Bayonne, N.J. 07002 (hereinafter referred to as the "City"), hereby amends that certain In Lieu Minimum Payment Agreement (the "Tax Agreement") dated June 15, 1978 as amended by the Settlement Agreement dated May 20, 2009 (the "Settlement Agreement").

WITNESSETH:

WHEREAS, in accordance with the Limited-Dividend Nonprofit Housing Corporations or Associations Law, as amended, N.J.S.A. 55:16-1, et seq. (now repealed) (the "Limited-Dividend Law"), Plattykill Manor Assocs. (the "Sponsor") entered into the Tax Agreement with the City dated June 15, 1978, for the property located at 18-52 E. 12th Street, Block 268, Lot 2, Bayonne, New Jersey, (the "Project") a copy of which is attached as Exhibit A. The Tax Agreement was approved by Resolution of the City dated September 14, 1977; and

WHEREAS, the Tax Agreement was modified by a Settlement Agreement between the City and the Sponsor dated May 20, 2009 which was approved by Resolution dated March 18,

2009 which modified the calculation of the annual service charge, a copy of which is attached as Exhibit B.; and

WHEREAS, the Entity acquired the Project on April 18, 2014 subject to the Tax Agreement and Settlement Agreement pursuant to a Transfer of In Lieu Minimum Payment Agreement, a copy of which is attached as Exhibit C.; and

WHEREAS, Plattykill Urban Renewal, LLC has continued to abide by the terms of the Tax Agreement and Settlement Agreement and has made all payments due under the Tax Agreement and Settlement Agreement; and

WHEREAS, the Tax Agreement and Settlement Agreement remain in full force and effect as of the date of this Amendment; and

WHEREAS, the Tax Agreement at paragraph 5 provides as follows:

The tax exemption established hereby shall be effective for the real estate or portion thereof and improvements thereon upon the date the Sponsor executes a first mortgage upon said parcel of real estate and the development pursuant to the mortgage insurance commitment of the Secretary of Housing and Urban Development or upon initiation of the rehabilitation construction, pursuant to said mortgage loan, whichever is sooner and shall continue for the period of said Federally insured Mortgage but not more than forty (40) years from the effective date. Taxes shall be apportioned between the in lieu service payment and prior existing taxes as of the effective date established by this Paragraph 5.

and

WHEREAS, the Tax Agreement at paragraph 7 provides as follows:

The tax exemption provided herein for each respective Project shall apply only so long as the Sponsor or its successors or assigns and the development remain subject to the provisions of the aforesaid Limited-Dividend Law (N.J.S.A. 55:16 et seq.) and the supervision of the Authority but in no event longer than forty (40) years from the effective date of the exemption as set forth in Paragraph 5 herein.

and

WHEREAS, the Limited-Dividend Law was repealed by the Long Term Tax Exemption, N.J.S.A., 40A:20-1, et seq. Law (the "LTTE Law"). In the enactment of LTTE Law, the Legislature provided:

An urban renewal entity organized and operating under a law repealed by this act shall not be affected by that repeal. Any financial agreement entered into and any tax exemption granted or extended, shall remain binding upon the urban renewal entity and the municipality, subject to modification by mutual written consent, as if the law under which it was entered into, or granted or extended, had not been repealed by this act. Ch. 431, Laws 1991.

WHEREAS, pursuant to Ch. 431, Laws 1991, the Tax Agreement and Settlement Agreement continue to be binding upon the Entity and the City under the repealed Limited-Dividend Law and the Tax Agreement and Settlement Agreement will continue to govern the terms of the tax in lieu payment to the City; and

WHEREAS, the Entity was formed pursuant to the LTTE Law provisions specified in N.J.S.A. 40A:20-5; and

WHEREAS, the City reiterates its findings set forth in the recitals of the Tax Agreement regarding the benefits to the City of the Project's tax exemption and further finds that continuation of the tax exemption will benefit the City; and

WHEREAS, the City and the Entity have determined that it is in their mutual best interests to modify and amend the Tax Agreement and Settlement Agreement to provide for an extension of the in lieu payment to the City; and

WHEREAS, the Entity and the City accordingly desire to amend paragraphs 5 and 7 of the Tax Agreement to provide for an extension of an additional term of eighteen (18) months from the expiration date of November 1, 2018; and

WHEREAS, modifications or amendments to tax exemptions and financial agreements are authorized pursuant to N.J.S.A. 55:16-1, et seq., and N.J.S.A. 40A:20-1 et seq. subject to the mutual consent of the City and the Entity; and

WHEREAS, by the adoption of Resolution on November 7, 2018, the City approved this Amendment to the Tax Agreement and Settlement Agreement; and

NOW, THEREFORE, in consideration of the mutual covenants herein contained, and for other good and valuation consideration,

IT IS HEREBY MUTUALLY COVENANTED AND AGREED, by and between the parties, that the Tax Agreement and Settlement Agreement is hereby amended as follows:

1. The tax exemption granted by the City under the Tax Agreement and Settlement Agreement is required for the Project's continued viability as a Section 8 housing project to provide low and moderate income housing in the City; and

2. The Entity and the City agree that the Tax Agreement and Settlement Agreement shall be extended for an additional eighteen (18) month term from November 1, 2018 through May 1, 2020 consistent with the terms and provisions of the Limited-Dividend Law, LTTE Law and all applicable local, state and federal laws that may apply to the Project; and

3. The Entity and the City agree that the Tax Agreement and Settlement Agreement shall be amended to provide that:

(i) The calculation of the minimum payment contained in Paragraph 6 of the Tax Agreement and as amended by the Settlement Agreement shall be the greater of (a) the sum of \$220,000 per year for the period effective November 1, 2018 through May 1, 2020 or (b) 30% of the net sum of subsidized tenants' shelter rent actually paid by the tenants excluding all forms of government subsidy or assistance paid to the property owner on behalf of tenants, less costs of utilities to owner, including fuel, electricity, gas, water and sewer charges.

(ii) In the event that HUD terminates the project based Section 8 Contract with the owner, for any resulting unsubsidized unit owner shall pay a proportionate in lieu payment for that unit equal to 15% of gross shelter rent for that unit less cost of utilities to owner including fuel, electricity, gas, water and sewer charges, provided however, that in no event shall the yearly minimum in lieu of payment to the City of Bayonne for the

property be less than \$220,000 per year for the period effective November 1, 2018 through May 1, 2020.

- (iii) Effective November 1, 2018 through May 1, 2020 the City may terminate the Tax Agreement in the event the Entity receives any housing code violation for the Project which violation is upheld by a final unappealable court ordered judgement.
- (iv) It is understood and agreed that in the event the City shall be named as party in any action brought against the City or Entity by allegation of any breach, Default or a violation of any of the provisions of this Agreement, the provisions of the Limited-Dividend Law, Long Term Tax Exemption Law or any other applicable law, and/or in any way related to the Project, the Entity shall, at its sole cost and expense, defend, indemnify and hold the City harmless from and against all liability, losses, damages, demands, costs, claims, actions or expenses (including reasonable attorneys' fees and expenses) of every kind, character and nature arising out of or resulting from the action or inaction of the Entity and/or by reason of any breach, Default or a violation of any of the provisions of this Agreement, the provisions of the Limited-Dividend Law, Long Term Tax Exemption Law or any other applicable law, and/or in any way related to the Project, except for any misconduct by the City or any of its officers, officials, employees or agents. However, the City maintains the right to intervene as a party thereto, to which intervention the Entity hereby consents.

4. All other provisions of the aforesaid Tax Agreement and Settlement Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have caused this Amendment to be executed this 27 day of November, 2018.

WITNESS:

Suzanne O. Ray

PLATTYKILL URBAN RENEWAL, LLC

By: Av

ATTEST:

[Signature]

CITY OF BAYONNE

By: [Signature]

EXHIBIT D

Apartment Renovations for PILOT
Plattyskill Manor Apartments
Bayonne, NJ

Description	# of units	Price per unit	Amount
Kitchens - Premium Package	147	6,100	896,700.00
Upgraded Cabinets			
Granite countertops			
Tiled backsplash			
Porcelain floor tile			
GFI			
LED Light			
Base trim			
Full Bathrooms	147	5,100	749,700.00
New rough plumbing			
steel tub			
Toilet			
vanity			
Cement board floor/walls			
Tiled shower/half wall			
Paint			
GFI outlet			
LED Fixture			
Total			1,646,400.00
Contingency	10%		164,640.00
Grand Total			1,811,040.00

City of Bayonne

Fourth Round Housing Element and Fair Share Plan June 10, 2025

APPENDIX D - Bayonne Family Community Center Documentation

Bayonne Family Community Center

259 Avenue E Bayonne, New Jersey, 07002

Tel 201-339-2330 * Fax 201-339-3316

May 29th, 2025

Mayor Jimmy Davis
City of Bayonne
630 Avenue C
Bayonne, New Jersey 07002

**Re: Request for Financial and Technical Assistance
Rehabilitation of the Bayonne Family Community Center**

Dear Mayor Davis,

The Bayonne Family Community Center is located at 259 Avenue E in Bayonne and has been serving the City for many decades as the only provider of single room occupancies (SRO's) for men of low to moderate income in the Hudson County area. Once the YMCA of Bayonne, the building was converted in 2005 to serve as an SRO for our client/residents with affordable housing, helping them develop their own personalized plan for their future, and by providing them with the services (information/referrals) needed to obtain affordable permanent housing.

Having been established in the community for many years, the BFCC has always had strong collaboration efforts with various agencies such as the Bayonne Economic Opportunity Foundation, Bayonne Mental Health, Bayonne Medical Center, Bayonne Housing, Department of Welfare, and County Child Services. These agencies are just some of the key components needed to successfully serve our clients/community. This collaboration effort has allowed our room capacity to remain at 100% at the Bayonne Family Community Center in all of the habitable units or rooms at our facility.

When the building was converted from the 72 YMCA rooms to the 109 that we have today in 2005, there were insufficient funds to address every aspect of the renovation into an SRO – particularly with the mechanical systems and with the roof. The roof was only replaced in certain parts in 2005 and even the replacements have now reached their useful life expectancy. The building was originally funded by Rockefeller foundation and was built with quality materials in the 1920s. But even quality construction does not last forever and the building continues to show its age.

After speaking with the City Planner, Sue Mack, and the City's Planning Consultant, Brian Slaugh, it is my understanding that renovations to the building would qualify as rehabilitation of affordable housing under the NJ Fair Housing Act. It is my further understanding that there are certain income guidelines that the residents of the facility must meet and that they must continue to meet for the following ten years once the renovations are finished. The BFCC would be willing to enter into an agreement with the City over the scope of work to be covered in the renovations, the assurances that would need to be put in place concerning the income limits that our residents must meet, and the length of time that the agreement must be in place. The City in turn would provide funding through its affordable housing trust fund and disbursed in accordance

with the rules and regulations established by the state. The City would also be able to provide technical assistance through its Planning Consultant for architectural assessments and services also funded by the affordable housing trust fund with regard to the necessary renovations.

The need for this funding has become increasingly dire. Addressing the roof is our highest priority to stop water infiltration, closely followed by the repair of rooms damaged by the water infiltration so that all of the rooms may be occupied. The mechanical systems of the building are mainly from the 1920s and no longer serve modern needs. Listed below are items that are most concerning and need to be addressed. The improvements are needed to preserve and maintain a safe facility for low-income and very low-income residents of the community, who, without this place, would literally have no other place to live. The repairs will also serve to enhance the appearance and aesthetics of the facility.

We look forward to working with the City and thank you for your continued support.

Sincerely,

William Lawson
Bayonne Family Community Center Board of Trustees

Cc. Suzanne Mack, PP, ACIP, City Planner
Brian Slaugh, PP, AICP, Consulting Planner

DESCRIPTION OF RENOVATIONS AND REPAIRS OF MAJOR SYSTEMS

1. Replacement of roof/coping on building. Most of the roof is rolled asphalt roofing with asphalt sealant with an expected life of 15 years. This roof is now 20 years old and leaking into the building in numerous places. A modern white EPDM membrane roof with underlying insulation is the type of roof that should be on the building.
2. Repair rooms damaged by water infiltration. The second part to the roof replacement is repairing the rooms damaged by the water infiltration from the roof leakage. Water infiltration has created a weakened wall in the boiler room which requires shoring and reinforcement.
3. Replace plumbing systems in bathrooms, laundry rooms and boiler room. Some of the piping is 100 years old from the original installation, and consists of incompatible metals with modern systems. Pipe sizing is inadequate for good water flow. Two communal bathrooms would ideally be redesigned for single use. The sanitary system needs to be replaced and during heavy rains, because Bayonne has a combined sanitary and storm sewer systems (CSO) sewage can back up into the building, all the way up into the third floor. Back flow preventers and possible holding tanks are necessary to keep a sanitary place for residents to live.
4. Replace electrical system in the boiler room. The electrical system needs to be upgraded to accommodate new boilers and their control systems, and to replace sections damaged by water infiltration.
5. Replace HVAC units and ductwork. Individual unit systems have reached the end of their useful life and must be replaced. Exterior ductwork supplying cold air return has rusted out and needs to be replaced.
6. Replace interior treads/staircases. Heavy use of staircases has created sloped steps and worn handrails, creating potential safety hazards.
7. Repair Exterior staircases and landings.
8. Replace fire escapes. Fire escapes are the original versions from the 1920s and no longer meet modern fire code requirements. The BFCC have received verbal recommendations from the Bayonne Fire Department that replacement is warranted.
9. Replace elevator. The main elevator in the building is antiquated and needs to be replaced.
10. Mill and overlay the parking lot. The off-street parking lot is cracked and permits water seepage into the subbase, which allows the freeze-thaw cycle to further damage the pavement.
11. Replace site sidewalks. Weathering and differential settling has created unevenness of the building's sidewalk sufficient to create pedestrian hazards. The sidewalk consequently needs to be demolished and replaced.

City of Bayonne

Fourth Round Housing Element and Fair Share Plan _____ June 10, 2025

APPENDIX E - Oak Street Documentation



HOUSING & MORTGAGE FINANCE AGENCY

Lt. Governor Sheila Y. Oliver | Chair • Melanie R. Walter | Executive Director

December 15, 2022

Mr. Tom Toronto
BCUW/Madeline Housing Partners LLC
6 Forest Avenue
Paramus, NJ 07652

Re: Bayonne Supportive Housing
Bayonne / Hudson
LITC# 2214

Dear Mr. Toronto:

On behalf of the New Jersey Department of Community Affairs ("DCA") and the New Jersey Housing and Mortgage Finance Agency ("HMFA"), we are pleased to inform you that on December 15, 2022, a reservation of 9% Low Income Housing Tax Credits, in an amount not to exceed **\$1,059,392**, was awarded to the above-referenced project (the "Project") from the **2024** Tax Credit Authority.

This reservation is subject to satisfaction of the following conditions:

- Payment to HMFA of an allocation fee equal to **2%** of the annual credit amount over the ten-year credit period. One half of this fee, or **\$105,939** is due on **March 31, 2023**. The balance is due upon issuance of the 8609. If you cannot meet this deadline, you may request an extension and, if approved, pay an extension fee of \$1,000 for every week the submission is late. This fee cannot be waived.
- Re-evaluation by HMFA of the project's need for the reserved tax credit amount at the time of a carryover (if issued) and at the time the project is placed in service, as required by the Federal Tax Code;
- Successful completion of an inclusionary analysis demonstrating the need for Low Income Housing Tax Credits in accordance with Section 19 of P.L. 2008, c. 46, N.J.S.A. 52:27D-321.1 (A500 ACS).
- Any changes that may be imposed by changes to the Federal Tax Law or Federal regulations;

Bayonne Supportive Housing
 December 15, 2022
 Page 2 of 3

- Compliance with all conditions as set forth in Exhibit A annexed hereto and made a part hereof.
- Submission to HMFA **no later than November 30, 2024** the following documents are required for HMFA to issue an official allocation of tax credits to the project.
 - a. Sponsor Certification. If you are aware of any changes that have been made to any aspect of the project since application, check the second box of item #9 and be sure to attach the appropriate documentation.
 - b. Executed Carryover Allocation Form and/or Binding Agreement form. Please refer to our website for more information.
<https://nj.gov/dca/hmfa/developers/lihtc/allocationawards/carryover.shtml>
 - c. 15-Year Operating Proforma signed by your first mortgage lender that exclusively reflects the following language verbatim: "We acknowledge that this proforma substantially matches the assumptions used in our underwriting of the mortgage." A new proforma does not have to be submitted if there have been no changes to your operating proforma since application.
 - d. Current Breakdown of Costs and Basis
 - e. If available, a copy of the recorded deed conveying title to the final ownership entity. The deed book and page numbers should be clearly indicated so that NJHMFA tax credit staff can accurately complete the Deed of Easement and Restrictive Covenant for Extended Low-Income Occupancy.
 - f. Tax Clearance Certificate from the New Jersey Division of Taxation
 - g. Green Homes Pre-Construction approval letter

Please note that fully executed carryovers and/or binding commitments will not be issued until all items a-g above and the first half tax credit allocation fee are received by HMFA.

- Submission to HMFA no later than 6 months after the date the carryover allocation agreement is executed of the Independent Auditors' Report (with attachment) showing the 10% test has been met.



Bayonne Supportive Housing
December 15, 2022
Page 3 of 3

In order to evidence your willingness to proceed with the financing commitment as set forth herein, you are hereby required to countersign this letter. This original, countersigned letter must be returned to the attention of Laura Shields, Assistant Director of Tax Credit Services at HMFA, within 10 business days. This reservation is subject to your acceptance and will expire if not returned to HMFA within 10 business days.

If you have any questions regarding the above, please do not hesitate to contact Laura Shields, Assistant Director of Tax Credits at (609) 278-7347.

Sincerely,



Debra Urban
Chief of Multifamily Programs

Accepted and agreed to this _____ day of _____, 2023.

By: _____ L.S.

(Please Print Name and Title)





HOUSING & MORTGAGE FINANCE AGENCY

Lt. Governor Sheila Y. Oliver | Chair • Melanie R. Walter | Executive Director

August 26, 2022

Mr. Tom Toronto
BCUW/Madeline Housing Partners, LLC
6 Forest Avenue
Paramus, NJ 07652

Re: HMFA #07809
Bayonne Supportive Housing
Bayonne, Hudson County
Conditional Mortgage Commitment

Dear Mr. Toronto:

I am pleased to advise you that the members of the New Jersey Housing and Mortgage Finance Agency approved a conditional mortgage commitment for an estimated amount of \$1,040,000 in permanent only financing from the Agency's Revenue Bond Financing Program and approval of a conditional subsidy mortgage loan commitment for an estimated amount of \$1,200,000 in construction and permanent financing from the Special Needs Housing Trust Fund (SNHTF) for the above-captioned project at the public meeting on August 11, 2022. (The "Board Item" attached).

This conditional commitment is subject to the terms and conditions of the enclosed Agency's Multifamily Underwriting Guidelines and Financing Policy dated June 30, 2022, and the Agency's Special Needs Housing Trust Fund Program Guidelines and Financing Policy dated June 30, 2022, as may be amended. These guidelines and policies address such issues as the payment of negative arbitrage, the owner's responsibility regarding interest rate risk, the cost of bond issuance and the indemnification of the Agency. Finally, please note that receipt of this conditional mortgage loan commitment is predicated on the application, as approved, accurately reflecting the Project and its financial needs. This letter shall serve as notice of your affirmative obligation to advise the Agency of any changes to any aspect of the Project, as well as to maintain compliance with all Agency mortgage loan requirements.

In accordance with those guidelines, the requisite commitment fee in the amount of **\$10,400** has been paid.

If the signed conditional mortgage commitment letter is not received by **August 31, 2022** this conditional commitment will become null and void.

Mr. Toronto
August 26, 2022
Page 2

If this project is not in receipt of an allocation of competitive 9% Low Income Housing Tax Credits in the August 2022 round, this conditional commitment will become null and void. If this project is in receipt of an allocation, the Executive Director may extend the conditional mortgage commitment for two additional consecutive 90-day periods.

The conditional commitment expiration date is August 31, 2023. A commitment extension must be requested in writing to the attention of Donna Spencer, Director of Multifamily Supportive Housing & Lending. This request must include justification for the extension.

The borrower is responsible for satisfaction of the conditions set forth in the conditional commitment. In addition, the borrower is responsible for advising the Agency of any increases in project development costs not covered in the projected costs at the time of conditional commitment and any changes to sources of funds other than Agency financing. This conditional commitment letter summarizes the terms and conditions of the conditional commitment being offered by the Agency. The full terms and conditions are set forth in the attached request for action by the Members of the New Jersey Housing and Mortgage Finance Agency, which was adopted in a resolution by the Board at its August 11, 2022, meeting. Your execution of this conditional mortgage commitment signifies acceptance of the conditional mortgage commitment as adopted by the Board in that resolution.

If you have any questions regarding the above, please do not hesitate to contact Michael Coe of my staff at MCoe@njhmfa.gov.

Sincerely,



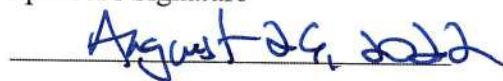
Debra Urban
Chief of Multifamily Programs

DU/ima
Enclosures

Terms and Conditions Accepted by:



Sponsor's Signature



Date



RESOLUTION OF THE NEW JERSEY HOUSING AND MORTGAGE
FINANCE AGENCY REGARDING APPROVAL OF A CONDITIONAL
MORTGAGE FINANCING COMMITMENT FOR THE PROJECT
KNOWN AS BAYONNE SUPPORTIVE HOUSING, HMFA #07809

WHEREAS, the Members of the New Jersey Housing and Mortgage Finance Agency have been presented and considered a Request for Action in the form attached hereto as Exhibit A; and

WHEREAS, the Request for Action requested the Members to adopt a resolution authorizing certain actions by the New Jersey Housing and Mortgage Finance Agency, as outlined and explained in said Request for Action.

NOW, THEREFORE, ON THIS 11th OF AUGUST 2022 BE IT RESOLVED BY THE MEMBERS OF THE NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY AS FOLLOWS:

Section 1. The actions set forth in the Action Requested section of the Request for Action, attached hereto as Exhibit A, are hereby approved, subject to any conditions set forth as such in said Request for Action.

Section 2. The Request for Action, attached hereto as Exhibit A, is hereby incorporated and made part of this resolution as though set forth at length herein.

Section 3. This resolution shall take effect immediately upon expiration of the ten (10) day period following the delivery of a true copy of this resolution accompanied by a summary of the action taken at the meeting by the Board to the Governor or immediately upon the approval of the minutes by the Governor within the said ten (10) day period.

Board Member	Aye	Nay	Abstained	Recusal	Not Present
Sean Thompson	X				
Aimee Manocchio-Nason	X				
Robert Shaughnessy	X				
Paulette Sibbics – Flagg	X				
Eric Kaufmann	X				
Dorothy Blakeslee	X				
Stanley Weeks	X				
Zenon Christodoulou	X				

I, Deb Urban, Assistant Secretary of the New Jersey Housing and Mortgage Finance Agency, do hereby certify that the foregoing is a true and correct copy of a resolution duly adopted and approved by the Members of the Agency at a meeting duly called and held on the 11th day of August, 2022 and that not less than five Members of the Agency were present and voted in favor of said resolution.

IN WITNESS WHEREOF, I have here unto set my hand and impressed the seal of the Agency this 11th day of August, 2022.

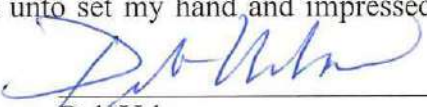

Deb Urban
Assistant Secretary

Exhibit A

Bayonne Supportive Housing

August 11, 2022

Bayonne, Hudson County

HMFA #07809

Developer: BCUW/Madeline Housing Partners, LLC

of Units: 40 units, including 20 set aside for

Developmentally Disabled Individuals

Population: Senior, 55 plus

**REQUEST FOR ACTION BY MEMBERS OF
THE NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY**

Action Requested:

1. Approval of a conditional mortgage commitment from the Agency Revenue Bond Financing Program upon the terms and conditions set forth below pursuant to the Multifamily Underwriting & Financing Policy Guidelines.
2. Approval of a conditional subsidy mortgage loan commitment from the Special Needs Housing Trust Fund (“SNHTF”) for the Project, upon the terms and conditions set forth below.

Issues, Comments and Related Actions:

New Issues

Agency staff recommends approval of the below-listed project for a conditional mortgage loan commitment from the Agency Revenue Bond Financing Program. The project is applying for 9% Low Income Housing Tax Credits in the Supportive Housing Cycle of the August 2022 round, and has satisfied the eligibility criteria listed in the Multifamily Underwriting & Financing Guidelines and Policy. If awarded a 9% tax credit allocation, the project shall undergo continued Agency staff underwriting review, and shall be presented to the Agency Board for recommendation of a re-commitment upon staff approval of the loan underwriting.

Project Information

Project Name: Bayonne Supportive Housing

Project HMFA #07809

Project Address: 1-15 West Oak Court

Project City & County: Bayonne, Hudson County

Developer’s Name: BCUW/Madeline Housing Partners LLC

Exhibit A

Total # of Units: 40 units, including 20 units for people with developmental disabilities

Population: Senior, 55+

Tax Credit Cycle: Supportive Housing

Type of Financing: 9% Tax Credits Traditional, Permanent Financing, SNHTF

Loan Amount Seeking for all Administered HMFA loans: Note 1 \$1,040,000, SNHTF
\$1,200,000

Collateral: First mortgage lien on Project real estate and security interest in personal property included in the Project.

Repayment: First mortgage loan will be repaid from Project Revenues.

Source of loan funds: Taxable bonds, or other funds available to the Agency that are consistent with any LIHTC allocated to the Project.

Underwriting parameters: The mortgage loan amount that a project can sustain is derived from a combination of the following factors: 1) debt service ratio, 2) term of mortgage, 3) interest rate, 4) income and expense projections, and 5) sources and uses of project development funds. Items 1, 2, 3, 4, and 5 are variable factors, which can change between mortgage loan commitment and closing. As such changes impact the mortgage amount the Project can sustain, the Executive Director is authorized to adjust the mortgage amount stated above to reflect changes to the variable factors. If projected net operating income changes due to increases or decreases in income and/or expenses or due to changes in the sources and uses of project development funds, or final risk assessment dictates a revised debt service coverage ratio, the mortgage loan amount shall be adjusted commensurately to an amount that would keep the debt service ratio at the Agency determined appropriate ratio.

Conditional Mortgage Loan Commitment Condition:

1. A commitment fee of \$10,400 is due August 25, 2022. If the fee is not received within this timeframe, this commitment will be null and void. If the commitment fee is received within the above-listed timeframe, this commitment will expire on August 31, 2023; however, if the Project is not awarded 9% Tax Credits in the August 2022 round, this commitment shall be null and void.

SCHEDULE 10-B: EST. DEVELOPMENT COSTS AND CAPITAL REQUIREMENTS

		HMFA# 07809			
Inducement		Prepared by: Michael Coe			
x Commitment		Reviewed by:			
Re-Commitment		Director of Technical Services		Date	
Mtg. Extension		Director of Multifamily		Date	
Bond Sale		Managing Director of Multifamily			
Closing		Chief of Multifamily			

Will loan/s be repaid from project revenues?
(If Source is a grant, enter "G".)
Y, or N, or G

1. SOURCES OF FUNDS DURING CONSTRUCTION:

	Enter the total Loan Amount Here		
a) TD Bank Constructin Loan		\$	7,050,000
b)		\$	
c) LIHTC - Installment #1 (Closing - 7/2023)	\$10,063,212	\$	1,509,482
d) LIHTC - Installment #2 (partial - Substantial Completion january 2025)		\$	912,000
e) NJHMFA SNHTF	\$1,200,000	\$	1,200,000
f)		\$	
g)		\$	
h) Deferred Developer's Fee		\$	1,342,014
TOTAL SOURCES OF CONSTRUCTIONS FUNDS:		\$	12,013,496

2. USES OF FUNDS DURING CONSTRUCTION:

A. ACQUISITION COSTS:

a) Land	@ (\$ _____ per Acre)	\$	1	% of Const Cost OR Cost/Unit
b) Building Acquisition	Should be between \$15,000 & \$25,000 per units			
c) Relocation				
d) Other:				1

B. CONSTRUCTION COSTS

Total Acquisition as a percent of Total Project Costs:	0.00%		
a) Demolition		\$	
b) Off-site Improvements			
c) Residential Structures (including all on-site improvement)		6,610,000	
d) Community Space		250,000	
e) Environmental Clearances			
f) Surety & Bonding	should be between .75% and 2% of Construction Costs	65,000	0.77%
g) Building Permits		35,000	
h) Garage Parking	garage should be approx \$15,000/space; parking lot around \$700/space	600,000	\$15,000
i) General Requirements	should be about 6% of construction costs	396,600	5.25%
j) Contractor Overhead & Profit - should not exceed 8% of construction costs - usually 2% for Overhead & 6% for Profit		528,800	6.99%
k) Other			
l) Other			
Total Const Costs as a percent of Total Project Costs:	70.86%		

C. DEVELOPERS FEE - CONSTR/REHAB 14.15% HMFA Policy is that the Developer fee is earned as a percentage of construction completion. 1,500,000

DEVELOPERS FEE - BUILDING 1,500,000

D. CONTINGENCY

Non-Deferred Amt:	\$1,230,261	11.61%	269,739
Non-Deferred Amt on Building Acq Not to Exceed 2% :			
a) Hard Costs	5.000% 5% for New Construction & 10% for Rehabilitation		424,270
b) Soft Costs	2.4% should be a Maximum of 5%		41,205

E. PROFESSIONAL SERVICES

a) Appraisal & Market Study	\$	30,000	
b) Architect		200,000	
c) Site Engineer		75,000	
d) Attorney		200,000	
e) Cost Certification/Audit - should not exceed \$35,000		30,000	
f) Environmental Consultant		30,000	
g) Historical Consultant			
h) Geotechnical Consultant		20,000	
i) Green Consultant		50,000	
j) Professional Planner			
k) Surveyor		10,000	
l) Other			
Total Professional fees as a % of Total Project Costs:	5.13%		645,000

F. PRE-OPERATIONAL EXPENSES * * Non-eligible costs in TC basis

a) Operator fees (pre-construction completion) *	Should not exceed \$250 per unit	\$	10,000
b) Advertising and Promotion (pre-construction completion)*			10,000
c) Staffing and Start-up Supplies (pre-construction completion)*			15,000
d) Other: *			
e) Other: *			
Total Pre Opt Costs as a % of Total Project Costs:	0.28%		35,000

G. CARRYING AND FINANCING COSTS DURING CONSTRUCTION (percentage of total development costs) 7.02%

a) Interest @	4.0000 % for (24 mos.) on \$	3,525,000	282,000
b) R.E. Tax \$	(per annum) x 2.00 Yrs.		
c) Insurance \$	(per annum) x 2.00 Yrs.		100,000
d) Title Insurance and Recording Expenses			100,000
e) Utility Connection Fees			100,000
f) Other Lender's Points			79,620
g) Other Lender Construction Financing Fee			12,000
h) Tax Credit Fees	If the HMFA will be selling Bonds for the project either before or during the		110,000
i) Negative Arbitrage (if Bonds are sold during Construction)	time the Development is under construction, these costs		23,000 (ESTIMATE)
j) Special Needs Financing Fee	should be accounted for during the construction period.		36,000 (ESTIMATE)
k) Furniture, Fixtures & Equipment (FF&E)			40,000
Total Carrying/Fin. Costs as % of Total Project Costs:	7.02%		882,620

3. USES OF FUNDS DURING CONSTRUCTION: \$ 12,013,496

4. BALANCE OF FUNDS NEEDED FOR CONSTRUCTION (average / shortage): \$ (0)

PERMANENT LOAN CLOSING**5. SOURCES OF FUNDS FOR PERMANENT FUNDING:**

	Y, or N, or G	
a) HMFA 1st Mortgage, NOTE 1	Y	\$ 1,040,000
b) LIHTC Equity - Installment #2 (partial - January 2025)		\$ 3,113,285
c) LIHTC Equity - Installment #3 (October 2025 - 95% substantial complet		\$ 4,226,549
d) LIHTC Equity - Installment #4 (October 2025 - Substantial completion)		\$ 301,896
e)		\$
f)		\$
g)		\$
h)		\$
TOTAL SOURCES FOR PERMANENT CLOSING:		\$ 8,681,730

6. USES OF FUNDS FOR PERMANENT CLOSING:

A. DEVELOPER'S FEE:					\$ 1,072,275
B. HMFA Points (to reduce annual servicing fee) "	2.00%	on	\$ 1,040,000	20,800	\$ 20,800
C. HMFA Second Note Financing Fee "		on	\$		
D. Special Needs Financing Fee "		on	\$		
E. CONSTRUCTION LOAN PAYOFF:					\$ 7,050,000
F. Construction Loan Interest Due(per diem)		on	\$		\$
G. Negative Arbitrage (ESTIMATE)			(List Daily Amount)		
H. Cost of Issuance (ESTIMATE)					
I. Reimbursement of any Indemnification Fee not dedicated to other costs					
J. TAX CREDIT FEES					100,000
K. R.E. Taxes due & Payable at Closing					
L. Title Insurance	# of days		(List Daily Amount)		
M. HMFA Loan per diem interest on NOTE 1 (if applicable)		on	\$		
N. Outstanding Payments to Professional & Sub-contractors					
O. Payment and Performance Bond, 30% Warranty Bond, or 10% Letter of Credit					
P. Other Fees:					
Q. ESCROW REQUIREMENTS:	Total Costs@ PermClosing as%of Total Project Costs:		9.49%		

1) Working Capital Escrow

a) Debt Service & Operating Expenses		176,150
b) Rental Agent Rent-up Fee (during Rent-up)		
c) Advertising and Promotion (during Rent-up)		

2) Other Escrows

a) Insurance (1/2 YR.)		\$ 14,000
b) Taxes (1 Qtr.)		\$ 7,280
c) Debt Service Payment & Servicing Fee for 1 Month		\$ 6,818
d) Mortgage Insurance Premium (MIP) 1 year plus 3 months		\$
e) Repair & Replacement Reserves		\$
f) HMFA Operating Deficit Reserve		\$
g) Other: Syndicator Resrve - LIHTC Equity Installment #3		\$ 234,407
h) Other:		
Total Escrows as a % of Total Project Costs:		3.49%

7. USES OF FUNDS FOR PERMANENT CLOSING**8. BALANCE NEEDED TO CLOSE (overage / shortage):**

9. TOTAL PROJECT COSTS		\$ 8,681,730
10. MAXIMUM MORTGAGE LOAN	8.27 % of Item 10	\$ (0)
		\$ 12,572,951
		\$ 1,040,000

11. 55% of Basis Test:

Aggregate Basis:	\$ 11,919,496	Check each line item for Eligibility
55% of Basis (estimated):	6,555,723	
Less 1st Mtg., 1st Note:		
Equals 1st. Mtg., 2nd Note Needed:	6,555,723	

12. REPAYMENT OF SECOND NOTE (IF APPLICABLE)

Interest @	() mos.	Principal	\$	\$	List Source
			\$	\$	
			\$	\$	
		Total	\$	Total	\$
			\$		\$

NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY

By: _____
(Developer or Authorized Signatory)By: _____
NJHMFA Executive Director or Designee

SCHEDULE 10-C: OPERATING EXPENSES

Borrowing Entity: Bayonne Supportive Housing, LP
 Dev. Name: Bayonne Supportive Housing

HMFA# 07809
 Prepared by: Michael Coe
 Reviewed by: _____
 (Director of Asset Management)

07/27/22
 Date

I. ADMINISTRATIVE EXPENSE

Stationery & Suppl.	1,500
Telephone	4,000
Dues & Sub.	500
Postage	500
Insp. & Other Fees	1,500
Advertising	2,000
Legal Services	2,500
Auditing (Year End)	13,840
Soc. Serv. Suppl.	10,000
Misc. Adm. Expenses	1,500
Bookkeeping/Accounting and/or Computer Charges	3,499
Other: Transportation	14,000

TOTAL \$ 55,339

II. SALARIES & RELATED CHARGES

	# of Employees	Total Wages inc benefits
Superintendent	1.00	37,500
Janitorial		
Grounds & Landscaping		
Security		
Social Services	0.50	20,000
Site Office & Admin	1.00	17,500
Maintenance		
Other Salaries:		
Empl. Benefits		12,750
Empl. Payroll Taxes		7,500
Worker's Comp.		2,250
Other:		

TOTAL \$ 2.50 97,500

III. MAINTENANCE AND REPAIRS

Masonry	1,500
Carpentry	1,500
Plumbing	2,000
Electrical	2,000
Kitchen Equipment	1,500
Elevator	2,500
Windows & Glass	1,500
Vehicles & Equip.	
Snow Removal	3,500
Grounds & Landscaping	2,500
Paint & Dec. Supl.	2,000
Small Equip. & Tools	800
Janit. Sup. & Tools	2,000
HVAC Supplies	2,500
Misc. Maint. Suppl.	1,500
Other:	

TOTAL \$ 27,300

IV. MAINTENANCE CONTRACTS

Security	
Elevator	15,000
Rubbish Removal	7,500
Heating & AC Maint.	7,000
Grounds, Parking & Landscaping	6,000
Exterminating	4,500
Cyclical Apt. Painting	6,000
Other:	

TOTAL \$ 46,000

V. UTILITY EXPENSE

Water Charges	20,000
Sewer Charges	20,000
Electricity	7,500
Gas	4,000
Fuel	
Less Solar Energy Savings	

TOTAL \$ 51,500

VI. REAL ESTATE TAX CALCULATION FOR TAX ABATEMENT

Gross Rents	\$	553,968
Less Vacancy	(-)	38,778
Less Utilities (if applicable)	(-)	51,500
Gross Sheltered Rents	\$	463,690
x Rate	x	6.28 %
Real Estate Taxes	\$	29,120

OR

ACTUAL TAXES
IF NO P.I.L.O.T.

ANTICIPATED GROSS RENTS:

Indicate on a separate line which apartment is for the Superintendent.
If it's rent-free, put \$0 in the Rent column.

** Indicate "Low", "Mod" or "Mkt" AND the percentage of median income. **NOTE: The percentage listed in this section is merely the percentage of the Gross Rent as to the applicable Area Median Income.**

Low Income - 50% or less of median income
Moderate Income - 50% to 80% of median income
Market Income - 80%+ of median income

NOTE: For Underwriting Purposes Only, Target Occupancy is based on (1) person per Bedroom

*** Where tenants pay their own utilities, a "utility allowance" must be subtracted from the maximum chargeable rent when determining their rental charge.

(a)	<u>Equipment:</u>	(b)	<u>Services:</u>	Gas, Electric or Oil	Individual or Master Meter	Paid by Tenant
	Ranges	x	Heat	G	I	x
	Refrigerator	x	Hot Water	G	I	x
	Air Conditioning	x	Cooking	E	I	x
	Laundry Facilities	x	Air Conditioning	E	I	x
	Disposal		Household Electric		I	x
	Dishwasher	x	Water		MM	
	Carpet		Sewer		MM	
	Drapes		Parking			
	Swimming Pool		Other:			
	Tennis Court		Other:			
	Other:					

(Include all utility costs associated with the commercial space in your description)

REV. 3/27/19

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11:08 AM

TOTAL RENTAL INCOME		\$	515,190	
OTHER INCOME				
Laundry Machines		\$		
Other:				
TOTAL OTHER INCOME		\$		
TOTAL REVENUE		\$	515,190	
EXPENSES				
Administrative (Schedule I)		\$	55,339	
Salaries (Schedule II)			97,500	
Maint. & Repairs (Schedule III)			27,300	
Maint. Contracts (Schedule IV)			46,000	
Utilities (Schedule V)			51,500	
Management Fee 67.00 per unit			32,160	* Should be between \$57 & \$73 per unit per month
P.I.L.O.T. on Commercial Income() %)				
Real Estate Taxes (Schedule VI)			29,120	
Insurance \$700 per Unit			28,000	2-Story & below - \$500; 3-Story & above - \$550
Reserve for Repair and Replacement 525.00 per unit			21,000	
TOTAL EXPENSES		\$	387,919	
NET OPERATING INCOME		\$	127,271	
DEBT SERVICE				
1. Principal and Interest		\$	77,655	
2. Mortg & Bond Serv Fee 0.40 %			4,160	
3. MIP %				
4. Debt Service on Other				
Mortgage Loans \$		\$		
AGENCY DEBT SERVICE		\$	81,815	
DEBT SERVICE NOT TO BE CONSIDERED IN DSR		\$		
TOTAL DEBT SERVICE		\$	81,815	
NET INCOME		\$	45,456	
Less Return on Equity (% on \$)		- \$		
Project Profit/(Loss)		\$	45,456	
DEBT SERVICE RATIO CALCULATION :				

$$\text{DSR} = \frac{\text{NET OPERATING INCOME}}{\text{AGENCY DEBT SERVICE}} = 1.56$$

New Mortgage
Amount

1,040,000

DEVELOPMENT: Bayonne Supportive Housing									
HIFA #: 07609									
LOAN OFFICER: Michael Coe									
DATE: 7/27/22									
DEVELOPMENT: Bayonne Supportive Housing									
HIFA #: 07609									
LOAN OFFICER: Michael Coe									
DATE: 7/27/22									
2nd Note/Mortgage (Amortizing)									
Interest Rate: 0.000000									
Term in Years: 30									
Annual Payment: \$0.00									
Servicing Fee: \$0.00									
FRM-CDBG									
Interest Rate Annually: 0									
First Years Balance: 0									
Permanent Mortgage (1st Note)									
Interest Rate: 1.040,000									
Term: 30									
Annual Payment: \$38,778									
Servicing Fee: \$0.00									
MIP: \$0.00									
PILOT Calculation									
Rent Income									
Less: Vacancy									
Less: Overhead									
Less: Other									
Basis for PILOT Calc.									
PILOT Rate									
PILOT Payment Estimate									
Commercial									
Less: Vacancy									
Net Commercial Income									
PILOT Rate									
PILOT Payment Estimate									
Source Ff									
Commercial									
\$sq. ft.									
\$0									
Annual % of Rent Increase: 3.00%									
Annual Expense Increase: 4%									
Vacancy: 7.00%									
Commercial Rent Increase: 0.00%									
Commercial Vacancy: 0.00%									
Annual Rent									
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MULTIFAMILY CASH FLOW

	Year 23	Year 24	Year 25	Year 26	Year 27	Year 28	Year 29	Year 30
	1,061,460	1,093,304	1,126,103	1,159,886	1,194,693	1,230,523	1,267,439	1,305,462
	24,302	25,531	-79,827	-81,192	-93,628	-96,137	-86,721	-91,362
	987,158	1,016,773	1,047,276	1,078,694	1,111,065	1,144,386	1,178,718	1,214,090
	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0
	987,158	1,016,773	1,047,276	1,078,694	1,111,065	1,144,386	1,178,718	1,214,090
	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0
	987,158	1,016,773	1,047,276	1,078,694	1,111,065	1,144,386	1,178,718	1,214,090
	131,149	136,395	141,851	147,525	153,426	159,563	165,946	172,584
	231,607	240,310	249,922	259,919	270,316	281,128	292,374	304,069
	61,068	62,716	64,412	66,156	67,948	69,789	71,679	73,618
	109,016	113,377	117,812	122,628	127,534	132,635	137,940	143,458
	122,051	126,933	132,010	137,291	142,782	148,493	154,433	160,611
	61,622	63,471	65,375	67,336	69,356	71,437	73,580	75,787
	54,329	55,882	57,479	59,120	60,808	62,542	64,325	66,158
	66,399	69,012	71,773	74,643	77,629	80,734	83,964	87,322
	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000
	0	0	0	0	0	0	0	0
	861,291	893,666	927,300	962,240	998,539	1,036,249	1,075,426	1,116,127
	21,532	22,342	23,182	24,056	24,963	25,906	26,886	27,903
	0,877	0,888	0,899	0,899	0,900	0,901	0,901	0,902
	125,867	123,106	119,976	116,454	112,516	108,137	103,292	97,962
	81,815	81,815	81,815	81,815	81,815	81,815	81,815	81,815
	81,815	81,815	81,815	81,815	81,815	81,815	81,815	81,815
	1,54	1,50	1,47	1,42	1,38	1,32	1,26	1,20
	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
	44,052	41,291	38,161	34,639	30,701	26,322	21,477	16,137
	11,013	10,323	9,540	8,660	7,675	6,581	5,369	4,034
	0	0	0	0	0	0	0	0
	33,039	30,966	28,621	25,979	23,026	19,742	16,108	12,103
	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0

**FORM OF AGREEMENT FOR
PAYMENT IN LIEU OF TAXES**

THIS AGREEMENT, made this ____ day of July, 2022, between Bayonne Senior and Supportive Housing, LP a partnership of the State of New Jersey, having its principal office at 549 Avenue A, Bayonne, N.J. 07002 (hereinafter the "Sponsor") and the City of Bayonne, a municipal corporation in the County of Hudson 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 Section 37 of the New Jersey Housing and Mortgage Finance Agency Law of 1983 (N.J.S.A. 55:14K-1 et seq) (hereinafter "HMFA Law") and a Resolution of the Council of the Municipality dated April 27, 2005, (the "Resolution") and with the approval of the New Jersey Housing and Mortgage Finance Agency (hereinafter the "Agency"), as required by N.J.S.A. 55:14K-37.

2. The Project is or will be situated on that parcel of land designated as Block 471, Lots 1-7 as shown on the Official Assessment Map of the City of Bayonne, and more commonly referred to as the Oak Court West property, Bayonne, New Jersey.

3. As of the date the Sponsor executes a first mortgage upon the Project in favor of the Agency (hereinafter referred to as the "Agency Mortgage"), the land and improvements comprising the Project shall be exempt from real property taxes, provided that the Sponsor shall make payments in lieu of taxes to the Municipality as provided hereinafter. The exemption of the Project from real property taxation and the sponsor's obligation to make payments in lieu of taxes shall not extend beyond the date on which the Agency Mortgage is paid in full, which, according to the HMFA Law, may not exceed fifty (50) years.

4. (a) For projects receiving construction and permanent financing from the Agency, the Sponsor shall make payment to the Municipality of an annual service charge in lieu of taxes in such amount as follows:

- (1) From the date of the execution of the Agency Mortgage until the date of substantial completion of the Project, the Sponsor shall make payment to the municipality in an amount equal to the taxes due in calendar year 2022, subject to any exemption approved under N.J.S.A. 54:4-3.6 (pursuant to the HMFA Law, the annual amount may not

exceed the amount of taxes due on the property for the year preceding the recording of the Agency Mortgage). As used herein, "Substantial Completion" means the date upon which the Municipality issues the Certificate of Occupancy for all units in the Project.

- (2) From the date of Substantial Completion of the Project and for the remaining term of the NJHMFA Mortgage, the Sponsor shall make payment to the Municipality in an amount equal to 6.28 percent of Project Revenues.

(b) For Projects receiving permanent financing on from the Agency, the Sponsor shall make payment to the Municipality in an amount equal to 6.28 percent of Project Revenues from the date of the Agency Mortgage and for the remaining term of the Agency Mortgage.

(c) As used herein, "Project Revenues" means the total annual gross rental or carrying charge or other income of the Sponsor from the Project less the costs of utilities furnished by the project, which shall include the costs of gas, electricity, heating fuel, water supplied and sewage charges, if any. Project Revenues shall not include any rental subsidy contributions received from any federal or state program.

(d) The amount of payment in lieu of taxes to be paid pursuant to paragraphs (a) or (b) and (c) above is calculated in Exhibit "A" attached hereto. It is expressly understood and agreed that the revenue projections provided to the Municipality as set forth in Exhibit "A" and as part of the Sponsor's application for an agreement for payments in lieu of taxes are estimated only. The actual payments in lieu of taxes to be paid by the Sponsor shall be determined pursuant to Section 5 below.

5. (a) Payment by the Sponsor shall be made on a quarterly basis in accordance with bills issued by the Treasurer of the Municipality or such person as he/she may designate in the same manner and on the same dates as real estate taxes are paid to the Municipality and shall be based upon Project Revenues of the previous quarter. No later than three (3) months following the end of the first fiscal year of operation after (i) the date of Substantial Completion (for projects receiving construction and permanent financing or (ii) the date of the Agency Mortgage (for projects receiving permanent financing only) and each year thereafter that this Agreement remains in effect, the Sponsor shall submit to the Municipality a certified, audited financial statement of the operation of the Project (the "Audit"), setting forth the Project Revenues and the total payment in lieu of taxes due to the Municipality calculated at 6.28 percent of Project Revenues as set forth in the Audit (the "Audit Amount"). The Sponsor simultaneously shall pay the difference, if any, between (i) the Audit Amount and (ii) payments made by the Sponsor to the Municipality for the preceding fiscal year. The Municipality may accept any such payment without prejudice to its right to challenge the amount due. In the event that the

payments made by the Sponsor for any fiscal year shall exceed the Audit Amount for such fiscal year, the Municipality shall credit the amount of such excess to the account of the Sponsor.

(b) All payments pursuant to this Agreement shall be in lieu of taxes and the Municipality shall have all the rights and remedies of tax enforcement granted to Municipalities by law just as if said payments constituted regular tax obligations on real property within the Municipality. If, however, the Municipality disputes the total amount of the annual payment in lieu of taxes due it, based upon the Audit, it may apply to the Superior Court, Chancery Division for an accounting of the service charge due the Municipality, in accordance with this Agreement and HMFA Law. Any such action must be commenced within one year of the receipt of the Audit by the Municipality.

(c) In the event of any delinquency in the aforesaid payments, the Municipality shall give notice to the Sponsor and NJHMFA in the manner set forth in 9 (a) below, prior to any legal action being taken.

6. The tax exemption provided herein shall apply only so long as the Sponsor or its successors and assigns and the Project remain subject to the provisions of the HMFA Law and Regulations made thereunder and the supervision of the Agency, but in no event longer than the term of the Agency Mortgage. In the event of (a) a sale, transfer or conveyance of the Project by the Sponsor or (b) a change in the organizational structure of the Sponsor, this Agreement shall be assigned to the Sponsor's successor and shall continue in full force and effect so long as the successor entity qualifies under the HMFA Law or any other state law applicable at the time of the assignment of this Agreement and assumes the Agency Mortgage.

7. Upon any termination of such tax exemption, whether by affirmative action of the Sponsor, its successors and assigns, or by virtue of the provisions of the HMFA Law, or any other applicable state law, the Project shall be taxed as omitted property in accordance with the law.

8. The Sponsor, its successors and assigns shall, upon request, permit inspection of property, equipment, buildings and other facilities of the Project and also documents and papers by representatives duly authorized by the Municipality. Any such inspection, examination or audit shall be made during reasonable hours of the business day, in the presence of an officer or agent of the Sponsor or its successors and assigns.

9. Any notice or communication sent by either party to the other hereunder shall be sent by certified mail, return receipt requested, addressed as follows:

(a) When sent by the Municipality to the Sponsor, it shall be addressed to Bayonne Senior and Supportive Housing, LP a partnership of the State of New Jersey, having its principal office at 549 Avenue A, Bayonne, N.J. 07002, or to such other address as the Sponsor may hereafter designate in writing and a copy of said notice or communication by the Municipality to the Sponsor shall be sent by the

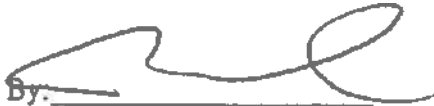
Municipality to the New Jersey Housing and Mortgage Finance Agency, 637 South Clinton Avenue, P. O. Box 18550, Trenton, New Jersey 08650-2085.

(b) When sent by the Sponsor to the Municipality, it shall be addressed to the City Clerk and Municipal Treasurer at 630 Avenue C, Bayonne, New Jersey 07002, or to such other address as the Municipality may designate in writing; and a copy of said notice or communication by the Sponsor to the Municipality shall be sent by the Sponsor to the New Jersey Housing and Mortgage Finance Agency, 637 South Clinton Avenue, P. O. Box 18550, Trenton, New Jersey 08650-2085.

10. In the event of a breach of this Agreement by either of the parties hereto or a dispute arising between the parties in reference to the terms and provisions as set forth herein, either party may apply to the Superior Court, Chancery Division, to settle and resolve said dispute in such fashion as will tend to accomplish the purposes of the HMFA Law.

ATTEST:


SPONSOR: BAYONNE SENIOR AND
SUPPORTIVE HOUSING, LP

By: 

Paul N. Weerts, Esq.
Attorney at Law
State of New Jersey

ATTEST:

By: 
Medelene C. Medina, City Clerk

By: 
John Mollen, Executive Director

By: _____

MUNICIPALITY: CITY OF BAYONNE

By: 
James Davis, Mayor

MUNICIPAL COUNCIL OF THE CITY OF BAYONNE

RESOLUTION NO. 22-08-05-004

WHEREAS, the Bayonne Senior and Supportive Housing Associates LP (hereinafter referred to as the "Sponsor") proposes to construct a construct a six (6) story Supportive Housing and Senior Affordable Housing building consisting of forty (40) units of a combination of supportive housing units and senior affordable housing units on a site described as Lots 1-7, Block 471, as shown on the Official Assessment Map of the City of Bayonne, Hudson County and commonly known as the Oak Court West Property, Bayonne, New Jersey 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.), the rules promulgated thereunder at N.J.A.C. 5:80-1 et seq., and all applicable guidelines (the foregoing hereinafter referred to as the "HMFA Requirements") within the municipality of Bayonne (hereinafter referred to as the "Municipality") on a site described as Lots 1-7, Block 471 as shown on the Official Assessment Map of the City of Bayonne, Hudson County and commonly known as the Oak Court West property; and

WHEREAS, the Project will be subject to the HMFA Requirements and the mortgage 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, pursuant to the HMFA Requirements, the governing body of the Municipality hereby determines that there is a need for this housing project in the Municipality; and

WHEREAS, the Sponsor has presented to the Municipal Council a revenue projection for the Project which sets forth the anticipated revenue to be received by the Sponsor from the operation of the Project as estimated by the Sponsor and the Agency, a copy of which is attached hereto and made a part hereof as Exhibit A; now, therefor, be it

RESOLVED, by the Council of the City of Bayonne (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 HMFA Requirements with the intent and purpose that the Agency shall rely thereon in making a mortgage loan to the Sponsor, which shall construct, 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 Agency mortgage, the proposed Project, including both the land and improvements thereon, will be exempt from real property taxation as provided in the

HMFA Requirements, 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 "B"; and

- (4) The Council hereby authorizes and directs the Mayor of the City of Bayonne to execute, on behalf of the municipality, the Agreement for Payments in Lieu of Taxes in substantially the form annexed hereto as Exhibit "B" in an amount equal to 6.28 percent of the Project Revenues as defined therein; and
- (5) The Council understands and agrees that the revenue projections set forth in Exhibit "A" 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.

JFC:nmi

A TRUE COPY

Madeline E. Medina
CITY CLERK

Agenda No. R-17

A TRUE COPY

Madeline L. Medina
CITY CLERK

MUNICIPAL COUNCIL OF THE CITY OF BAYONNE

RESOLUTION NO. 22-06-15-055

RESOLUTION OF NEED OF THE MUNICIPAL COUNCIL OF THE CITY OF BAYONNE, COUNTY OF HUDSON, NEW JERSEY FOR THE DEVELOPMENT OF A SUPPORTIVE HOUSING AND SENIOR AFFORDABLE HOUSING PROJECT ON PROPERTY THAT IS IDENTIFIED AS BLOCK 471, LOTS 1-7 AND COMMONLY KNOWN AS THE OAK COURT WEST PROPERTY WITHIN THE CITY OF BAYONNE

WHEREAS, the Housing Authority of the City of Bayonne (hereinafter referred to as the "Sponsor") proposes to construct a Supportive Housing and Senior Affordable Housing building consisting of up to a combined seventy (70) units of both supportive housing units and senior affordable housing units (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.), the rules promulgated thereunder at N.J.A.C. 5:80-1.1 et seq., and all applicable guidelines promulgated thereunder (the foregoing hereinafter collectively referred to as the "HMFA Requirements") within the City of Bayonne (hereinafter referred to as the "Municipality") on a site described as Lots 1-7, Block 471 as shown on the Official Assessment Map of the City of Bayonne, Hudson County and commonly known as the Oak Court West Property, Bayonne, New Jersey; and

WHEREAS, the Project will be subject to the HMFA Requirements, and the mortgage 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, pursuant to the HMFA Requirements, 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 MUNICIPAL COUNCIL OF THE CITY OF BAYONNE AS FOLLOWS:

- (1) The Council finds and determines that the Supportive Housing and Senior Affordable Housing building consisting of twenty (20) supportive housing units and twenty (20) senior affordable housing units commonly known as the Oak Court West Property Project proposed by the Sponsor meets or will meet an existing housing need; and
- (2) The Council does hereby adopt the within Resolution and makes the determination and findings herein contained by virtue of, pursuant to, and in conformity with the provisions of the HMFA Law to enable the Agency to process the Sponsor's application for Agency funding to finance the Project.
- (3) This Resolution shall take effect immediately.

Council Member Carroll moved the following resolution, seconded by Council Member Perez which was read by the Clerk and adopted

Yeas - Council Members Carroll, LaPelusa, Gullace, Perez and President Nadrowski

577-001\#725012v1

**RESOLUTION
PLANNING BOARD
CITY OF BAYONNE**

APPLICANT: Housing Authority of the City of Bayonne

APPLICATION NO.: P-22-020

PREMISES: 7 Oak Court; Block 471, Lots 1-7

**RESOLUTION OF APPROVAL PURSUANT TO NJSA 40: 55D- 31
ENDORSING AND CONFIRMING THE HOUSING AUTHORITY OF THE
CITY OF BAYONNE PLAN TO CONSTRUCT A NEW SIX STORY RESIDENTIAL
BUILDING AT 7 OAK COURT Block 471, LOTS 1-7**

WHEREAS, the Housing Authority of the City of Bayonne appeared before the Bayonne Planning Board for purposes of review of the plan to construct a six-story residence at 7 Oak Court;

WHEREAS, the City of Bayonne has adopted pursuant to ordinance zoning rules and regulations as well as a Master Plan regulating and providing for appropriate land uses within its boundaries including provisions for supportive housing units and senior affordable housing units;

WHEREAS, due notice of an application before the Bayonne Planning Board was duly published 10 days or more before the hearing date of August 9th, 2022 to consider this matter;

WHEREAS, the Housing Authority of the City of Bayonne appeared through counsel, Paul Weeks, Esq. who has submitted plans and testimony from the architect James Virgona, R. A. from Virgona & Virgona, Architects concerning the project and it's development;

WHEREAS, it has been proffered that expenditure of public funding will be accomplished through the Housing Authority of the City of Bayonne and other public sources thus necessitating this review;

Resolution of Approval
Housing Authority of the City of Bayonne

August 9, 2022
P-22-020

The Bayonne Planning Board has carefully reviewed the testimony and plan submitted before it with respect to the construction of a new six story residence at 7 Oak Street consisting of a two-story parking deck and four stories consisting of forty residential housing units. These residential units will have twenty units reserved for seniors and twenty households reserved for residents with development disabilities. Furthermore, the Board specifically finds that the proposal is an inherently beneficial use as defined by case law and the municipal land use law. The Planning Board is aware that the proposal involves the expenditure of public funds but specifically finds that such expenditure is warranted and worthy and that the project scale and purpose are meritorious and carefully considered. Finally, the Planning Board finds the prospective site for these residences promote more effective and efficient use of land within municipality.

NOW, THEREFORE BE IT RESOLVED by the planning board of the City of Bayonne that pursuant to its authority under NJSA 40:55D- 31 hereby approves, confirms and recommends the proposal for development and construction.

FURTHER RESOLVED, that the Chair of the Planning Board has hereby authorized her signature to this Resolution Granting Approval and the Planning Board Administrator is authorized to advertise the action taken by way of notice of the decision and adoption of the Resolution in a local newspaper; and

FURTHER RESOLVED, that the Planning Board Administrator is authorized to send copies of this Resolution to the following City Officials: City Clerk, Construction Official, Zoning Officer, Fire Sub-Code Official, City Planner and Consulting City Engineer.

Resolution of Approval
Housing Authority of the City of Bayonne

August 9, 2022
P-22-020

The following vote to approve the application was taken at the hearing on August 9, 2022:

RECORDED VOTE:

<i>Commissioners</i>	<i>Aye</i>	<i>Nay</i>	<i>Abstain</i>	<i>Recuse</i>	<i>Absent</i>	<i>Not Voting</i>
Karen Fiermonte	[X]	[]	[]	[]	[]	[]
Maria I. Valado	[X]	[]	[]	[]	[]	[]
George Becker	[X]	[]	[]	[]	[]	[]
Loyad Booker, Jr.	[X]	[]	[]	[]	[]	[]
Michael Quintela	[X]	[]	[]	[]	[]	[]
Thomas Maiorano	[X]	[]	[]	[]	[]	[]
Jack Beiro	[X]	[]	[]	[]	[]	[]
Ahmed Lack	[X]	[]	[]	[]	[]	[]
James Davis, Mayor	[]	[]	[]	[]	[X]	[]
Ramon Veloz	[X]	[]	[]	[]	[]	[]
(Mayoral Designee)						

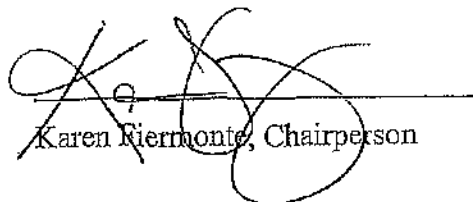
The following vote to approve the Memorializing Resolution was taken on August 9, 2022:

RECORDED VOTE:

<i>Commissioners</i>	<i>Aye</i>	<i>Nay</i>	<i>Abstain</i>	<i>Recuse</i>	<i>Absent</i>	<i>Not Voting</i>
Karen Fiermonte	[X]	[]	[]	[]	[]	[]
Maria I. Valado	[X]	[]	[]	[]	[]	[]
George Becker	[X]	[]	[]	[]	[]	[]
Loyad Booker, Jr.	[X]	[]	[]	[]	[]	[]
Michael Quintela	[X]	[]	[]	[]	[]	[]
Thomas Maiorano	[X]	[]	[]	[]	[]	[]
Jack Beiro	[X]	[]	[]	[]	[]	[]
Ahmed Lack	[X]	[]	[]	[]	[]	[]
James Davis, Mayor	[]	[]	[]	[]	[X]	[]
Ramon Veloz	[X]	[]	[]	[]	[]	[]
(Mayoral Designee)						

WHEREAS, the application is hereby X APPROVED DENIED.

The above Resolution was adopted by the Planning Board of the City of Bayonne at an in-person meeting held on August 9, 2022.


Karen Fiermonte, Chairperson

RNC/akl

City of Bayonne

Fourth Round Housing Element and Fair Share Plan P June 10, 2025

APPENDIX F - Draft Omnibus Affordable Housing Ordinance

**MUNICIPAL COUNCIL
CITY OF BAYONNE
COUNTY OF HUDSON**

**DRAFT
OMNIBUS AFFORDABLE HOUSING ORDINANCE**

City of Bayonne
Omnibus Affordable Housing Ordinance

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DRAFT
CITY OF BAYONNE
COUNTY OF HUDSON, STATE OF NEW JERSEY
ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF BAYONNE IN
HUDSON COUNTY, NEW JERSEY, AMENDING
CHAPTER 33 OF THE PLANNING AND
DEVELOPMENT REGULATIONS ORDINANCE OF
THE CITY OF BAYONNE TO REPEAL ARTICLES 17
AND 18; AND TO AMEND ARTICLES 14, 15 AND 16

WHEREAS, the New Jersey Supreme Court and New Jersey Legislature have recognized and mandated in So. Burl. Co. NAACP v. Mount Laurel, 92 N.J. 158 (1983) ("Mount Laurel II") and the Fair Housing Act, *N.J.S.A. 52:27D-301, et seq.* ("FHA") that every municipality in New Jersey has an affirmative obligation to facilitate the provision of very low, low and moderate income housing; and

WHEREAS, the Planning Board of the City of Bayonne has adopted a housing element of the master plan and a fair share plan that comprehensively provides for the appropriate use and development of lands in the City necessary to meet the obligation to provide for affordable housing; and

WHEREAS, the Municipal Council has adopted a fair share plan and endorsed the housing element for the City of Bayonne that provides for the administration and implementation of affordable housing programs designed to meet the obligation to provide for affordable housing; and

WHEREAS, this Ordinance updates provisions in the Development Regulations Ordinance of the City of Bayonne for affordable housing development impact fees, inclusionary affordable housing and payment in lieu of construction of affordable housing; and the implementation of affordability controls and affirmative marketing of affordable housing in accordance with the Fair Housing Act, *N.J.S.A. 52:27D-301 et seq.*; and

NOW THEREFORE, BE IT ORDAINED by the Municipal Council of the City of Bayonne, Hudson County, New Jersey, as follows:

Section 1. Article 14 or Chapter 33, entitled, Development Fees and

City of Bayonne
Omnibus Affordable Housing Ordinance

Housing Trust Fund, is hereby amended in its entirety as follows.

ARTICLE 14

DEVELOPMENT FEES AND AFFORDABLE HOUSING TRUST FUND

§33-14.1. Authority and Purpose.

- A. In Holmdel Builder's Association V. Holmdel Township, 121 N.J. 550 (1990), the New Jersey Supreme Court determined that mandatory development fees are authorized by the Fair Housing Act of 1985 (the Act), *N.J.S.A. 52:27D-301 et seq.*, and the State Constitution.
- B. Pursuant to *N.J.S.A. 52:27D-329.2* and the Statewide Non-Residential Development Fee Act, *N.J.S.A. 40:55D-8.1* through -8.7, SUPERIOR COURT is authorized to adopt and promulgate regulations necessary for the establishment, implementation, review, monitoring and enforcement of municipal affordable housing trust funds and corresponding spending plans. Municipalities that have an approved spending plan may retain fees collected from non-residential development.
- C. This Article establishes standards for the collection, maintenance, and expenditure of development fees pursuant to state regulations and in accordance with P.L.2008, c.46, Sections 8 and 32-38. Fees collected pursuant to this Article shall be used for the sole purpose of providing low- and moderate-income housing as set forth in §33-14.8. This Article shall be interpreted within the framework of the Act's rules on development fees at *N.J.S.A 52:27D-320, et seq.*

§33-14.2. Limitations on Enactment.

- A. The City of Bayonne's Affordable Housing Development Fee Ordinance was approved by COAH on June 20, 2006 pursuant to *N.J.S.A. 52:27D-329.2, et seq.*
- B. COAH approved the City of Bayonne's third round spending plan on December 21, 2011. Accordingly, the City of Bayonne may spend development fees in conformance with *N.J.S.A. 52:27D-320, et seq.*; however, any amendments of substance to the municipality's spending plan shall be approved by the Court or appropriate agency.

§33-14.3. Definitions. See §33-15.1.B of the Code of the City of Bayonne.

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§33-14.4. Residential Development Fees.

A. Imposed fees.

- (1) Within any zoning district or designated area in need of redevelopment, residential developers, except for developers of the types of development specifically exempted below, shall pay a fee of one percent (1.0%) of the equalized assessed value for residential development, provided no increased density is permitted, provided no increased density has been approved by the board of jurisdiction. If an increase in density has been approved, paragraph –(2), herein, shall apply to the subject development.
- (2) When an increase in residential density pursuant to *N.J.S.A. 40:55D-70d(5)* (known as a “d” variance) has been permitted, developers shall be required to pay a development fee of six percent (6%) of the equalized assessed value for each additional dwelling that may be realized. However, if the zoning on a site has changed during the two-year period preceding the filing of such a variance application, the base density for the purposes of calculating the bonus development fee shall be the highest density permitted by right during the two-year period preceding the filing of the variance application.

Example: If an approval allows four (4) dwellings to be constructed on a site that was zoned for two (2) dwellings, the fees could equal one and a half percent (1.5%) of the equalized assessed value on the first two dwellings; and six percent (6%) of the equalized assessed value for the two (2) additional dwellings, provided zoning on the site has not changed during the two-year period preceding the filing of such a variance application.

B. Exemptions and application of eligible increases in residential development.

- (1) Exemptions.
 - (a) Single one and two-family detached and single family attached owner-occupied dwellings where the development is less than five hundred (500) square feet of additional gross floor area, shall be exempt from development fees.
 - (b) Owner-occupied residential structures demolished and replaced because of a fire, flood, or natural disaster shall be exempt from paying a development fee.
 - (c) Affordable housing developments, developments where the developer is providing for the construction of affordable dwellings elsewhere in the municipality, and developments where the developer has made a payment

City of Bayonne
Omnibus Affordable Housing Ordinance

in lieu of on-site construction of affordable dwellings shall be exempt from development fees.

- (d) Developments that have received preliminary or final site plan approval prior to June 20, 2006, when the ordinance was first approved by the NJ Superior Court, shall be exempt from development fees, unless the developer seeks a substantial change in the approval (see definition of “substantial change”). Where a site plan approval does not apply, a zoning and/or building permit shall be synonymous with preliminary or final site plan approval for this purpose. The fee percentage shall be vested on the date that the building permit is issued.
 - (e) Non-profit organizations 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 City Clerk, together with a certification that services of the organization are provided at reduced rates to those who establish an inability to pay at established, existing charges, shall be exempted from paying a development fee.
 - (f) Federal, state, county, local governments and agencies of the same shall be exempted from paying a residential development fee.
- (2) Development fees shall be imposed and collected when an existing structure undergoes a change to a more intense use, is demolished and replaced, or is expanded, if the expansion is otherwise not exempt from the payment of a development fee. The development fee shall be calculated on the increase in the equalized assessed value of the improved structure.

§33-14.5. Non-Residential Development Fees.

A. Imposed fees.

- (1) Within all zoning districts, non-residential developers, except for developers of the types of development specifically exempted, shall pay a fee equal to two-and-one-half percent (2.5%) of the equalized assessed value of the land and improvements, for all new non-residential construction on an unimproved lot or lots.
- (2) Non-residential developers, except for developers of the types of development specifically exempted, shall also pay a fee equal to two-and-one-half percent (2.5%) 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-one-half percent

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Omnibus Affordable Housing Ordinance

(2.5%) shall be calculated on the difference between the equalized assessed value of the pre-existing land and improvement and the equalized assessed value of the newly improved structure, i.e. land and improvement, at the time the 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 the two-and-one-half percent (2.5%) development fee, unless otherwise exempted below.
- (2) The two-and-one-half percent (2.5%) fee shall not apply to an increase in equalized assessed value resulting from alterations, change in use within existing footprint, reconstruction, renovations and repairs.
- (3) Any exemption claimed by a developer of non-residential development shall be substantiated in accordance with the exemptions required pursuant to *N.J.S.A. 40:55D-8.4*, as specified in the Form N-RDF "State of New Jersey Non-Residential Development Certification/Exemption Form". Non-residential development exempt from the development fee (exempted categorically, not exempted by statutory moratorium), include the following:
 - (a) Parking lots and parking structures, regardless of whether the parking lot or parking structure is constructed in conjunction with a non-residential development, such as an office building, or whether the parking lot is developed as an independent non-residential development;
 - (b) Any non-residential development which is an amenity to be made available to the public, including, but not limited to, recreational facilities, community centers, and senior centers, which are developed in conjunction with or funded by a non-residential developer;
 - (c) Non-residential construction resulting from a relocation of or an on-site improvement to a nonprofit hospital or a nursing home facility;
 - (d) Projects that are located within a specifically delineated urban transit hub, as defined pursuant to *N.J.S.A. 34:1B-208*;
 - (e) Projects that are located within an eligible municipality, as defined under *N.J.S.A. 34:1B-208*, when a majority of the project is located within a one-half mile radius of the midpoint of a platform area for a light rail system; and

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- (f) Projects determined by the New Jersey Transit Corporation to be consistent with a transit village plan developed by a transit village designated by the Department of Transportation A developer of a non-residential development exempted from the non-residential development fee pursuant to *N.J.S.A. 40:55D-8.4* 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 for occupancy of the non-residential development, whichever is later.
- (4) 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 forty-five (45) days of the termination of the property tax exemption. Unpaid non-residential development fees under these circumstances may be enforceable by the City of Bayonne as a lien against the real property of the owner.

§33-14.6. Collection of Fees.

- A. Upon the granting of a preliminary, final or other applicable approval for a development, the applicable approving authority shall direct its Secretary to notify the construction official responsible for the issuance of a building 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 Form” 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 building permit shall notify the municipal tax assessor of the issuance of the first building permit for a development which is subject to a development fee.
- D. Within ninety (90) days of receipt of that notice, the municipal tax assessor, based on the plans filed, shall provide 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 municipal tax assessor of any and all requests for the scheduling of a final inspection on property which is subject to a development fee.

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- F. Within ten (10) business days of a request for the scheduling of a final inspection, the municipal tax assessor shall confirm or modify the previously estimated equalized assessed value of the improvements in the development; calculate the development fee; and thereafter notify the developer of the amount of the fee.
- G. Should the City of Bayonne fail to determine or notify the developer of the amount of the development fee within ten (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 *N.J.S.A. 40:55D-8.6*.
- H. Fifty percent (50%) of the total estimated development fee shall be collected at the time of issuance of the building permit. The remaining portion shall be collected at the issuance of the certificate of occupancy. The developer shall be responsible for paying the difference between the fee calculated at the issuance of the building permit and that determined at the issuance of the certificate of occupancy.

§33-14.7. Appeal Procedures.

- A. Appeal of development fees. A developer may challenge residential development fees imposed by filing a challenge with the County Board of Taxation. Pending a review and determination by the Board, collected fees shall be placed in an interest bearing escrow account by the City of Bayonne. 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, *N.J.S.A. 54:48-1 et seq.*, within ninety (90) days after the date of such determination. Interest earned on amounts escrowed shall be credited to the prevailing party.
- B. 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 forty-five (45) days of receipt of the challenge, collected fees shall be placed in an interest bearing escrow account by the City of Bayonne. 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, *N.J.S.A. 54:48-1, et seq.*, within ninety (90) days after the date of such determination. Interest earned on amounts escrowed shall be credited to the prevailing party.

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§33-14.8. Affordable Housing Trust Fund.

- A. Establishment of Fund. There is hereby established a separate, interest-bearing affordable housing trust fund to be maintained by the Chief Financial Officer of the City of Bayonne for the purpose of depositing development fees collected from residential and non-residential developers and proceeds from the sale of units with extinguished controls. Nothing herein shall prevent the Chief Financial Officer from maintaining an existing affordable housing trust fund account in lieu of the establishment of a new account provided the methods and procedures of this Article are followed in the operation of the fund.
- B. General Provisions.
 - 1. The following funds shall be deposited in the Affordable Housing Trust Fund and shall at all times be identifiable by source and amount:
 - (a) Payments in lieu of on-site construction of affordable units;
 - (b) Developer contributed funds to make ten percent (10%) of the adaptable entrances in a townhouse or other multistory attached development accessible;
 - (c) Rental income from municipally operated units;
 - (d) Repayments from affordable housing program loans;
 - (e) Recapture funds;
 - (f) Proceeds from the sale of affordable units; and
 - (g) Any other funds collected in connection with Bayonne's affordable housing program.
 - 2. The Mayor and Council, in the name of the fund, shall have the right to apply for and receive grants from any source to further the purposes of the fund.
- C. Within seven (7) days of the opening of the trust fund account or change to a different bank, the City of Bayonne shall provide the Court or as directed by the Court with written authorization, in the form of a three-party escrow agreement between the municipality, the bank of deposit and any bank in successor, to direct the disbursement of the funds.
- D. All interest accrued in the affordable housing trust fund shall only be used on eligible affordable housing activities.

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§33-14.8. Use of Funds, Affordability Assistance and Monitoring of the Account.

- A. **Use of Funds.** The expenditure of all funds shall conform to a spending plan approved by the Court or appropriate agency. Funds deposited in the housing trust fund may be used for any activity approved as part of the spending plan to address the municipality'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, rehabilitation, new construction of affordable housing units and related costs, accessory apartment, market-to-affordable, or 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, or any other activity as permitted pursuant to *N.J.S.A 52:27D-329.2(c)* and as otherwise specified in the approved spending plan. Funds shall not be expended to reimburse the City of Bayonne for past housing activities.
- B. **Affordability Assistance.** At least thirty percent (30%) of all development fees collected and interest earned shall be used to provide affordability assistance to very low, low- and moderate-income households in affordable units included in the municipal Fair Share Plan. One-third of the affordability assistance portion of development fees collected shall be used to provide affordability assistance to those very low households earning thirty percent (30%) or less of median income by region. Affordability assistance shall be governed by the following provisions:
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.
 2. Affordability assistance to households earning thirty percent (30%) or less of median income 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 thirty percent (30%) or less of median income.
 3. Payments in lieu of constructing affordable units on site and funds from the sale of units with extinguished controls shall be exempt from the affordability assistance requirement.
- C. **Administrative Expenditures.** No more than twenty percent (20%) of all revenues collected from development fees may be expended on administration, including, but not limited to, salaries and benefits for municipal employees or consultant fees

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necessary to develop or implement a new construction program, a rehabilitation program, a Housing Element and Fair Share Plan, and/or an affirmative marketing program. Administrative funds may be used for income qualification of households, monitoring the turnover of sale and rental units, and compliance with monitoring requirements. Legal or other fees related to litigation opposing affordable housing sites or objecting to the Council's regulations and/or action are not eligible uses of the affordable housing trust fund.

- D. **Monitoring Requirements.** The City of Bayonne shall complete and return all forms necessary for monitoring requirements related to the collection of development fees from residential and non-residential developers, payments in lieu of constructing affordable units on site, funds from the sale of units with extinguished controls, barrier free escrow funds, rental income, repayments from affordable housing program loans, and any other funds collected in connection with Bayonne's approved housing program, as well as to the expenditure of revenues and implementation of the plan approved by the Court.
- E. **Collection Coterminous with Certification.** The ability for the City of Bayonne to impose, collect and expend development fees shall expire with its substantive certification or judgment of repose unless the City of Bayonne has filed an adopted Housing Element and Fair Share Plan, has petitioned for substantive certification or judgment of repose, and has received approval of its development fee ordinance. If the City of Bayonne fails to renew its ability to impose and collect development fees prior to the expiration of substantive certification, it may be subject to forfeiture of any or all funds remaining within its municipal trust fund. Any funds so forfeited shall be deposited into the "New Jersey Affordable Housing Trust Fund" established pursuant to *N.J.S.A. 52:27D-320*. The City of Bayonne shall not impose a residential development fee on a development that receives preliminary or final site plan approval after the expiration of its substantive certification or judgment of compliance, nor shall City of Bayonne retroactively impose a development fee on such a development. The City of Bayonne shall not expend development fees after the expiration of its substantive certification or judgment of repose.
- F. The City of Bayonne may contract with a private or public entity to administer any part of its Housing Element and Fair Share Plan, including the requirement for affordability assistance, in accordance with *N.J.S.A. 52:27D-329.2(c)(4)*.

Section 2. Article 15, Chapter 33, entitled Housing Affordability Controls, is hereby amended in its entirety as follows:

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ARTICLE 15

HOUSING AFFORDABILITY CONTROLS AND ADMINISTRATION

§33-15.1. Purpose, Municipal Housing Liaison and Administrative Agent.

- A. Purpose. The purpose of this Article is to ensure that the implementation and administration of the City of Bayonne’s affordability housing program meets the requirements for restricting affordable housing to income qualified persons, that the programs are operated in a manner consistent with the Fair Housing Act and promulgated rules of the Superior Court, and that the administration of the program is conducted in an impartial and equitable manner.
- B. Definitions. The following terms shall have the meanings indicated unless a different meaning clearly is intended from the context:

ADAPTABLE – Construction in compliance with the technical design standards of the Barrier Free Subcode, *N.J.A.C. 5:23-7*.

ADMINISTRATIVE AGENT – The entity responsible for administering the affordability controls of this Article pursuant to *N.J.A.C. 5:80-26.14* and *N.J.S.A. 52:27D-301 et seq.*
AFFIRMATIVE MARKETING – 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 – The average percentage of median income at which restricted units in an affordable housing development are affordable to low- and moderate-income households.

AFFORDABLE – A sales price or rent within the means of a low- or moderate-income household as defined in *N.J.S.A. 52:27D-304*; in the case of an ownership unit, that the sales price for the dwelling 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 dwelling, that the rent for the dwelling conforms to the standards set forth in *N.J.A.C. 5:80-26.12*, as may be amended and supplemented.

AFFORDABLE DEVELOPMENT – A housing development all or a portion of which consists of restricted units.

AFFORDABLE DWELLING or UNIT – A dwelling proposed or created pursuant to the Fair Housing Act, credited pursuant to *N.J.S.A. 52:27D-307(c)*, and/or funded through an affordable housing trust fund.

AFFORDABLE HOUSING DEVELOPMENT – A development included in the Housing Element and Fair Share Plan, or as otherwise identified by the City of Bayonne, and includes, but is not limited to, an inclusionary development, a municipal construction project or a 100 percent affordable development.

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AFFORDABLE HOUSING PROGRAM(S) – Any mechanism in a municipal Fair Share Plan prepared or implemented to address a municipality’s fair share obligation.

AGE-RESTRICTED DWELLING – 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 or older; or 2) at least 80 percent of the units are occupied by one person that is 55 years or older; or 3) the development has been designated by the Secretary of 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.

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

ASSISTED LIVING RESIDENCE – A facility 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 dwelling entrance.

CERTIFIED HOUSEHOLD – A household that has been certified by an Administrative Agent as a low-income household or moderate-income household.

COAH – The New Jersey Superior Court established under the Fair Housing Act (*N.J.S.A. 52:27D-301 et seq.*) which has primary jurisdiction for the administration of housing obligations in accordance with sound regional planning consideration in the State.

DCA – The State of New Jersey Department of Community Affairs.

DEFICIENT HOUSING UNIT – A housing dwelling 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 – Any person, partnership, association, company or corporation that is the legal or beneficial owner or owners of a lot or of any land proposed to be included in a development, including the holder of an option or contract to purchase, or other person having an enforceable proprietary interest in such land.

DEVELOPMENT – 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.*

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DEVELOPMENT FEE – Money paid by a developer for the improvement of property as set forth in this Article and as permitted under *N.J.S.A. 52:27D-329.2*.

DWELLING – A room or series of connected rooms designed for permanent human habitation containing living, cooking, sleeping and sanitary facilities for one household.

ECONOMIC FEASIBILITY STUDY – An analysis completed by an individual or group of individuals with demonstrated professional knowledge and experience in real estate finance, real estate costs of development and construction, and the market valuation of rental and for sale real estate products in New Jersey that assesses sites intended for residential development or mixed use development with a residential component for the inclusion of low- and moderate-income housing to determine if there is a realistic opportunity to attract the capital needed to develop or redevelop such sites.

EQUALIZED ASSESSED VALUE – The assessed value of a property divided by the current average ratio of assessed value to true value for the municipality in which the property is situated (the “equalization ratio”) as determined in accordance with Sections 1, 5 and 6 of P.L. 1973 c. 123 (*N.J.S.A. 54:1-35a through -35c*). Equalized assessed value may be estimated at the time of building permit by the tax assessor utilizing estimates for construction costs. Final "equalized assessed value" will be determined at project completion by the municipal tax assessor.

FAIR HOUSING ACT or ACT – The Fair Housing Act of 1985, P.L. 1985, c. 222 (*N.J.S.A. 52:27D-301 et seq.*)

FAMILY – See “HOUSEHOLD”.

GREEN BUILDING STRATEGIES – 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.

GROSS AGGREGATE HOUSEHOLD INCOME – The combined income, as defined herein, of all members of a household or family.

HOUSEHOLD – All persons living as a single, nonprofit housekeeping dwelling, whether or not the same are related by blood, marriage or otherwise.

INCLUSIONARY DEVELOPMENT – A development containing both affordable dwellings and market rate dwellings. This term includes, but is not necessarily 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.

INCOME – Income from all sources, including but not limited to wages, salaries, tips, commissions, alimony, regularly scheduled overtime, pensions, social security, unemployment compensation, Temporary Assistance for Needy Families (TANF), verified regular child support, disability, net income from business or real

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estate, and income from assets such as savings, certificates of deposit, money market accounts, mutual funds, stocks, bonds and imputed income from non-income producing assets, such as equity in real estate.

JUDGMENT OF REPOSE – A judgment issued by the Superior Court approving a municipality's plan to satisfy its fair share housing obligation for very low, low and moderate income housing.

LOW INCOME HOUSEHOLD – A household with a total gross annual household income that is equal to or less than 50% of the median gross household income for households of the same size within the applicable housing region.

LOW INCOME UNIT – A restricted dwelling that is affordable to a low income household.

MAJOR SYSTEM – 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 UNIT – A dwelling not restricted to low- and moderate-income households that may sell or rent at any price.

MEDIAN INCOME – The median gross household income by household size for the applicable housing region.

MODERATE INCOME HOUSEHOLD – A household with a total gross annual household income of more than 50 percent but less than 80 percent of the median gross household income for households of the same size within the applicable housing.

MODERATE INCOME UNIT – A restricted dwelling that is affordable to a moderate income household.

MUNICIPAL HOUSING LIAISON – A municipal employee responsible for coordinating the municipality's response to meeting its affordable housing obligation and who may or may not be the designated administrative agent.

NON-EXEMPT SALE – 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 court order.

OWNER – The entity or family holding title to a dwelling unit.

RANDOM SELECTION PROCESS – 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

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matching household income and size with an appropriately priced and sized affordable dwelling (e.g., by lottery).

REGIONAL ASSET LIMIT – The maximum housing value in each housing region affordable to a four-person household with an income at 80 percent of the regional median.

REHABILITATION – The repair, renovation, alteration or reconstruction of any building or structure, pursuant to the Rehabilitation Subcode, *N.J.A.C. 5:23-6*.

RENT – The gross monthly cost of a rental dwelling 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 – A dwelling unit, whether a rental unit or 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 UHORP or MONI.

ROOM – A living room, dining room, recreation room, kitchen or bedroom. Closets, bathrooms, cellars and attics shall be excluded, except where portions of cellars and attics have been improved to meet housing and building code requirements for rooms.

SUBSTANTIAL CHANGE – Any increase in an approved structure's bulk or floor area where the result exceeds any of the requirements of the zoning district in which it is located, and where any changes exceed the limitations necessary to qualify as an insubstantial change. An "insubstantial change" means a revision to a preliminary or final plat which does not violate any requirements of the City's ordinances, does not alter the amount of lower-income housing or other forms of participating in the lower-income housing program as set forth in the approved development and does not have changes which exceed any of the following: setback in any yard of five feet; seven feet in building height; 1% in the approved floor area ratio; 1% in the approved lot coverage (building, paving and other coverages); five feet in building spacing; three parking spaces; one loading space; five feet in driveway locations; and 1% of the area of the approved site disturbance. A substitution of similar landscaping material, lighting fixture and signage is not a substantial change, provided that there is no change in approved quantities and/or dimensions.

SUBSTANTIVE CERTIFICATION – A determination by COAH approving a municipality's housing element and fair share plan in accordance with the provisions of the Fair Housing Act, *N.J.S.A. 52:27D-301 et seq.*, and the rules and criteria as set forth by COAH. A grant of substantive certification shall be valid for a period of six years in accordance with the terms and conditions contained in the substantive certification, or as otherwise determined by a court of competent jurisdiction.

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TANF – Temporary Assistance for Needy Families, a supplemental income program within the U.S. Department of Health and Human Services administered by the State of New Jersey.

UHAC – The Uniform Housing Affordability Controls set forth in *N.J.A.C. 5:80-26.1 et seq.*

UNIT – See “DWELLING”

VERY LOW INCOME HOUSEHOLD – A household with a total gross annual household income equal to thirty percent (30%) or less of the median gross household income for households of the same size within the applicable housing.

VERY LOW INCOME UNIT – A restricted dwelling that is affordable to a very low-income household.

WEATHERIZATION – Building insulation (for attic, exterior walls and crawl space), siding to improve energy efficiency, replacement storm windows, replacement storm doors, replacement windows and replacement doors, and is considered a major system for rehabilitation.

- C. The Municipal Council shall appoint a Municipal Housing Liaison and Administrative Agent or Agents of the City by resolution. The Municipal Council may also approve by resolution project specific administrative agents proposed by the developers of low and moderate income housing in its initial sales and rental of new dwellings. The Municipal Housing Liaison shall be located within the Department of Municipal Services. The Municipal Housing Liaison shall be a municipal employee. Furthermore, the Municipal Housing Liaison shall meet any criteria and training requirements established by rule or order and shall be approved as appropriate. The Municipal Housing Liaison may also be the Administrative Agent provided such person is qualified to hold the position pursuant to the requirements of *N.J.A.C. 5:80-26.14(e)*. Nothing within this Article shall be construed to affect the appointment or term of any prior established Municipal Housing Liaison or Administrative Agent position.
- D. The Municipal Housing Liaison shall have the following duties:
 - 1. Coordinate the activities of the Administrative Agent(s), Corporation Counsel, City Planner, City Engineer, service contractors and others to ensure compliance with the affordable housing obligation of the City of Bayonne.
 - 2. Act as the main point of contact between the City of Bayonne and the Superior Court, or its successor; affordable housing providers; the Administrative Agent(s) and interested households.

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3. Provide educational materials for the public; receive requests from the public concerning the affordable housing program, and direct inquiries to the appropriate official or service provider.
4. The Municipal Housing Liaison shall complete and return to NJDCA or its successor all forms necessary for monitoring requirements related to dwelling units in affordable housing projects and the collection of development fees from residential and non-residential developers, payments in lieu of constructing affordable units on site, funds from the sale of units with extinguished controls, barrier free escrow funds, rental income, repayments from affordable housing program loans, and any other funds collected in connection with the City of Bayonne's approved housing program, as well as to the expenditure of revenues and implementation of the approved plan. In this activity, the Municipal Housing Liaison shall have the assistance of the Administrative Agent(s).
5. The Municipal Housing Liaison shall keep records of the affirmative marketing activities undertaken in accordance with the affirmative marketing plan established by the Administrative Agent and any developer's administrative agent pursuant to Article 16 of Chapter 33. The records shall include, but not be limited to, the following:
 - (a) Electronic reporting of affordable housing activity; any required paper forms;
 - (b) Copies of any press releases, brochures, flyers, print advertisements and application forms used in the affirmative marketing program.
 - (c) The income and demographic characteristics of each household applying for and occupying income-restricted housing.
 - (d) An evaluation of any necessary adjustments required to the affirmative marketing program as communicated by the Administrative Agent.
6. Institute and maintain an effective means of communicating information between owners and the Administrative Agent regarding the availability of restricted dwellings for resale or rental.
7. Coordinate meetings with affordable housing providers and Administrative Agents, as applicable.
8. Attend continuing educational opportunities on affordability controls, compliance monitoring and affirmative marketing as offered or approved by NJDCA or its successor agency.

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9. Other duties as directed by the Director of Municipal Services and/or as required for Municipal Housing Liaisons.
- E. The Municipal Council shall designate by resolution and may contract with same; one or more Administrative Agents to administer newly constructed affordable units in accordance with *N.J.S.A. 52:27D-301 et seq.* and *N.J.A.C. 5:80-26.1, et seq.*, subject to the approval of Superior Court to the degree the agency requires such approval. Each Administrative Agent shall have the following duties:
1. To ensure as his or her primary responsibility that the restricted dwellings under administration are sold or rented, as applicable, only to very low, low- and moderate-income households in accordance with the affordability controls as required in *N.J.A.C. 5:80-26.1 et seq.*
 2. To ensure that the affirmative marketing of affordable housing dwellings undertaken by any Administrative Agent(s) is done in accordance with the provisions of *N.J.A.C. 5:80-26.15* and Title 16, Affirmative Marketing of Affordable Units, of Chapter 33 of the Code of the City of Bayonne;
 3. To create and maintain operating manuals for each program in the City's housing element and fair share plan;
 4. To solicit, schedule, conduct and follow up on interviews with interested households;
 5. Conduct interviews and obtain sufficient documentation of gross income and assets upon which to base a determination of income eligibility for a low or moderate income dwelling;
 6. Provide written notification to each applicant as to the determination of eligibility or non-eligibility;
 7. Create and maintain 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 dwellings are located;
 8. Except as otherwise permitted by law, to employ a random selection process when referring households for certification to occupy affordable dwellings;
 9. Furnish to attorneys or closing agents forms of deed restrictions and mortgages for recording at the time of conveyance of title of each restricted dwelling;
 10. Create and maintain a file on each restricted dwelling for its control period, including the recorded deed with restrictions, recorded mortgage and note, as appropriate;

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11. To institute and maintain an effective means of communicating information to the Municipal Housing Liaison and low and moderate income households regarding the availability of restricted dwellings for resale or re-rental;
 12. Review and approve requests from owners of restricted dwellings who wish to take out home equity loans or refinance during the term of their ownership;
 13. Review and approve requests to increase sales prices from owners of restricted dwellings who wish to make capital improvements to the dwellings that would affect the selling price (such authorizations to be limited to those improvements resulting in additional bedrooms or bathrooms and the cost of central air conditioning systems);
 14. Provide or direct qualified low and moderate income applicants to counseling services on subjects such as budgeting, credit issues, mortgage qualifications, lease requirements and landlord/tenant law; and shall develop and maintain and update a list of entities and lenders willing and able to perform such services.
 15. Process requests and make determinations on requests by owners of restricted dwellings for hardship waivers;
 16. To communicate with lenders regarding foreclosures;
 17. To ensure the issuance of Continuing Certificates of Occupancy or certifications pursuant to *N.J.A.C. 5:80-26.10* for affordable housing units in the program;
 18. To notify the Municipal Housing Liaison of an owner's intent to sell a restricted dwelling;
 19. To ensure that the removal of the deed restrictions and cancellation of the mortgage note are effectuated and properly filed with the Hudson County Register of Deeds after the termination of the affordability controls for each restricted dwelling;
 20. To assist the Municipal Housing Liaison in completing monitoring reports to be submitted to NJDCA as required; and
 21. Such other responsibilities as may be necessary to carry out the provisions of this Article as directed by the Director of Municipal Services.
- F. The Administrative Agent shall create an operating manual for each affordable housing program operated by the municipality that implements the requirements of the Uniform Housing Affordability Controls rules and regulations (*N.J.A.C. 5:80-*

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- 26.1, *et seq.*) subject to the approval of Superior Court to the degree the agency requires such approval. Such program manual shall be reviewed and adopted by the Municipal Council, and shall be a public record and available for review in the Office of the City Clerk and in the office(s) of the Administrative Agent(s).
- G. The Administrative Agent of the City shall monitor any Municipal Council designated administrative agent of the developer in the initial sales and rental transactions for low and moderate income dwellings in accordance with *N.J.A.C. 5:80-26.14*. The developer shall assume all costs for the affirmative marketing and initial sales and rental transactions associated with the low and moderate income housing development, including the cost of review and oversight by the City's Administrative Agent. The developer's administrative agent shall have all of responsibilities as put forth in this Article and shall follow the same procedures for affirmative marketing, qualifying individuals and households and recording of property instruments as described herein for the City's Administrative Agent. The City's Administrative Agent shall charge a reasonable fee to developers, owners or sellers to cover the costs of his or her oversight and administration of the affordability controls program. Copies of all instruments to be recorded shall be provided to the City's Administrative Agent for review and approval prior to recording and shall be provided to both the City's Administrative Agent and Municipal Housing Liaison after recording.
- H. In order to ensure an orderly transfer of control responsibility from a municipality to an administrative agent, from one administrative agent to another administrative agent, or other transfer, the requirements as set forth in *N.J.A.C. 5:80-26.17* shall apply as are necessary before or during the transition. The Administrative Agent's enforcement responsibility for implementing such practices and procedures shall not be delegated or otherwise transferred to any other party, except to a successor administrative agent.
- I. The City of Bayonne shall be deemed to have delegated to the Administrative Agent the day-to-day responsibility for implementing practices and procedures designated to ensure effective compliance with the controls set forth in this Article. The City of Bayonne, however, shall retain the ultimate responsibility for ensuring effective compliance with the requirements as set forth in *N.J.A.C. 5:80-26.1, et seq.*

§33-15.2. Selection of Eligible Households; Certificate of Eligibility.

- A. The Administrative Agent shall secure all information from applicant households necessary and appropriate to determine that restricted dwellings are occupied by properly sized households with appropriate very low, low- or moderate-income levels. No household may be referred to a restricted dwelling, or may receive a commitment with respect to a restricted dwelling, unless that household has received a signed and dated certification, as set forth in this section, and has executed the certificate in the form provided.

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- B. The Administrative Agent shall use a random selection process to select occupants of very low, low- and moderate- income housing.
- C. The Administrative Agent shall prepare a standard form of certification and shall sign and date one for each household when certified. This certification shall be known as a Certificate of Eligibility and shall be a prerequisite for the purchase or rental of an income-restricted dwelling. An initial certification shall be valid for no more than 180 days unless a valid contract for sale or lease has been executed within that time period. In this event, certifications shall be valid until such time as the contract for sale or lease is ruled invalid and no occupancy has occurred. Certifications may be renewed in writing at the request of a certified household for an additional period of 180 days at the discretion of the Administrative Agent.
- D. When reviewing an applicant household's income to determine eligibility, the Administrative Agent shall compare the applicant household's total gross annual income to the regional very low, low and moderate income limits then in effect, as adopted by NJDCA or successor agency. For the purposes of this subchapter, income includes, but is not limited to, wages, salaries, tips, commissions, alimony, regularly scheduled overtime, pensions, social security, unemployment compensation, TANF, verified regular child support, disability, net income from business or real estate, and income from assets such as savings, certificates of deposit, money market accounts, mutual funds, stocks, bonds and imputed income from non-income producing assets, such as equity in real estate.
- E. Except as otherwise specifically stated in this subchapter, the sources of income considered by the Administrative Agent shall be the types of regular income reported to the Internal Revenue Service and which is eligible to be used for mortgage loan approval. Household annual gross income shall be calculated by projecting current gross income over a 12-month period.
- F. Assets not earning a verifiable income shall have an annual imputed interest income using a current average annual savings interest rate. Assets not earning income include, but are not limited to, present real estate equity. Applicants owning real estate must produce documentation of a market value appraisal and outstanding mortgage debt. The difference shall be treated as the monetary value of the asset and the imputed interest added to income. If the applicant household owns a primary residence with no mortgage on the property valued at or above the regional asset limit as published annually by NJDCA or successor agency, a Certificate of Eligibility shall be denied by the Administrative Agent, unless the applicant's existing monthly housing costs (including principal, interest, taxes, homeowner and private mortgage insurance, and condominium and homeowner association fees as applicable) exceed 38 percent of the household's eligible monthly income.
- G. Rent from real estate shall be considered income, after deduction of any mortgage payments, real estate taxes, property owner's insurance and reasonable property

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- management expenses as reported to the Internal Revenue Service. Other expenses are not deductible. If actual rent is less than fair market rent, the Administrative Agent shall impute a fair market rent.
- H. Income does not include benefits, payments, rebates or credits received under any of the following:
1. Federal or State low-income energy assistance programs;
 2. Food stamps, payments received for foster care, relocation assistance benefits;
 3. Income of live-in attendants, scholarships, student loans, and personal property, including but not limited to, automobiles; and
 4. Lump-sum additions to assets such as inheritances, lottery winnings, gifts, insurance settlements, and part-time income of persons enrolled as full-time students.
 5. Income, however, does include interest and other earnings from the investment of any of the foregoing benefits, payments, rebates, or credits.
- I. The Administrative Agent shall require each member of an applicant household who is 18 years of age or older to provide documentation to verify the member's income, including income received by adults on behalf of minor children for their benefit. Household members 18 years of age or older who do not receive income must produce documentation of current status. Income verification documentation may include, but is not limited to, the following for each and every member of a household who is 18 years of age or older:
1. Four consecutive pay stubs, not more than 120 days old, including bonuses, overtime or tips, or a letter from the employer stating the present annual income figure;
 2. Copies of Federal and State income tax returns for each of the preceding three tax years;
 3. A letter or appropriate reporting form verifying monthly benefits such as Social Security, unemployment, TANF, disability or pension income (monthly or annually);
 4. A letter or appropriate reporting form verifying any other sources of income claimed by the applicant, such as alimony or child support;

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5. Income reports from banks or other financial institutions holding or managing trust funds, money market accounts, certificates of deposit, stocks or bonds; and
 6. Evidence or reports of income from directly held assets such as real estate or businesses.
 7. Court ordered payments for alimony or child support to another household, whether or not it is being paid regularly, shall be excluded from income for purposes of determining income eligibility.
- J. At the discretion of the Administrative Agent, households may also be required to produce documentation of household composition for determining the correct dwelling size and applicable median income guide.
- K. Withholding of a Certificate of Eligibility.
1. A certificate of eligibility may be withheld by the Administrative Agent as a result of an applicant's inability to demonstrate sufficient present assets for down payment or security deposit purposes.
 2. A certificate of eligibility may be withheld by the Administrative Agent as a result of an applicant's inability to verify funds claimed as assets, household composition or other facts represented.
 3. A certificate of eligibility shall be denied by the Administrative Agent as a result of any willful and material misstatement of fact made by the applicant in seeking eligibility.
- L. The following information shall promptly be provided to the City's Municipal Housing Liaison and Administrative Agent by the developer or sponsor of any project containing any affordable units subject to the requirements of this Article, upon the latter of either final municipal land use approval or issuance of a grant contract by a governmental authority:
1. The total number of units in the project, and number of restricted units, broken down by bedroom size, identifying which are low and which are moderate income dwellings, and including street addresses of restricted dwellings;
 2. Floor plans of all affordable dwellings, including complete and accurate identification of uses and dimensions of all rooms;
 3. A project map identifying the locations of low and moderate income and market dwellings;

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4. A list of project principals or partners, together with a list of all other affordable projects in which they have been involved over the previous five years;
 5. Projected construction schedule;
 6. Proposed pricing for all units, including any purchaser options and add-on items;
 7. A list of all public funding sources and copies of grant or loan agreements for those sources;
 8. Condominium fees or homeowner association and any other maintenance or other fees;
 9. Estimated real property taxes for sale units;
 10. Sewer, trash disposal and any other utility assessments;
 11. Flood insurance requirement, if applicable;
 12. A description of all HVAC systems;
 13. Location of any common areas and elevators;
 14. Proposed form of lease for any rental units;
 15. The name of the person who will be responsible for official contact with the City's Administrative Agent for the duration of the project;
 16. The name and qualifications of the developer's administrative agent; and
 17. The State-approved Planned Real Estate Development public offering statement and/or master deed where available or applicable.
- M. Waiting list procedures.
1. Households remaining on a waiting list shall update the application no later than April 30 each year, including the most recent federal income tax return of each member of the proposed household and such other updated income and other information requested on the application.
 2. Households on the waiting list who have not submitted the required information by May 15 each year shall be notified by certified mail, mailed to the address on file, that they have until June 30 of that year to provide the information or they shall be removed from the waiting list.

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3. Any household whose income or priority category has changed such that the household has become eligible for a different category of housing or priority list shall be placed on the appropriate list without penalty or favor as of the date of the original application.
4. Any household whose income has increased to the degree that it is no longer eligible for low or moderate income housing shall be removed from the waiting list.
5. If the Administrative Agent has reason to believe that the information on file is erroneous or incomplete, he or she shall have the right to conduct an investigation and request any additional information deemed necessary to obtain accurate household information. If an applicant does not cooperate in such investigation or refuses to reply with the requested additional information within thirty (30) days of said request, the applicant shall be removed from the list.
6. All applications shall be notarized and certified complete and accurate. Anyone knowingly submitting incomplete, inaccurate, incorrect or false information may be removed from eligibility for very low, low and moderate income dwellings. All information submitted to the Administrative Agent of the purposes of determining applicant eligibility shall be strictly confidential and not considered a public record.
7. Prior to the time of availability of a very low, low and moderate income dwelling, the Administrative Agent shall notify by certified mail the top three households on the waiting list for the type of dwelling available, its location and the estimated date it will be available. If a purchaser or tenant cannot be found from the top three households on the waiting list, notice shall be sent to the fourth, fifth, etc., household until a purchaser or tenant is found. The household shall, within fourteen (14) days of mailing, notify the Administrative Agent, in writing, of its intent to occupy the dwelling and, if selected, its intent to comply with the requirements of Subsection – M.8, below, within fifteen (15) days. Any household which fails to respond to the notice or chooses to reject a specific dwelling by informing the Administrative Agent in writing, shall retain its priority and shall be notified of available dwellings in the future, except that if a household chooses to reject a dwelling or fails to respond three times, it shall be removed from the list and must reapply and re-qualify if it wishes to be placed on the list at a new qualified priority.
8. At the time of notice to a household of the availability of an appropriate type of dwelling and if the household notifies the Administrative Agent of its intent to occupy the dwelling and that household is selected for occupancy, each household member shall update the records on file and

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recertify the accuracy of the information as required herein. Information shall be reviewed and the eligibility status reconfirmed. The household selected shall only at that point proceed to make the legal and financial arrangements to acquire or lease the dwelling.

9. If a household selected for occupancy is unable to obtain financing, it shall lose its eligibility for that dwelling, after notice, but shall retain its priority status for a similar appropriate dwelling as other dwellings become available and as long as the household remains eligible. When notified of the availability of another dwelling, updating and recertifying data as outlined in Subsection –M.8 above is required.

§33-15.3. Purchase and Sale of Dwellings.

- A. Both the buyer and seller of low and moderate income dwellings, including the initial seller, shall comply with *N.J.A.C. 5:80-26.5*, Control Periods of Ownership Units; -26.6, Price Restrictions for Ownership Units; -26.7, Buyer Income Eligibility for Ownership Units; -26.8, Limitations on Indebtedness Secured by Ownership Unit; Subordination; -26.9, Capital Improvements to Ownership Units; and -26.10, Maintenance of Restricted Ownership Units, as they may be amended or superseded, and more particularly described in §33-15.3.I, herein.
- B. Deed restrictions, restrictive covenants, form of release, payment of recapture amounts, certificates of eligibility, mortgage notes and other property documents for affordable housing shall be as required in *N.J.A.C. 5:80-26.1 et seq.*, as it may be amended or superseded.
- C. No person may buy a restricted dwelling who has not received a Certificate of Eligibility from the Administrative Agent, or the developer's administrative agent for the initial sale, pursuant to the procedures in §33-15.2.
- D. Deed provisions on sale of rental dwellings. A deed conveying title from an owner of a rental dwelling occupied by very low, low and moderate income families shall include a clause which shall read, "The rental dwelling(s) located in the premises conveyed herein are subject to the terms, conditions, restrictions, limitations and provisions as set forth in an ordinance of the City of Bayonne codified as Article 15, Chapter 33, as it may be amended and supplemented."
- E. Exempt transactions. The following transfer of ownership of a dwelling shall be deemed "non-sales" for the purposes of this Article:
 1. Between husband and wife.
 2. Between former spouses ordered as a result of a judicial decree of divorce (and not including sales to third parties).

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3. To an heir as a result of inheritance.
4. Through an order of the Superior Court or other court, in a foreclosure proceeding or transfer in lieu of foreclosure after a foreclosure proceeding has commenced.
5. Statement of exemption. To permit the transfer of title under this subsection or to permit the sale, resale or lease of an affordable dwelling, the Administrative Agent shall issue a statement of exemption in recordable form to the person receiving title to the dwelling. A copy of the statement of exemption shall be given, at the time of closing, to the seller of the dwelling. The statement of exemption issued pursuant to this subsection shall exempt only the specific sale, transfer, resale or rental transaction for which it was issued. It shall not exempt the transaction for the low-income/moderate-income resale/re-rental price restrictions set forth in this Article.
6. The restrictions of resale or re-rental to a purchaser in accordance with this Article shall apply to all subsequent re-sales or re-rentals of affordable dwellings unless a new statement of exemption is issued pursuant to this Subsection E specifically for a subsequent resale or re-rental transaction. All other terms, provisions and restrictions of this Article shall remain in full force and effect. Such purchaser, however, shall take title and possession to the affordable dwelling, subject to the terms, restrictions, conditions and provisions of this Article, including those addressing use, occupancy, improvement and resale as though such purchaser were, in fact, a qualified very low, low and moderate income purchaser.
7. Where title is acquired pursuant to –E.1 through –E.4 of this section, the cost basis for subsequent resale shall be fixed at the same price as the last preceding nonexempt sale. That price may be adjusted in accordance with the procedures of this Article through application of the appropriate Consumer Price Index changes since the date of that nonexempt sale.
8. Nothing herein shall preclude the City of Bayonne from purchasing the affordable dwelling and holding, renting or conveying it to a qualified very low, low and moderate income purchaser if such option is exercised prior to the owner accepting a bona fide offer to purchase such dwelling.
9. Prior to the issuance of the initial certificate of occupancy for a restricted ownership dwelling and upon each successive sale during the period of restricted ownership, the Administrative Agent shall determine the restricted price for the dwelling and shall also determine the non-restricted, fair market value of the dwelling based on either an appraisal or the dwelling's equalized assessed value without the restrictions in place.

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10. At the time of the initial sale of the dwelling, 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 dwelling's release from the restrictions set forth in this Ordinance, an amount equal to the difference between the dwelling'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 dwelling.
11. The affordability controls set forth in this Article shall remain in effect despite the entry and enforcement of any judgment of foreclosure with respect to restricted ownership units.
12. A restricted ownership dwelling shall be required to obtain a Continuing Certificate of Occupancy or a certified statement from the Construction Official stating that the dwelling meets all code standards upon the first transfer of title that follows the expiration of the applicable minimum control period provided under *N.J.A.C. 5:80-26.5(a)*.

§33-15.4. Additional Regulation of Affordable Dwellings.

A. Affordability Average; Bedroom Distribution.

1. In each affordable development, at least fifty percent (50%) of the restricted dwellings within each bedroom distribution shall be low-income dwellings, including very low income dwellings and the remainder may be moderate-income dwellings.
2. At least thirteen percent (13%) of all affordable rental units shall be very low income units (affordable to households earning thirty percent [30%] 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.
3. Affordable developments that are not age-restricted shall be structured in conjunction with realistic market demands such that:
 - (a) The combined number of efficiency and one bedroom units is no greater than twenty percent (20%) of the total low and moderate-income units;
 - (b) At least thirty percent (30%) of all low and moderate-income units are two bedroom units;
 - (c) At least twenty percent (20%) of all low and moderate-income units are three bedroom units; and

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- (d) The remainder, if any, may be allocated at the discretion of the developer.
 - (e) Age-restricted low and moderate-income units may utilize a modified bedroom distribution. At a minimum, the number of bedrooms shall equal the number of age-restricted low and moderate-income units within the affordable development. The standard may be met by creating all one-bedroom units or by creating a two-bedroom dwelling for each efficiency dwelling.
4. 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 NJDCA or successor agency.
 5. The maximum rent for affordable units within each affordable development shall be affordable to households earning no more than sixty percent (60%) of median income and the average rent for low and moderate-income units shall be affordable to households earning no more than fifty-two percent (52%) of median income. 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 thirteen percent (13%) of all low and moderate-income units shall be affordable to households earning no more than thirty percent (30%) of median income.
 6. The maximum sales price of restricted ownership units within each affordable development shall be affordable to households earning no more than seventy percent (70%) of median income. Each affordable development shall achieve an affordability average of fifty-five percent (55%) for restricted ownership units. In achieving this affordability average, moderate income ownership units shall be available for at least three different prices for each bedroom type, and low income ownership units shall be available for at least two different prices for each bedroom type.

B. Initial Pricing and Annual Increases of Affordable Dwellings.

1. Owner-Occupied Dwellings Initial Pricing. The initial purchase price for all restricted ownership units shall be calculated so that the monthly carrying cost of the dwelling, including principal and interest (based on a mortgage loan equal to ninety-five percent (95%) 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 twenty-eight percent (28%) of the eligible monthly income of the appropriate size household as determined under *N.J.A.C. 5:80-26.4*;

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provided, however, that the price shall be subject to the affordability average requirement as noted above.

2. **Rental Dwellings Initial Pricing.** The initial rent for a restricted rental dwelling shall be calculated so as not to exceed thirty percent (30%) of the eligible monthly income of the appropriate household size 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 as noted in sub-section –A(5) and –A(6) above and the utility allowance in sub-section –B(5), below.
 3. **Owner-Occupied Dwellings Annual Increase.** 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.
 4. **Rental Dwellings Annual Increase.** The rent of low- and moderate-income units may be increased annually based on the percentage increase in the Housing Consumer Price Index for the United States. This increase shall not exceed nine percent (9%) 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.
 5. **Utilities.** Tenant-paid utilities that are included in the utility allowance shall be so stated in the lease and shall be consistent with the utility allowance approved by the NJ Department of Community Affairs for its Section 8 program.
- C. **Price Restrictions for Restricted Ownership Units, Homeowner Association Fees and Resale Prices.**
1. The initial purchase price for a restricted ownership dwelling 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 homeowners and the market homeowners.
- D. The owners of restricted ownership units may apply to the Administrative Agent to increase the maximum sales price for the dwelling on the basis of eligible capital improvements. Eligible capital improvements shall be those that render the dwelling suitable for a larger household or the addition of a bathroom.

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E. Occupancy Standards.

1. In determining the initial rents and initial sales prices for compliance with the affordable average requirements for restricted units other than assisted living facilities, the following standards shall be used:
 - (a) A studio shall be affordable to a one person household;
 - (b) A one bedroom dwelling shall be affordable to a one and one-half person household;
 - (c) A two bedroom dwelling shall be affordable to a three person household;
 - (d) A three bedroom dwelling shall be affordable to a four and one-half person household;
 - (e) A four bedroom dwelling shall be affordable to a six person household.
2. For assisted living facilities, the following standards shall be used:
 - (a) A studio shall be affordable to a one person household;
 - (b) A one-bedroom dwelling shall be affordable to one and one-half person household;
 - (c) A two-bedroom dwelling shall be affordable to a two person household or to two one-person households.
3. In referring certified households to specific restricted units, to the extent feasible and without causing an undue delay in occupying the dwelling, the administrative agent shall strive to:
 - (a) Provide an occupant for each unit's bedroom;
 - (b) Provide children of different sex with separate bedrooms; and
 - (c) Prevent more than two persons from occupying a single bedroom.

- F. Utilities and Heating Source. Tenant-paid utilities that are included in the utility allowance shall be so stated in the lease and shall be consistent with the utility allowance approved by the NJ Department of Community Affairs for its Section 8 program. Affordable units shall utilize the same type of heating source as market units within the affordable development.

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- G. Appearance. The facade of an affordable housing dwelling shall be indistinguishable from those of market units in terms of the use of exterior materials, windows, doors, reveal, roof pitch, color, or other material. Affordable housing units shall be fully integrated with market rate housing to the greatest extent feasible.
- H. Tenure. For inclusionary developments with a single housing type, the affordable housing units shall have the same tenure as the market housing units.
- I. Ownership Unit Affordability Controls.
 - 1. The affordability control period for a restricted ownership dwelling shall commence on the date the initial certified household takes title to the dwelling.
 - 2. Each restricted ownership dwelling shall remain subject to the requirements of the Uniform Housing Affordability Controls (*N.J.A.C. 5:80-26.1 et seq.*) until the City of Bayonne elects to release the dwelling from such requirements pursuant to action taken in compliance with *N.J.A.C. 5:80-26.5(g)*. Prior to such municipal election, a restricted ownership dwelling shall remain subject to the requirements of *N.J.A.C. 5-80-26.5*, for a period of at least thirty (30) years.
 - 3. The affordability control period for a restricted ownership dwelling shall commence on the date the initial certified household takes title to the dwelling.
 - 4. Each restricted ownership dwelling shall remain in compliance with and subject to the requirements of the Uniform Housing Affordability Controls, *N.J.A.C. 5:80-26.5* for control periods, *N.J.A.C. 5:80-26.6* for price restrictions, *N.J.A.C. 5:80-26.7* for buyer income eligibility, *N.J.A.C. 5:80-26.8* for limitations on indebtedness and subordination, *N.J.A.C. 5:80-26.9* for capital improvements, and *N.J.A.C. 5:80-26.10* for maintenance.
- J. Limitations on indebtedness secured by ownership dwelling; subordination.
 - 1. Prior to incurring any indebtedness to be secured by a restricted ownership dwelling, the Administrative Agent shall determine in writing that the proposed indebtedness complies with the provisions of this section.
 - 2. With the exception of original purchase money mortgages, during a control period neither an owner nor a lender shall at any time cause or permit the total indebtedness secured by a restricted ownership dwelling to exceed 95% of the maximum allowable resale price of that dwelling, as such price

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is determined by the Administrative Agent in accordance with *N.J.A.C. 5:80-26.6(b)*.

K. 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 dwelling on the basis of capital improvements made since the purchase of the dwelling. Eligible capital improvements shall be those that render the dwelling suitable for a larger household or that adds an additional bathroom. In no event shall the maximum sales price of an improved housing dwelling exceed the limits of affordability for the larger household.
2. Upon the resale of a restricted ownership dwelling, all items of property that are permanently affixed to the dwelling or were included when the dwelling 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 dwelling and not included in the base price may be made a condition of the dwelling 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 dwelling 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.

L. Notice of Resale, Recapture Covenant and 95/5 Purchase Options.

1. The owner of the Property is required to notify the Administrative Agent and NJDCA or successor agency by certified mail of any intent to sell the property ninety (90) days prior to entering into an agreement for the first non-exempt sale of the Property after the conclusion of the period of affordability controls on restricted units in effect at the time the Property was first restricted as part of the Affordable Housing Program.
2. Upon the first such non-exempt sale of the Property, ninety-five percent (95%) of the difference between, (i), the actual sale price; and (ii), the regulated maximum sales price that would be applicable were the period of affordability controls on restricted units still in effect, shall be paid at

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closing to the NJ Department of Community Affairs, acting as receiving agent for the local municipality.

3. Such non-exempt sale is subject to the options provided for in *N.J.A.C. 5:80-26.20* (Option to buy 95/5 units), *N.J.A.C. 5:80-26.21* (Municipal Option on 95/5 units), *N.J.A.C. 5:80-26.22* (State Option on 95/5 Units), *N.J.A.C. 5:80-26.23* (Non-Profit Option on 95/5 Units), *N.J.A.C. 5:80-26.24* (Seller Option on 95/5 Units), *N.J.A.C. 5:80-26.25* (Municipal Rejection of Repayment Option on 95/5 Units) and *N.J.A.C. 5:80-26.26* (Continued Application of Options to Create, Rehabilitate or Maintain 95/5 Units) of UHAC.

M. Rental Dwelling Affordability Controls.

1. Each restricted rental dwelling shall remain subject to the requirements of the Uniform Housing Affordability Controls until the City of Bayonne elects to release the dwelling from such requirement pursuant to action taken in compliance with *N.J.A.C. 5:80-26.11(e)*. Prior to such a municipal election, a restricted rental dwelling shall remain subject to the requirements of *N.J.A.C. 5:80-26.11*, for a minimum of thirty (30) years.
2. Each restricted rental dwelling shall remain in compliance with and subject to the requirements of the Uniform Housing Affordability Controls, *N.J.A.C. 5:80-26.11* for control periods, *N.J.A.C. 5:80-26.12* for restrictions on rents, and *N.J.A.C. 5:80-26.13* for tenant income eligibility.
3. 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 Hudson. A copy of the filed document shall be provided to the Administrative Agent within thirty (30) days of the receipt of a Certificate of Occupancy.
4. A restricted rental dwelling 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 dwelling;
 - (b) Sale or other voluntary transfer of the ownership of the dwelling; or
 - (c) The entry and enforcement of any judgment of foreclosure.

N. 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

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security deposits and the full amount of the rent as stated on the lease. A copy of the current lease for each restricted rental dwelling 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 (5%) of the monthly rent of the applicable restricted dwelling and shall be payable to the Administrative Agent to be applied to the costs of administering the controls applicable to the dwelling as set forth in this Ordinance.
- O. Phasing. A phasing schedule for inclusionary developments shall be submitted at the time of application for development conforming to the minimum ratios of market to affordable dwellings in the following table:

Table 1. §33-15.4

Percentage of Market Dwellings Completed	Minimum Percentage of Very Low, Low and Moderate Income Dwellings that Must be Completed
25%	0%
25% + 1 dwelling	10%
50% + 1 dwelling	50%
75% + 1 dwelling	75%
90% + 1 dwelling	100%

Where the phasing schedule and bedroom distribution result in a fraction, the number shall be rounded to the next highest whole number.

- P. Accessibility Requirements. The following barrier free accessibility and adaptability requirements shall apply to all new construction:
1. 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 Subcode, *N.J.A.C. 5:23-7*.
 2. All restricted townhouse dwellings and all restricted units in other multistory buildings in which a restricted dwelling is attached to at least one other dwelling shall have the following features:
 - (a) An adaptable toilet and bathing facility on the first floor;

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- (b) An adaptable kitchen on the first floor;
- (c) An interior accessible route of travel on the first floor;
- (d) An interior accessible route of travel shall not be required between stories within an individual dwelling;
- (e) 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; and
- (f) An accessible entranceway in accordance with *N.J.S.A. 52:27D-311a, et seq.* and the Barrier Free Subcode, *N.J.A.C. 5:23-7*, or evidence that the municipality has collected funds from the developer sufficient to make ten percent (10%) of the adaptable entrances in the development accessible:
 - [1] Where a dwelling has been constructed with an adaptable entrance, upon the request of a disabled person who is purchasing or will reside in the dwelling, an accessible entrance shall be installed.
 - [2] To this end, the builder of restricted units shall deposit funds within the affordable housing trust fund of the City of Bayonne in accordance with §33-14.8 sufficient to install accessible entrances in ten percent (10%) of the affordable units that have been constructed with adaptable entrances.
 - [3] The funds deposited under sub-paragraph -[2] above shall be used by the City for the sole purpose of making the adaptable entrance of any affordable dwelling accessible when requested to do so by a person with a disability who occupies or intends to occupy the dwelling and requires an accessible entrance.
- (g) The developer of the restricted units shall submit a design plan and cost estimate for the conversion from an adaptable to an accessible entrances to the Construction Code Official.
- (h) Once the Construction Code Official has determined that the design plan to convert the unit entrances from adaptable to accessible meet the requirements of the Barrier Free Subcode, *N.J.A.C. 5:23-7*, and that the cost estimate of such conversion is reasonable, payment shall be made into the municipality's affordable housing trust fund by the Chief Financial Officer who shall ensure that the funds are deposited into the affordable housing trust fund and appropriately earmarked.

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3. Full compliance with the foregoing provisions shall not be required where an entity can demonstrate that physical or environmental conditions of the site render it impracticable to meet the requirements. Determinations of site impracticability shall be in compliance with the Barrier Free Subcode, *N.J.A.C. 5:23-7*.

§33-15.5. Violations; Penalties and Remedies; Enforcement.

- A. Upon the occurrence of a breach of any of the regulations governing the affordable dwelling 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, municipal fines, a requirement for household recertification, acceleration of all sums due under a mortgage, recoupment of any funds from a sale in the violation of the regulations, injunctive relief to prevent further violation of the regulations, entry on the premises, and specific performance.
- B. After providing written notice of a violation to an owner, developer or tenant of a low- or moderate-income dwelling and advising the owner, developer or tenant of the penalties for such violations, the municipality may take the following action against the owner, developer or tenant for any violation that remains uncured for a period of sixty (60) days after service of the written notice:
 1. The municipality may file a court action pursuant to *N.J.S.A. 2A:58-11* alleging a violation, or violations, of the regulations governing the affordable housing unit. If the owner, developer or tenant is found by the court to have violated any provision of the regulations governing affordable housing units the owner, developer or tenant shall be subject to one or more of the following penalties, at the discretion of the court:
 - (a) A fine of not more than one thousand dollars (\$1,000.00) or imprisonment for a period not to exceed ninety (90) days, or both. Each and every day that the violation continues or exists shall be considered a separate and specific violation of these provisions and not as a continuing offense;
 - (b) In the case of an owner who has rented his or her low- or moderate-income dwelling in violation of the regulations governing affordable housing units, payment into the City of Bayonne's Affordable Housing Trust Fund of the gross amount of rent illegally collected;
 - (c) In the case of an owner who has rented his or her 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.

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2. The municipality may file a court action in the Superior Court seeking a judgment, which would result in the termination of the Owner's equity or other interest in the dwelling, in the nature of a mortgage foreclosure. Any judgment shall be enforceable as if the same were a judgment of default of the first purchase money mortgage and shall constitute a lien against the low- and moderate-income unit.
 3. Such judgment shall be enforceable, at the option of the municipality, by means of an execution sale by the county sheriff, at which time the low- and 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 the right to possession terminated as well as the title conveyed pursuant to the Sheriff's sale.
- C. The proceeds of the sheriff's sale shall first be applied to satisfy the first purchase money mortgage lien upon the dwelling and any prior liens on the dwelling. The excess, if any, shall be applied to reimburse the City 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 City in full as aforesaid, the violating owner shall be personally responsible for the deficiency, in addition to any and all costs incurred by the City in connection with collecting said deficiency. The remainder, if any, up to a maximum of the amount the owner would be entitled to if he or she were to sell the dwelling as permitted by *N.J.S.A. 5:80-26.1 et seq.*, shall be placed in escrow by the City for the owner and shall be held in such escrow for a period of two years or until such time as the owner shall make a claim with the City for the same. Failure of the owner to claim said sum within the two-year period shall automatically result in a forfeiture of said remainder to the City for its use pursuant to the Affordable Housing Trust Fund established in §33-14.8 of this Article. Any interest accrued or earned on the remainder while being held in escrow shall belong to and shall be paid to the City's Affordable Housing Fund whether the remainder is paid to the owner or forfeited to the City. Any excess funds derived over and above the sum due the owner shall be paid over to the City's Affordable Housing Trust Fund.
- D. 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- and moderate-income unit. Title shall be conveyed to the purchaser at the Sheriff's sale, subject to the restrictions and provisions of the regulations governing the affordable housing dwelling. 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.

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- E. 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- and 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- and 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.
- F. Failure of the low- and 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- and moderate-income unit as permitted by the regulations governing affordable housing units.
- G. 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.
- H. Bayonne's Right to Cure. The City may, at its option, advance and pay all sums necessary to protect, preserve and retain the dwelling as an affordable dwelling, subject to the terms of this Article. All sums so advanced and paid by the City shall become a lien against said dwelling and shall have a higher priority than any lien except the first purchase money mortgage lien and liens by duly authorized government agencies. Such sums may include but are not limited to insurance premiums, taxes, assessments (public or private) and costs of repair necessary to bring the dwelling up to any and all applicable local, state or federal codes and liens which may be or become prior and senior to any first purchase money mortgage as a lien on the dwelling or any part thereof. If, in the event of a default or nonpayment by the owner of an affordable dwelling, any first mortgagee or other creditor of an owner of an affordable dwelling exercises its contractual or legal remedies available, the owner shall notify the Administrative Agent and the Corporation Counsel of the City, in writing, within ten (10) days of notification by the first mortgagee or creditor and no later than ten (10) days after service of any summons and complaint, and the City shall have the option to purchase, redeem or cure any default upon such terms and conditions as may be agreeable to all parties in interest and/or to acquire the first purchase money mortgage to the dwelling, thereby replacing the first mortgagee as the first mortgagee of the dwelling. The City shall have the same priority of lien as was held by the first mortgagee at the time the City acquires such first purchase money mortgage and shall have the right of subrogation with respect to any other claim or lien it satisfies or acquires.

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I. Provisions for First Purchase Money Mortgagees.

1. The terms and restrictions of this section shall be subordinate only to a first purchase money mortgage lien on any affordable dwelling and in no way shall impair the first mortgagee's ability to exercise the contract remedies available to it in the event of default as set forth in the first purchase money mortgage. The first mortgagee and/or mortgage servicer shall serve written notice upon the City within ten (10) days after the first purchase money mortgage is two months in arrears and again within ten (10) calendar days of the filing of a complaint seeking foreclosure of the first purchase money mortgage held on an affordable dwelling. However, a judgment of foreclosure upon the property shall in no instance terminate the conditions and requirements of this Article maintaining the dwelling as an affordable, income-restricted residence.
2. The obligation of the first mortgagee and servicer to notify the City shall cease automatically and immediately upon the sale of the first purchase money mortgage to the Federal National Mortgage Association or in the secondary mortgage market, unless the rules and regulations or guidelines of the Federal National Mortgage Association are amended so as to not prohibit or exclude placing such obligation upon the holder of the mortgage or its service representative, in which case, an instrument duly evidencing the same shall be recorded with the Register of Deeds, Hudson County, New Jersey, before any such obligation shall exist. Provided that the first mortgagee is obligated to give the City the above-mentioned notices, the first mortgagee shall also serve written notice of any proposed foreclosure sale upon the City at least thirty (30) days prior to the first scheduled date of such sale. The first mortgagee shall serve notice upon the City within thirty (30) days of the sale of the first purchase money mortgage to the Federal National Mortgage Association or in the secondary mortgage market.
3. The City of Bayonne or any instrumentality designated by the City shall have the right to purchase any mortgage which is in default at any time prior to the entry of a foreclosure judgment or within the redemption period thereafter. Notification of a default and of the institution of a foreclosure action and of a sheriff's sale shall be served, in writing, upon the City Clerk and Corporate Counsel. The City of Bayonne shall at all times be considered a party in interest and shall have the right to be joined as a party defendant and/or shall have the right to intervene in any foreclosure action seeking foreclosure of a first mortgage and/or shall have the right to redeem and acquire the owner's equity of redemption or to acquire the dwelling from the owner upon such terms and conditions as may be determined by the City.

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4. Surplus funds. In the event of a foreclosure sale by the holder of the first purchase money mortgage, the owner shall be personally obligated to pay to the City any excess funds, but only to the extent that such excess funds exceed the difference between what the owner could have resold his dwelling for under this Article at the time of the foreclosure sale and the amount necessary to redeem and satisfy the first purchase money mortgage debt, including costs of foreclosure and costs of repairs necessary to bring the dwelling up to any and all applicable local, state or federal codes. For the purposes of this subsection, excess funds shall be the total paid to the sheriff in excess of the amount required to pay and satisfy the first purchase money mortgage, including the costs of foreclosure, even if junior creditors actually receive payment from said surplus funds to the exclusion of the owner. The City is hereby given a first priority lien, second only to the first mortgagee for any taxes or public assessments by a duly authorized governmental body up to the full amount of excess funds. This obligation of the owner to pay this full amount to the City shall be deemed to be a personal obligation of the owner of record at the time of the foreclosure sale, and the City is hereby empowered to enforce this obligation in any appropriate court of law or equity as though the same were a personal contractual obligation of the owner. Neither the first mortgagee nor the purchaser at the foreclosure sale shall be responsible or liable to the City for any portion of this excess. The City shall deposit any funds received in the Affordable Housing Trust Fund and use it for the purposes as set forth in §33-14.8 of this Article.

§33-15.6. Miscellaneous Provisions.

- A. Nothing in these rules should be construed to limit the rights and duties of the owner and tenant to maintain the dwelling in accordance with all appropriate New Jersey State codes.
- B. Notwithstanding anything to the contrary in this Article, any member of a household occupying a dwelling under this Article and subject to the regulations of the City of Bayonne is subject to eviction for any reasons allowed under applicable New Jersey law. The provisions of this Article are not intended to confer any additional rights or obligations on property owners or tenants other than those mandated by statute or required by the courts of the State of New Jersey or the Superior Court.

Section 3. Article 16, Chapter 33, entitled, Affirmative Marketing of Affordable Units, is hereby amended in its entirety as follows.

ARTICLE 16

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AFFIRMATIVE MARKETING OF AFFORDABLE UNITS

§33-16.1. Purpose.

- A. The purpose of the Article is to establish administrative procedures to ensure a wide dissemination of knowledge of affordable housing units as they become available to the low and moderate income population, and that the selection of tenants or homeowners, as the case may be, meets the requirements of the Uniform Housing Affordability Controls (*N.J.A.C. 5:80-26-1 et seq.*).
- B. The affirmative marketing program 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 City of Bayonne's affirmative marketing program addresses the requirements of *N.J.A.C. 5:80-26.15*. Bayonne is located in COAH Housing Region 1 that consists of Hudson, Bergen, Passaic, and Sussex Counties. Any affirmative marketing plan for use in the City of Bayonne shall provide a regional preference for all households that live and work in Housing Region 1.

§33-16.2. Affirmative Marketing Requirements.

- A. Affirmative Marketing Requirements. Within the overall framework of the City's affirmative marketing program, all affordable housing units in the City of Bayonne shall be marketed in accordance with the provisions herein unless otherwise provided for in *N.J.A.C. 5:80-26.-1, et seq.*, as they may be amended or superseded. An Affirmative Marketing Plan shall be created for each development that contains or will contain low and moderate income units, including those that are part of the City's prior round Fair Share Plan and its current Fair Share Plan and those that may be constructed in future developments not yet anticipated by the Fair Share Plan. This Affirmative Marketing Plan shall also apply to any rehabilitated units that are vacated and re-rented during the applicable period of controls for rehabilitated rental units.
- B. Plan Preparation. The Administrative Agent shall prepare an Affirmative Marketing Plan for each affordable housing program, as applicable, comporting with *N.J.A.C. 5:80-26.15*, for review and approval by the Director of Municipal Services for conformance with this Article. Alternatively, the Administrative Agent of the City may oversee the work of a developer's Administrative Agent provided that the latter Agent has been approved by the City of Bayonne in accordance with the procedures herein. Regardless of the drafting agent, the Affirmative Marketing Plan is intended to be used by all developers of affordable housing restricted to low and moderate-income households located within the City of Bayonne. The Administrative Agent designated by the City for specific

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affordable housing programs shall ensure that the affirmative marketing of all affordable units is consistent with the Affirmative Marketing Plan for the municipality.

- C. The Affirmative Marketing Plan for each affordable housing development 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.

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§33-16.3. Affirmative Marketing Implementation.

- A. The affirmative marketing process for available affordable units shall begin at least four months prior to the expected date of occupancy. Advertising and outreach shall take place during the first week of the marketing program and each month thereafter until all of the affordable units have been leased or sold.
- B. The costs of advertising and affirmative marketing of the affordable units shall be the responsibility of the developer, sponsor or owner, unless otherwise determined or agreed to by the City of Bayonne.
- C. The Affirmative Marketing Plan for each affordable housing development shall meet the following minimum requirements:
 - 1. Information provided in the marketing of low and moderate-income units shall contain the name, address, directions (to the project), the number of units (including the number of sales and/or rental units), a range of prices or the price of sales and/or rental units, the name of the sales agent and/or rental manager along with their business hours where applications may be obtained and directions to their office, a description of the size (in bedrooms) of the units and of the random selection method that shall be used to select occupants, a disclosure of required application fee(s), and the maximum income permitted to qualify for the housing units.
 - 2. The media and outreach sources to be used in advertising and publicizing of the availability of housing in the affirmative marketing plan shall include the following:
 - a. Newspapers of general circulation within the housing region. All newspaper articles, announcements, and requests for applications for low and moderate income units shall appear in the following publications: Star Ledger and Jersey Journal.
 - b. Other publications circulated within the housing region. All newspaper articles, announcements, and requests for applications for low and moderate income housing shall appear in the following neighborhood oriented weekly newspaper: Bayonne Community News.
 - c. Radio and television stations within the housing region. Public service announcements shall be made through the use of the following radio stations broadcasting throughout the region: WPAT (93.1) Paterson, WFDU (89.1) Newark and WNJP (91.5) New Jersey Public Radio, Sussex.

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- d. One other media as identified in the Affirmative Fair Housing Marketing Plan for the City.
3. The primary marketing shall take the form of at least one press release and a paid display advertisement in each of 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.
4. Applications, brochure(s), sign(s) and/or poster(s) used as part of the affirmative marketing program shall be available/posted in one or more the following locations:
 - a. Bayonne City Municipal Building (Community Development Office).
 - b. Bayonne Free Public Library.
 - c. Developer's sales or rental office.
 - d. Employers throughout the housing region. The following Bayonne employers will be contacted for the posting of advertisements and the distribution of flyers regarding available affordable housing: Bayonne Hospital, Bookazine Company, Haddad Apparel Group, Ideal Window Manufacturing, Inserra, Jerhel Plastics, Muralo Company, Royal Wine Corporation, Season Contracting, Inc., and other prominent employers as they may appear.
 - e. Quarterly informational flyers and applications shall be sent to:
 - [1] The Board of Realtors of Eastern Bergen, Liberty (Secaucus), Passaic County, Real Source Association (Waldwick), and Sussex County for publication in their newsletters and for circulation among their members.
 - [2] Hudson County Department of Health and Human Services, Bergen County Center for Housing, Health and Human Services, Passaic County Department of Human Services, and Sussex County Department of Human Services.
 - [3] Hudson County Office on Aging.
 - [4] Catholic Charities of the Diocese of Newark; and
 - [5] Lutheran Social Ministries of New Jersey.

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- D. Applications shall be mailed by the Administrative Agent and Municipal Housing Liaison 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.
- E. The Administrative Agent shall develop, maintain and update a list of community contact person(s) and/or organizations(s) in Hudson, Bergen, Passaic and Sussex 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.

Section 4. Sections 16.4 and 16.5 of Article 16, Chapter 33 are hereby repealed.

Section 5. Article 17, Chapter 33, entitled, Growth Share Affordable Housing Obligation, is hereby repealed.

Section 6. Article 17, Chapter 33, entitled, Affordable Housing Inclusionary Development, is hereby added to Chapter 33 of the Code of the City of Bayonne as follows.

ARTICLE 17

AFFORDABLE HOUSING INCLUSIONARY DEVELOPMENT

§33-17.1. Authority and purpose.

Pursuant to the provisions of the Third Round Substantive and Procedural Rules promulgated and adopted by the New Jersey Superior Court, *N.J.S.A. 52:27D-311 et seq.*, it is hereby declared that the purpose of this Article is to assist the City of Bayonne to fulfill its affirmative obligation to facilitate the provision of affordable housing.

§33-17.2. Definitions.

As used in this Article, words and phrases shall have the same meanings they have pursuant to Article 15 of Chapter 33. For the purposes of this Article, "residential development" shall mean both a development that is entirely residential, or that includes both residential and non-residential uses. "Residential development" shall also include new market-rate residential units created from the conversion of a non-residential building to residential dwelling(s) requiring the issuance of a certificate of occupancy. Within designated redevelopment areas, the entire redevelopment area shall be considered when determining whether it constitutes a residential development, excepting the Maritime District of the Peninsula at Bayonne Harbor Redevelopment Plan.

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§33-17.3. Inclusionary Residential Development.

- A. Any residential development of twenty-four (24) or more dwelling units in the CBD, UBD, ORS, C-1 and TDO zoning districts and twenty (20) or more dwelling units in any other zoning district in the City shall provide a minimum of twenty percent (20%) of the total number of dwellings as affordable to low and moderate income households if the restricted units are for sale and fifteen percent (15%) if the restricted units are for rent, except as otherwise exempted herein. Fractions of a unit may be addressed by rounding the number up to the next highest whole number or paying a pro-rata percentage of the cost of a restricted unit for a payment-in-lieu-of-construction as determined in -17.5.C herein.
- B. Any residential development of less than twenty-four (24) dwelling units in the CBD, UBD, ORS, C-1 and TDO zoning districts and less than twenty (20) dwelling units in any other zoning district in the City shall only be subject to an affordable housing development fee in accordance with Article 14 of Chapter 33.
- C. Considerable municipal and other governmental expense has been incurred within the designated redevelopment areas of the City of Bayonne, including but not limited to, the cost of acquiring land, demolition of derelict properties, site clearance, decontamination, the provision and extension of public water, public sewer, storm water management, flood control, flood plain elevation, electricity, natural gas and cabling for media, streets and walkways, parks and open space. Furthermore, the allowed intensity and density of development has been increased from the base zoning controls or changed from one land use category to another to facilitate redevelopment. These factors demonstrate an adequate compensatory benefit to the redeveloper for the provision of affordable housing pursuant to this Article.
- D. It shall be a rebuttable presumption that the percentage of affordable housing units as established in Paragraph –A in an inclusionary development is financially feasible. A developer or redeveloper may submit an economic feasibility analysis to the City Planner to demonstrate that due to the cost to build market rate and affordable units or operate as rental units, capital markets, equity percentage and internal rate of return on investment, interest rates, expected build-out of the development and other factors influencing the decision to build, the required percentages of affordable dwellings in the specific development render the project financially infeasible. The City Planner may engage its own development analyst to advise the members on the economic feasibility analysis. The developer or redeveloper shall be responsible for establishing an escrow account with the City for the reasonable payment of such services to the City Planner based upon a duly adopted resolution establishing the fee structure of the escrow account.

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§33-17.4. Satisfaction of Affordable Housing Obligation.

- A. A developer with an application for development shall construct the affordable housing required on-site unless approved for construction off-site or as a payment-in-lieu of construction under the provisions of §33-17.5. A developer may also apply to construct a portion of the affordable housing on site in combination with a payment-in-lieu of construction or off-site within the City.
- B. In the event that the Court adopts a payment-in-lieu amount applicable to the City of Bayonne, the amount required to be paid by the developer shall equal this amount. In the event that a designated redeveloper and the City or any of its agencies voluntarily enters into a redevelopment agreement setting forth the percentage of affordable housing on-site or addressed through a payment-in-lieu of construction payment, such agreement shall govern.
- C. Other Means of Meeting the Affordable Housing Obligation. With the prior written approval of the Municipal Council the developer may also choose to satisfy its affordable housing obligation through the totality of programs and techniques permitted in the adopted Housing Element and Fair Share Plan of Bayonne.

§33-17.5. Production of Affordable Housing.

- A. Construction of Affordable Housing On-Site. The construction of affordable housing units on site shall comport with the regulations of §§33-15 – 33-16 in addition to this section.
- B. Construction of Affordable Housing Units Off-Site Within the City.
 - 1. Applicants electing to create affordable housing units elsewhere within the City of Bayonne may do so with the prior written approval of the Municipal Council, and may do so within existing buildings, whether converted, reconstructed or purchased for market-to-affordable purposes, in any residential zone of Bayonne, as set forth and regulated herein. The Municipal Council in determining whether to accept, accept with conditions, or deny such request shall forward such request to the City Planner for review and recommendation. The City Planner shall have forty-five (45) days from the date the Municipal Council makes such a request to undertake and transmit their recommendation to the governing body. The recommendation from the City Planner shall be advisory only.
 - 2. All required setbacks, building height and impervious coverage limits for the zone shall be met on the lot, except that existing setback deficiencies and other non-conformities of the lot and / or building(s) located thereon may be continued for as long as the buildings remain on site, without the

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need for additional variances.

- C. **Payment-in-Lieu-of-Construction.** Payments-in-lieu of construction shall not be permitted in the City of Bayonne.

Section 6. Article 18, Chapter 33, entitled, Development Fee Requirements, is hereby repealed and reserved.

Section 7. Continuation. In all other respects, Chapter 33 of the Ordinance of the City of Bayonne shall remain unchanged.

Section 8. Severability. If any portion of this Ordinance is for any reason held to be unconstitutional or invalid by a court of competent jurisdiction, such decision shall not affect the validity of this Ordinance as a whole, or any other part thereof. Any invalidation shall be confined in its operation to the section, paragraph, sentence, clause, phrase, term, or provision or part there of directly involved in the controversy in which such judgment shall have been rendered.

Section 9. Interpretation. If the terms of this Ordinance shall be in conflict with those of another Ordinance of the City of Bayonne, then the restriction which imposes the greater limitation shall be enforced.

Section 10. Repealer. All ordinances or parts of ordinances which are inconsistent with the provisions of this Ordinance are hereby repealed to the extent of such inconsistency only.

Section 11. Enactment. This Ordinance shall take effect following the final passage and adoption by the Municipal Council of the City of Bayonne and publication by the City Clerk in the manner prescribed by law.

[ADD Signature Lines]

City of Bayonne

Fourth Round Housing Element and Fair Share Plan _____ June 10, 2025

APPENDIX G - Fourth Round Spending Plan

FOURTH ROUND SPENDING PLAN OF THE CITY OF BAYONNE JUNE 10, 2025

INTRODUCTION

The City of Bayonne has prepared a Fourth Round Housing Element and Fair Share Plan that addresses its regional fair share of the affordable housing need in accordance with *N.J.S.A. 40:55D-28b(3)*, the Fair Housing Act and the extant regulations of the New Jersey Council on Affordable Housing (*N.J.A.C. 5:93-1 et seq.*). A development fee ordinance creating a dedicated revenue source for affordable housing was adopted by the municipality in 2006 and approved by COAH on June 20, 2006. The ordinance will be amended as part of the City's Fourth Round plan implementation to reflect the statutory requirement to collect a non-residential fee of 2.5% of equalized assessed value, and to reflect Court oversight.

This spending plan has been established to set priorities for the disbursement of funds from the City's affordable housing trust fund.

As of December 31, 2024, the City of Bayonne had collected \$15,193,399.91 in development fees, payments in-lieu of construction, and interest; and expended \$56,031.77 on housing activity, \$3,489,619.12 on affordability assistance, and \$419,183.07 on administration, resulting in a balance of \$10,868,565.95¹. 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 and have been deposited in a separate interest-bearing affordable housing trust fund in Provident Bank and a separate interest-bearing account at Wilmington Trust, for the purposes of affordable housing. These funds shall be spent in accordance with *N.J.A.C. 5:93-8.16* as described in the sections that follow.

1. REVENUES FOR CERTIFICATION PERIOD

To calculate a projection of revenue anticipated during the Fourth Round, the City of Bayonne considered nonresidential projects which are likely to pay fees into the trust fund as well as future development that is likely to occur based on historical rates of development. At the present time, Bayonne does not collect fees from residential development.

The City's revenue to date has been generated from development fees and payments-in-lieu-of-construction. The City anticipates continuing revenue from development impact fees and interest, but anticipates no further payments in lieu of construction, since the ability to collect payments in lieu was rescinded as part of the 2024 amendment to the Fair Housing Act. The City also does not anticipate funding from the sale of units with extinguished controls, rental income or recapture funds from the proceeds from the sale of affordable units.

¹ - These figures are provisional and need to be verified through reconciliation with bank statements from the associated accounts.

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The Bayonne Housing Authority is an independent agency and any income or other revenue, except as it relates to the new program of rehabilitation as proposed in the Housing Element and Fair Share for the Fourth Round, will remain and be retained by the Authority.

Table SP-1 on the following page indicates the anticipated revenue to be generated from development impact fees and interest. The City of Bayonne projects a subtotal of \$40,500,000 in development fees to be collected between January 1, 2025, and June 30, 2035, and \$42,000 in interest, to be used for affordable housing purposes under the assumptions presented after the table. The total after adding the money currently in the account is projected to be \$51,504,462.66.

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 City of Bayonne:

Collection of Development Fee Revenues

As stipulated in Article 14, Development Fees and Housing Trust Fund of the Planning and Development Regulations of the City of Bayonne (Chapter 33-14.1 to 33-14.9 of the codified ordinances of the municipality) all collection of development fee revenues will be consistent with local regulations for both residential and non-residential developments and in accordance with extant rules and P.L.2008, c.46, sections 8 (N.J.S.A. 52:27D-329.2) and 32-38 (N.J.S.A. 40:55D-8.1 through 8.7). The collection of development fees may be subject to new rules by the NJ Department of Community Affairs and will not be adopted until after June 30, 2025 when Fourth Round Housing Elements and Fair Share Plans are required to be adopted by participating municipalities. Should revisions be required, the City commits to adopting a revised Development Fee ordinance within 120 days of the issuance of a Judgment of Compliance and Repose for its housing plan, presuming the revised rules have been adopted by such date.

Distribution of Development Fee Revenues

Requests for distribution of funds will first be made to the City Planner for eligible activities. Should the request be found to be within the guidelines of the adopted Housing Element and Fair Share Plan and this Spending Plan, the request will be forwarded to the Office of the Mayor, Business Administrator and the Director of Law, who may request assistance from the City Planner and Director of the Department of Planning, Zoning and Development and allied consultants on a recommendation as to the funding request. The request for funds will detail the amount requested, the beneficiary of the distribution, the use of funds and the timeline for distribution. Upon receipt of the recommendation, the Office of the Mayor will transmit the recommended amount to the Business Administrator of the municipality. The Business Administrator will report to the Office of the Mayor the amount available for distribution. If sufficient funds are available and the requested activity remains within the parameters of the HEFSP, the requested amount will be brought before the City Council for approval and the amount encumbered in the affordable housing trust fund by the Finance Department.

Table SP-1. Projected Revenues-Housing Trust Fund – 2025 through June 30, 2035

Source of Funds	Year	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	January – June 2035	2025-2035 Total
Projected Residential Development		STARTING BALANCE \$10,868,565.95 (12/31/2024)												
Projected Non-Residential Development					\$7m	\$6.5m	\$6m	\$11m		\$10m				\$40.5m
Interest			\$4k	\$4k	\$4k	\$4k	\$4k	\$4k	\$4k	\$4k	\$4k	\$4k	\$2k	\$42k
Total			\$4k	\$4k	\$7.0m	\$7.07m	\$6.01m	\$11.0m	\$4k	\$10.0m	\$4k	\$4k	\$2k	\$40.542m

The City does not collect residential development fees. Non-residential fees were estimated by the City based on anticipated large projects.

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The City Council approval may take one of any number of forms, including resolution authorizing the expenditure of funds, inclusion of the amount on a bill list for approval, or any other mechanism allowed by statute or rule for the dispersal of funds. Once approved, the payment will be made by the Finance Office to the designated individual or organization and the proper notation made in the affordable housing trust fund.

DESCRIPTION OF ANTICIPATED USE OF AFFORDABLE HOUSING FUNDS

The City of Bayonne may use the funds in the trust fund for any of the below listed items, pursuant to *N.J.A.C. 5:93-8.16(a)* and (c):

- Rehabilitation program;
- New construction of affordable housing units and related development costs; in the case of inclusionary developments, eligible costs shall be pro-rated based on the proportion of affordable housing units included in the development;
- 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 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, subsidize closing costs, or to reduce the capitalized basis of the rent payments; and
- Any other activity as specified herein.

Additionally, no more than 20% of the revenues collected from development fees each year may be expended on administration, including, but not limited to, salaries and benefits for municipal employees or consultant fees necessary to prepare or implement a rehabilitation program, a new construction program, a housing element and fair share plan, and/or an affirmative marketing program.

If funding should fall short of the amount necessary, Bayonne will seek grants, low-cost loans or use general revenues and its bonding capacity to meet such shortfall.

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3. HOUSING ACTIVITY (N.J.A.C. 5:93-8.16(A)): \$5,270,000.00

The City will dedicate \$2 million toward rehabilitation of substandard units in the City that are occupied by low- or moderate-income households, to supplement the Hudson County HOME Investment Partnership program. With a maximum per-unit allocation of \$40,000, the City anticipates being able to rehabilitate 50 units over the course of the Fourth Round. All units will have at least one major system repaired or replaced, and will have a lien placed on the property in the amount of the municipal contribution. The lien will be repaid if the unit is sold within 10 years, otherwise the lien will be forgiven.

The City will allocate \$3.27 million toward rehabilitation of the Bayonne Family Community Center, a 109-unit single-room occupancy facility, licensed as a Class A Boarding House. The City will enter into an appropriate agreement with the non-profit organization to ensure that the units remain at a low income level meeting income restrictions on the units, will ensure that they are in place for a minimum of 10 years, that the property is separated from the national YMCA organization, and that sets a schedule for improvements to the facility.

The City is reserving \$25 million for future municipally sponsored 100% affordable development towards which affordability assistance may also be directed.

4. AFFORDABILITY ASSISTANCE (N.J.A.C. 5:93-8.16(C)): \$11,933,130.54

At least 30% of collected development fees, excluding expenditures made from the affordable housing trust fund, must be used to provide affordability assistance to low- and moderate-income households in affordable units included in the Fair Share Plan. Of that amount, at least one-third must be used specifically for affordability assistance to very low-income households. The following tables indicate the amount anticipated being available for affordability assistance to low- and moderate-income households, including very low-income households.

Table SP-2. Projected Minimum Affordability Assistance Requirement.

Development fees and interest collected through 12/31/2024		\$12,123,197.30
Development fees projected 2025-June 30, 2035	+	\$40,500,000.00
Interest projected 2025-June 30, 2035	+	\$42,000.00
Less housing activity expenditures	-	\$56,031.77
Total	=	\$52,609,165.53
30% requirement	x 0.30 =	\$15,782,749.66
Less affordability assistance expenditures through 12/31/2024	-	\$3,849,619.12
Projected minimum affordability assistance requirement	=	\$11,933,130.54

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Table SP-3. Projected Minimum Very Low-Income Affordability Assistance Requirement.

Development fees and interest collected since July 17, 2008		\$12,123,197.30
Development fees projected 2025-June 30, 2035	+	\$40,500,000.00
Interest projected 2025-June 30, 2035	+	\$42,000.00
Less housing activity expenditures	-	\$56,031.77
Total	=	\$52,609,165.53
30% requirement	x 0.30 =	\$15,782,749.66
Projected minimum very low-income affordability assistance requirement	÷ 3 =	\$5,260,916.55
Less very low-income affordability assistance expenditures through 12/31/2024	-	\$1,000,000
Projected remaining minimum very low-income affordability assistance requirement	=	\$4,260,916.55

The City anticipates it will need to spend at least \$11,933,130.54 in affordability assistance, including at least \$4,260,916.55 specifically for very low-income affordability assistance. This can best be accomplished through support for a new construction project.

5. ADMINISTRATIVE EXPENSES (N.J.A.C. 5:93-8.16(E)): \$8,907,434.51

Table SP-4. Projected Allowed Administrative Expense.

Development fees and interest collected through 12/31/2024		\$12,123,197.30
Development fees projected 2025-June 30, 2035	+	\$40,500,000.00
Interest projected 2016- June 30, 2035	+	\$42,000.00
Less housing activity expenditures through 7/2/2008	-	\$0.00
Total	=	\$52,665,197.30
20% maximum permitted administrative expenses	x 0.20 =	\$10,553,039.46
Less administrative expenditures through 12/31/2024	-	\$419,183.07
Projected allowed administrative expenditures	=	\$10,113,856.39
- Architectural fees for Bayonne Family Community Center	-	\$300,000.00
- Administrative costs of BHA rehabilitation program	-	\$300,000.00

To the degree that the administrative expense is below this figure – a likely event - additional money will be allocated towards new construction support. In no case will Bayonne expend for administrative purposes in excess of the formula in Table SP-4.

**Spending Plan
City of Bayonne**

June 10, 2025

6. EXPENDITURE SCHEDULE

The City of Bayonne intends to use affordable housing trust fund revenues for the rehabilitation of affordable housing units, administration and new construction activities, even though the City does not have a Prospective need obligation. In developing this spending plan, it is important to note that the City has committed or will commit the expenditure of funds in the municipal trust fund within four years of the date of collection or as such time as may be granted by the Court. The expenditure schedule is summarized as follows:

Table SP-5 - Projected Expenditure Schedule 2025 through June 30, 2035

Program	Units/ Bedrooms	2025-2027	2028-2029	2030-2031	2032-2033	2034-2035	Total
Rehabilitation	109 + 50	\$3.57m	\$500k	\$500k	\$500k	\$500k	\$5,570,000.00
Affordability Assistance		\$3m	\$2.5m	\$2.5m	\$2.5m	\$1.433m	\$11,933,130.54
Admin		\$2.0m	\$2.0m	\$1.0m	\$2.0m	\$2.2m	\$9,207,435.41
Total		\$8.57m	\$5m	\$4m	\$5m	\$4.133m	\$26,410,565.95

7. EXCESS OR SHORTFALL OF FUNDS

The City of Bayonne does not anticipate any shortfall in funding to implement the programs outlined above.

In the event of excess funds, any remaining funds above the amount necessary to satisfy the municipal affordable housing obligation will be used to produce additional affordable housing.

8. BARRIER FREE ESCROW

Collection and distribution of barrier free funds shall be consistent with the City of Bayonne's Affordable Housing Ordinance found in §33-15.4.P of the municipal code in accordance with *N.J.A.C. 5:23-7*.

Spending Plan
City of Bayonne

June 10, 2025

9. SUMMARY

The City of Bayonne intends to spend affordable housing trust fund revenues pursuant to the extant regulations governing such funds and consistent with the housing programs outlined in its Fourth Round Housing Element and Fair Share Plan dated June 10, 2025. Bayonne had a balance of \$10,868,565.95 as of December 31, 2024, and anticipates an additional \$40,542,000.00 in revenues before the expiration of the Fourth Round, for a total of \$51,410,565.95. The City will dedicate \$2 million toward rehabilitation of 50 substandard units occupied by low- or moderate-income households, \$3.27 million toward the rehabilitation of a 109-unit single-room-occupancy facility owned by the Bayonne Family Community Center, and \$11,933,130.54 to affordability assistance per extant regulation. It will reserve \$25 million for a future 100% affordable project that will be credited to a future round obligation. It may spend up to \$10,113,856.39 on administrative costs.

Table SP-6 – Summary of the Spending Plan

Balance as of December 31, 2024		\$10,868,565.95
PROJECTED REVENUE JANUARY 1, 2025 – JUNE 30, 2025		
Development Fees	+	\$40,500,000.00
Interest	+	\$42,000.00
Total	=	\$51,410,565.95
PROJECTED EXPENDITURES JANUARY 1, 2025 – JUNE 30, 2025		
Rehabilitation	-	\$2,000,000.00
Bayonne Family Community Center	-	\$3,270,000.00
Affordability Assistance	-	\$11,933,130.54
Reserve for future 100% affordable project	-	\$25,000,000.00
Administration (not to exceed)	-	\$9,207,435.41
Total Projected Expenditures	=	\$51,410,565.95
Remaining Balance	=	\$0

City of Bayonne

Fourth Round Housing Element and Fair Share Plan

June 10, 2025

APPENDIX H – Planning Board and City Council Resolutions

**RESOLUTION OF THE PLANNING BOARD OF THE CITY OF
BAYONNE ADOPTING A FOURTH ROUND HOUSING
ELEMENT AND FAIR SHARE PLAN
P-25-021**

WHEREAS, the City of Bayonne (hereinafter the "City" or "Bayonne") has a demonstrated history of voluntary compliance as evidenced by its Third-Round record; and

WHEREAS, pursuant to In re N.J.A.C. 5:96 and 5:97, 221 N.J. 1 (2015) (Mount Laurel IV), the City of Bayonne filed a Declaratory Judgment Complaint in Superior Court, Law Division seeking, among other things, a judicial declaration that its Third Round Housing Element and Fair Share Plan, to be amended as necessary, satisfied its "fair share" of the regional need for low and moderate income housing pursuant to the "Mount Laurel doctrine"; and

WHEREAS, that culminated in a Court-approved Third Round Housing Element and Fair Share Plan and a Final Judgment of Compliance and Repose, which precludes all Mount Laurel lawsuits, including builder's remedy lawsuits, until July 1, 2025; and

WHEREAS, Bayonne continues to actively implement its Court-approved Third Round Housing Element and Fair Share Plan; and

WHEREAS, on March 20, 2024, Governor Murphy signed into law P.L. 2024, c.2, which amended the 1985 New Jersey Fair Housing Act (hereinafter the "Amended FHA"); and

WHEREAS, the City adopted a "binding resolution" accepting the DCA-calculated Present Need and Prospective Need, as required by the Amended FHA, on January 21, 2025, establishing its Fourth Round Present Need of 749 (Rehabilitation) and Prospective Need of 0; and

WHEREAS, in accordance with the Amended FHA and the Administrative Office of the Court's Directive No. 14-24, the City filed a timely Fourth Round Declaratory Judgment complaint ("DJ Complaint") with the Affordable Housing Dispute Resolution Program ("the Program"), along with its binding resolution, on January 24, 2025; and

WHEREAS, the filing of the DJ Complaint gave the City automatic, continued immunity from all exclusionary zoning lawsuits, including builder's remedy lawsuits, which is still in full force and effect; and

WHEREAS, the Borough did not receive any objections to its Present and Prospective Need numbers by February 28, 2025, resulting in the statutory automatic acceptance of Bayonne's Fourth Round obligations on March 1, 2025; and

WHEREAS, on April 1, 2025, the Court entered an order establishing the City's Fourth Round Present Need of 749 (Rehabilitation) and Prospective Need of 0; and

WHEREAS, now that the City has its Fourth Round Obligations, the Amended FHA requires the municipality to adopt and endorse a Fourth Round Housing Element and Fair Share Plan by June 30, 2025; and

WHEREAS, in accordance with the Amended FHA, the City's affordable housing planner drafted a Fourth Round Housing Element and Fair Share Plan; and

WHEREAS, upon notice duly provided pursuant to N.J.S.A.40:55D-13, the Planning Board held a public hearing on the Fourth Round Housing Element and Fair Share Plan on June 10, 2025; and

WHEREAS, the Planning Board determined that the attached Fourth Round Housing Element and Fair Share Plan is consistent with the goals and objectives of Bayonne's current Master Plan and the adoption and implementation of the Fourth Round Housing and Fair Share Plan is in the public interest and protects public health and safety and promotes the general welfare.

NOW THEREFORE BE IT RESOLVED by the Planning Board of the City of Bayonne County of Hudson State of New Jersey that the Planning Board hereby adopts the Fourth Round Housing Element and Fair Share Plan attached hereto as Exhibit A.

The undersigned certifies that the within Resolution was approved by this Board on June 10, 2025, and adopted on June 10, 2025, and memorialized herein pursuant to N.J.S.A. 40:55-D-10(g).

The following vote to approve the Fourth Round Housing Element and Fair Share Plan was taken at the hearing on June 10, 2025:

RECORDED VOTE:

<i>Commissioners</i>	<i>Aye</i>	<i>Nay</i>	<i>Abstain</i>	<i>Recuse</i>	<i>Absent</i>	<i>Not Voting</i>
Karen Fiermonte	[X]	[]	[]	[]	[]	[]
Maria I. Valado	[X]	[]	[]	[]	[]	[]
George Becker	[]	[]	[]	[]	[X]	[]
Loyad Booker, Jr.	[X]	[]	[]	[]	[]	[]
Thomas Maiorano	[]	[]	[]	[]	[X]	[]
Ahmed Lack	[X]	[]	[]	[]	[]	[]
Miguel Quintela	[]	[]	[]	[]	[X]	[]
James Davis, Mayor	[]	[]	[]	[]	[X]	[]
Ramon Veloz	[X]	[]	[]	[]	[]	[]

(Mayoral Designee)

Resolution of Approval
Fourth Round Housing Element and Fair Share Plan
P-25-021

June 10, 2025
Page 4

The following vote to Memorialize the Resolution was taken on June 10, 2025:


RECORDED VOTE:

<i>Commissioners</i>	<i>Aye</i>	<i>Nay</i>	<i>Abstain</i>	<i>Recuse</i>	<i>Absent</i>	<i>Not Voting</i>
Karen Fiermonte	[X]	[]	[]	[]	[]	[]
Maria I. Valado	[X]	[]	[]	[]	[]	[]
George Becker	[]	[]	[]	[]	[X]	[]
Loyad Booker, Jr.	[X]	[]	[]	[]	[]	[]
Thomas Maiorano	[]	[]	[]	[]	[X]	[]
Ahmed Lack	[X]	[]	[]	[]	[]	[]
Miguel Quintela	[]	[]	[]	[]	[X]	[]
James Davis, Mayor	[]	[]	[]	[]	[X]	[]
Ramon Veloz	[X]	[]	[]	[]	[]	[]

(Mayoral Designee)

WHEREAS the application is hereby X APPROVED DENIED.

The above Resolution was adopted by the Planning Board of the City of Bayonne at an in-person meeting held on June 10, 2025.


KAREN FIERMONTE, Chairperson

RNC/akl

Agenda No. R-1

**MUNICIPAL COUNCIL OF THE CITY OF BAYONNE
RESOLUTION NO:25-06-11-**

**RESOLUTION OF THE MUNICIPAL COUNCIL OF THE CITY OF
BAYONNE, COUNTY OF HUDSON, NEW JERSEY, ENDORSING THE
2025 ROUND FOUR HOUSING ELEMENT AND FAIR SHARE PLAN
ADOPTED BY THE CITY OF BAYONNE PLANNING BOARD ON JUNE
10, 2025**

WHEREAS, in 2024 the New Jersey Legislature amended the New Jersey Fair Housing Act, N.J.S.A. 52:27D301 et seq. through the adoption of P.L. 2024, c.2 (“FHA”); and

WHEREAS, P.L. 2024, c. 2 abolished the Council on Affordable Housing (COAH), created the Affordable Housing Dispute Resolution Program (Program) and established new procedures and deadlines for municipalities to come into compliance with the FHA and the Mount Laurel doctrine for each future ten-year affordable housing round beginning with the Fourth Round, which starts on July 1, 2025 and ends on June 30, 2035; and

WHEREAS, in December 2024, the Administrative Office of the Courts issued Directive #14-24, which sets forth additional procedures all municipalities must follow to be in compliance with the FHA in order to maintain immunity from exclusionary zoning and builder’s remedy litigation through the Program process set forth in P.L. 2024, c.2; and

WHEREAS, amongst other things, Directive #14-24 and P.L. 2024, c. 2, require each municipality to adopt a binding resolution setting forth its Fourth-Round present and prospective need obligations and file a declaratory judgment action with the Program through the New Jersey E-Courts system by no later than February 3, 2025, and thereafter each municipality must adopt a Fourth Round Housing Element and Fair Share Plan and file same with the Program on or before June 30, 2025; and

WHEREAS, in compliance with P.L. 2024, c. 2 and Directive #14-24, the City of Bayonne timely adopted a resolution setting forth the City’s pre-credited/unadjusted Fourth Round affordable housing obligations on January 22, 2025 and on January 24, 2025, the City uploaded same to the Program and filed a declaratory judgment action with the Program, which is entitled, In the Matter of the Application of the City of Bayonne for a Determination of Mount Laurel Compliance, Docket No.: HUD-L-305-25 (City’s “2025 Action”); and

WHEREAS, on April 14, 2025, the Hudson County Mount Laurel Judge, the Honorable Joseph A. Turula, P.J.Cv., issued an Order in the City’s 2025 Action fixing the City’s Fourth Round pre-credited/unadjusted Present Need Obligation at “749” and gross Prospective Need Obligation at “0” and which Order directs the City to adopt its Fourth Round Housing Element and Fair Share Plan and upload same to the Program on or before June 30, 2025; and

WHEREAS, in accordance with the requirements of Directive #14-24 and P.L. 2024, c.2, and the Order issued by Judge Turula, the City's Municipal Planner has since prepared the City's 2025 Round Four Housing Element and Fair Share Plan; and

WHEREAS, on timely prior notice to the public on May 30, 2025, the City of Bayonne Planning Board adopted the City's 2025 Round Four Housing Element and Fair Share Plan following a public hearing thereon on June 10, 2025, all in accordance with the requirements of the New Jersey Open Public Meetings Act, N.J.S.A. 10:4-6 et seq., N.J.S.A. 40:49-2.1 of the Home Rule Act, and the applicable provisions of 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 et seq.; and

WHEREAS, on June 11, 2025, the City's Affordable Housing Attorney was required to and did upload to the Program the 2025 Round Four Housing Element and Fair Share Plan as approved by the City Planning Board on June 10, 2025 within 48-hours of adoption thereof in accordance with Directive #14-24 prior to the Municipal Council having the ability to formally endorse same; and

WHEREAS, the Municipal Council of the City of Bayonne has since reviewed the 2025 Round Four Housing Element and Fair Share Plan, and now desires to endorse same without change in the form previously adopted by the City of Bayonne Planning Board on June 10, 2025.

NOW, THEREFORE, BE IT RESOLVED, by the Municipal Council of the City of Bayonne, in the County of Hudson, and State of New Jersey as follows:

Section 1. The aforementioned recitals are incorporated herein as though fully set forth at length.

Section 2. The City does hereby endorse the 2025 Round Four Housing Element and Fair Share Plan adopted by the City of Bayonne Planning Board on June 10, 2025.

Section 3. The City Affordable Housing Attorney is hereby directed to file this Resolution as a supplement to the Round Four Housing Element and Fair Share Plan, this resolution and all relevant supporting documentation and exhibits with the Program in the City's 2025 Action in accordance with the requirements of Directive #14-24 and P.L. 2024, c. 2.

Section 4. Should any challenge to the Town's 2025 Fourth Round Housing Element and Fair Share Plan be filed, the City Affordable Housing Attorney and Municipal Planner are hereby directed to defend the City against such challenge(s) and take all necessary steps in furtherance thereof.

Section 5. The City Affordable Housing Attorney, Municipal Planner and all other appropriate officials, employees and other professionals of the City are hereby authorized and directed to take any and all steps necessary to effectuate the purposes of this Resolution such that the City maintains its immunity from exclusionary zoning and builder's remedy.

Section 6. A certified copy of this resolution and the City's 2025 Fourth Round Housing Element and Fair Share Plan shall remain on file with the City for the purpose of public inspection and shall be uploaded to the City's website in accordance with the requirements of the FHA and Directive #14-24.

Section 7. Notice of this action shall be published in the official newspapers for the City of Bayonne.

Section 8. This Resolution shall take effect immediately.

I, MADELENE C. MEDINA, City Clerk of the City of Bayonne, in the County of Hudson and State of New Jersey, DO HEREBY CERTIFY that the foregoing is a true copy of a resolution adopted by the Municipal Council of the City of Bayonne at a meeting held June 11, 2025 as the same is taken from and compared with the original now remaining on file and of record in my office.

IN WITNESS WHEREOF, I have set my hand and affixed the corporate seal of the City of Bayonne, this 11th day of June, 2025

Madelene C. Medina

Madelene C. Medina
City Clerk