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**IN THE MATTER OF THE
APPLICATION OF THE BOROUGH OF
MIDDLESEX, COUNTY OF MIDDLESEX**

**SUPERIOR COURT OF NEW JERSEY
LAW DIVISION
MIDDLESEX COUNTY**

DOCKET NO.: MID-L-615-25

Civil Action

**CERTIFICATION OF ALEXANDER G.
FISHER, ESQ.**

I, ALEXANDER G. FISHER, ESQ., of full age, do hereby certify to the following:

1. I am an Attorney licensed to practice law in the State of New Jersey and a Partner with the law firm Savo, Schalk, Corsini, Warner, Gillespie, O'Grodnick & Fisher, P.A., and am fully familiar with this matter.
2. In support of the Borough's Compliance Certification and in accordance with the January 14, 2026, Consent Order signed by the Hon. Thomas D. McCloskey, J.S.C., I have attached the following exhibits hereto:
 - a. Exhibit A – Affordable Housing and Development Fee Ordinance
 - b. Exhibit B – TH-AH-1 Zone Ordinance
 - c. Exhibit C – Affordable Housing Overlay Ordinance
 - d. Exhibit D – Mandatory Set-aside Ordinance
 - e. Exhibit E – Resolution Adopting Affordability Assistance Manual
 - f. Exhibit F – Resolution Adopting Affirmative Marketing Plan
 - g. Exhibit G – Resolution Adopting Housing Rehabilitation Manual
 - h. Exhibit H – Resolution Adopting Spending Plan

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

Alexander Fisher
Alexander G. Fisher, Esq.

Dated: March 12, 2026

EXHIBIT A

AN ORDINANCE ADOPTING AN AFFORDABLE HOUSING ORDINANCE AND DEVELOPMENT FEE ORDINANCE IN ACCORDANCE WITH THE FAIR HOUSING ACT, UNIFORM HOUSING AFFORDABILITY CONTROLS, AND N.J.A.C. 5:99-1, ET SEQ.

WHEREAS, pursuant to the Fair Housing Act, N.J.S.A. 52:27D-301, *et seq.* (“FHA”), the Borough of Middlesex is required to adopt an Affordable Housing and Development Fee Ordinance compliant with the FHA, the Uniform Housing Affordability Controls, 5:80-26.1, *et seq.* (“UHAC”), and 5:99-1, *et seq.* by March 15, 2026, and

WHEREAS, the form of this Affordable Housing and Development Fee Ordinance has been reviewed and approved by Fair Share Housing Center; and

WHEREAS, the Borough seeks to comply with all aspects of the FHA, UHAC, and 5:99 in order to obtain a Compliance Certification and immunity from exclusionary zoning and builder’s remedy lawsuits.

NOW, THEREFORE, BE IT ORDAINED by the Borough Council of the Borough of Middlesex that a new Chapter 181 titled “Affordable Housing” is created and Chapters 180-1 through 180-10 are amended as follows:

SECTION I

A new Chapter 181 entitled “Affordable Housing” is hereby created as follows, with the entirety of this Section to be included in Chapter 181-1:

A. Introduction & Applicability

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

ways the municipality shall address its fair share of very low-, low- and moderate-income housing as approved by the Superior Court and documented in the Housing Element.

4. This Ordinance implements and incorporates the relevant provisions of the HEFSP and addresses the requirements of P.L 2024, Chapter 2, the FHA, N.J.A.C. 5:99, NJ Supreme Court upheld COAH regulations at N.J.A.C. 5:93 and 5:97, and UHAC at N.J.A.C. 5:80-26.1, as may be amended and supplemented.
5. Applicability
 - a. The provisions of this Ordinance shall apply to all affordable housing developments and affordable housing units that currently exist and that are proposed to be created pursuant to the municipality's most recently adopted HEFSP.
 - b. This Ordinance shall apply to all developments that contain very low-, low- and moderate-income housing units included in the Municipal HEFSP, including any unanticipated future developments that will provide very low-, low- and moderate-income housing units.
 - c. Projects receiving federal Low Income Housing Tax Credit financing and are proposed for credit shall comply with the low/moderate split and bedroom distribution requirements, maximum initial rents and sales prices requirements, affirmative fair marketing requirements of UHAC at N.J.A.C. 5:80-26.16 and the length of the affordability controls applicable to such projects shall be not less than a 30-year compliance period plus a 15-year extended-use period, for a total of not less than 45 years.

B. Definitions

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

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

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

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

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

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

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

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

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

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

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

“Affordable housing development” means a development included in a municipality’s housing element and fair share plan, and includes, but is not limited to, an inclusionary development, a municipally sponsored affordable housing project, or a 100 percent affordable development. This includes developments with affordable units on-site, off-site, or provided as a payment in-lieu of construction only if such a payment-in-lieu option has been previously approved by the Program or Superior Court as part of the HEFSP. Payments in lieu of construction were invalidated per P.L. 2024, c.2.

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

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

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

“Affordable unit” means a housing unit proposed or developed pursuant to the Act, including units created with municipal affordable housing trust funds.

“Age-restricted housing” means a housing unit that is designed to meet the needs of, and is exclusively for, an age-restricted segment of the population such that: 1. All the residents of the development where the unit is situated are 62 years or older; 2. At least 80 percent of the

units are occupied by one person that is 55 years or older; or 3. The development has been designated by the Secretary of HUD as “housing for older persons” as defined in Section 807(b)(2) of the Fair Housing Act, 42 U.S.C. § 3607.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

“Fair share plan” means the plan or proposal, with accompanying ordinances and resolutions, by which a municipality proposes to satisfy its constitutional obligation to create a realistic opportunity to meet its fair share of low- and moderate-income housing needs of its region and which details the affirmative measures the municipality proposes to undertake to achieve its fair share of low- and moderate-income housing, as provided in the municipal housing element, and which addresses the development regulations necessary to implement the housing element, including, but not limited to, inclusionary requirements and development fees, and the elimination of unnecessary housing cost-generating features from the municipal land use ordinances and regulations.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

“Non-residential development” means:

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

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

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

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

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

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

“Prospective need” means a projection of housing needs based on development and growth which is reasonably likely to occur in a region or a municipality, as the case may be, as a result

of actual determination of public and private entities. Prospective need shall be determined by the methodology set forth pursuant to sections 6 and 7 of P.L.2024, c. 2 (C.52:27D-304.2 and C.52:27D-304.3) for the fourth round and all future rounds of housing obligations.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

C. Monitoring and Reporting Requirements

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

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

D. Municipality-wide Mandatory Set-Aside

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

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

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

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

| | |
|----|-----|
| 50 | 50 |
| 75 | 75 |
| 90 | 100 |

3. Design. The following design requirements apply to affordable housing developments, excluding prior round units.
- a. Design of 100 percent affordable developments:
 - i. Restricted units must meet the minimum square footage required for the number of inhabitants for which the unit is marketed and the minimum square footage required for each bedroom, as set forth in the Neighborhood Preservation Balanced Housing rules at N.J.A.C. 5:43-2.4.
 - ii. Each bedroom in each restricted unit must have at least one window.
 - iii. Restricted units must include adequate air conditioning and heating.
 - b. Design of developments comprising market-rate rental units and restricted rental units. The following does not apply to prior round units, unless stated otherwise.
 - i. Restricted units must use the same building materials and architectural design elements (for example, plumbing, insulation, or siding) as market-rate units of the same unit type (for example, flat or townhome) within the same development, except that restricted units and market-rate units may use different interior finishes. This shall apply to prior round units.
 - ii. Restricted units and market-rate units within the same affordable development must be sited such that restricted units are not concentrated in less desirable locations.
 - iii. Restricted units may not be physically clustered so as to segregate restricted and market-rate units within the same development or within the same building, but must be interspersed throughout the development, except that age-restricted and supportive housing units may be physically clustered if the clustering facilitates the provision of on-site medical services or on-site social services. Prior round affordable units shall be integrated with market rate units to the extent feasible.
 - iv. Residents of restricted units must be offered the same access to communal amenities as residents of market-rate units within the same affordable development. Examples of communal amenities include, but are not limited to, community pools, fitness and recreation centers, playgrounds, common rooms and outdoor spaces, and building entrances and exits. This shall apply to prior round units.
 - v. Restricted units must include adequate air conditioning and heating and must use the same type of cooling and heating sources as market-rate units of the same unit type. This shall apply to prior round units.
 - vi. Each bedroom in each restricted unit must have at least one window.
 - vii. Restricted units must be of the same unit type as market-rate units within the same building.

- viii. Restricted units and bedrooms must be no less than 90 percent of the minimum size prescribed by the Neighborhood Preservation Balanced Housing rules at N.J.A.C. 5:43-2.4.
- c. Design of developments containing for-sale units, including those with a mix of rental and for-sale units. Restricted rental units shall meet the requirements of section b above. Restricted sale units shall comply with the below:
 - i. Restricted units must use the same building standards as market-rate units of the same unit type (for example, flat, townhome, or single-family home), except that restricted units and market-rate units may use different interior finishes. This shall apply to prior round units.
 - ii. Restricted units may be clustered, provided that the buildings or housing product types containing the restricted units are integrated throughout the development and are not concentrated in an undesirable location or in undesirable locations. Prior round affordable units shall be integrated with market rate units to the extent feasible.
 - iii. Restricted units may be of different unit housing product types than market-rate units, provided that there is a restricted option available for each market rate housing type. Developments containing market-rate duplexes, townhomes, and/or single-family homes shall offer restricted housing options that also include duplexes, townhomes, and/or single-family homes. Penthouses and higher priced end townhouses may be exempt from this requirement. The proper ratio for restricted to market-rate unit type shall be subject to municipal ordinance or, if not specified, shall be determined at the time of site plan approval.
 - iv. Restricted units must meet the minimum square footage required for the number of inhabitants for which the unit is marketed and the minimum square footage required for each bedroom, as set forth in the Neighborhood Preservation Balanced Housing rules at N.J.A.C. 5:43-2.4.
 - v. Penthouse and end units may be reserved for market-rate sale, provided that the overall number, value, and distribution of affordable units across the development is not negatively impacted by such reservation(s).
 - vi. Residents of restricted units must be offered the same access to communal amenities as residents of market-rate units within the same affordable development. Examples of communal amenities include, but are not limited to, community pools, fitness and recreation centers, playgrounds, common rooms and outdoor spaces, and building entrances and exits. This shall apply to prior round units.
 - vii. Each bedroom in each restricted unit must have at least one window; and
 - viii. Restricted units must include adequate air conditioning and heating.
- 4. Utilities.
 - a. Affordable units shall utilize the same type of cooling and heating source as market-rate units within the affordable housing development.

- b. Tenant-paid utilities that are included in the utility allowance shall be so stated in the lease and shall be consistent with the utility allowance in accordance with N.J.AC 5:80-26.13(e).
5. Low/moderate split and bedroom distribution.
- a. Affordable units shall be divided equally between low- and moderate-income units, except that where there is an odd number of affordable housing units, the extra unit shall be a low-income unit.
 - b. In each affordable housing development, at least 50% of the restricted units within each bedroom distribution rounded up to the nearest whole number shall be very low- or low-income units.
 - c. Within rental developments, of the total number of affordable rental units, at least 13%, rounded up to the nearest whole number, shall be affordable to very low-income households. The very low-income units shall be distributed between each bedroom count as proportionally as possible, to the nearest whole unit, to the total number of restricted units within each bedroom count, and counted as part of the required number of low-income units within the development.
 - d. Affordable housing developments that are not age-restricted or supportive housing shall be structured such that:
 - i. At a minimum, the number of bedrooms within the restricted units equals twice the number of restricted units;
 - ii. Two-bedroom and/or three-bedroom units compose at least 50 percent of all restricted units;
 - iii. The combined number of efficiency and one-bedroom units shall be no greater than 20%, rounded up, of the total number of low- and moderate-income units.
 - iv. At least 30% of all low- and moderate-income units, rounded up shall be two-bedroom units.
 - v. At least 20% of all low- and moderate-income units, rounded up shall be three-bedroom units.
 - vi. The remaining units may be allocated among two- and three- bedroom units at the discretion of the developer.
 - e. Affordable housing developments that are age-restricted or supportive housing, except those supportive housing units whose sponsoring program determines the unit arrangements, shall be structured such that, at a minimum, the number of bedrooms shall equal the number of age-restricted or supportive housing low- and moderate-income units within the inclusionary development. Supportive housing units whose sponsoring program determines the unit arrangement shall comply with all requirements of the sponsoring program. The standard may be met by having all one-bedroom units or by having a two-bedroom unit for each efficiency unit. In affordable housing developments with 20 or more restricted units that are age-restricted or supportive housing, two-bedroom units must comprise at least 5% of those restricted units.

6. Accessibility requirements.

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

(e) Once the Construction Official has determined that the design plan to convert the unit entrances from adaptable to accessible meets the requirements of the Barrier Free Subcode, N.J.A.C. 5:23-7, and that the cost estimate of such conversion is reasonable, payment shall be made to the Affordable Housing Trust Fund and earmarked appropriately.

vii. Full compliance with the foregoing provisions shall not be required where an entity can demonstrate that it is “site-impracticable” to meet the requirements. If full compliance with this section would be site impracticable, compliance with this section for any portion of the dwelling shall be required to the extent that it is not site impracticable. Determinations of site impracticability shall comply with the Barrier Free Subcode at N.J.A.C. 5:23-7.

F. Affordable Housing Programs

1. Pursuant to amended UHAC regulations at N.J.A.C. 5:80-26.1 et seq. and, in addition, pursuant to P.L. 2024, c.2 and specifically to the amended FHA at N.J.S.A. 52:27D-311.m, “All parties shall be entitled to rely upon regulations on municipal credits, adjustments, and compliance mechanisms adopted by the Council on Affordable Housing unless those regulations are contradicted by statute, including but not limited to P.L. 2024, c.2, or binding court decisions.” The following are many of the main provisions of the COAH regulations at either N.J.A.C. 5:93 or 5:97 that have been upheld by the NJ Supreme Court. Municipalities should consult the cited full COAH regulations when preparing the HEFSP for required documentation, etc. Additional compliance details may also be included in the specific municipal program manual.
2. Rehabilitation Programs (per N.J.A.C. 5:93-5.2 with updated provisions herein per N.J.A.C. 5:97-6.2 related to credit towards a municipal present need obligation).
 - a. The rehabilitation program shall be designed to renovate deficient housing units occupied or intended to be occupied by very low-, low- and moderate-income households such that, after rehabilitation, these units will comply with the New Jersey State Housing Code pursuant to N.J.A.C. 5:28-1.1 et seq or the Rehabilitation Subcode, N.J.A.C. 5:23-6 to the extent applicable.
 - b. Both ownership and rental units shall be eligible for rehabilitation funds.
 - c. All rehabilitated units shall remain affordable to very low-, low- and moderate-income households for a period of 10 years (the control period). For owner-occupied units, the control period shall be enforced with a mortgage and note and for renter-occupied units the control period will be enforced with a deed restriction.
 - d. The municipality shall dedicate a minimum average hard cost of \$10,000 for each unit to be rehabilitated through this program and in addition shall dedicate associated rehabilitation program soft costs such as case management, inspection fees and work write-ups.
 - e. The municipality shall designate, subject to the approval of the Department, one or more Administrative Agents to administer the rehabilitation program in accordance with P.L 2024, Chapter 2. The Administrative Agent(s) shall provide rehabilitation manuals for ownership and rental rehabilitation programs. Manuals shall be adopted by resolution of the governing body. Both rehabilitation manuals shall be available for

- public inspection in the Office of the Municipal Clerk and on the municipal affordable housing web page.
- f. Households determined to be very low-, low-, or moderate-income may participate in a rehabilitation program. Rehabilitated units shall be exempt from the very low-income requirements, low/mod split, and bedroom distribution requirements of UHAC, but shall be administered in accordance with the following:
 - i. If a unit is vacant at the time of rehabilitation, or if a rehabilitated unit becomes vacant and is re-rented before the expiration of the affordability controls, the deed restriction shall require that the unit be rented to a low- or moderate-income household at an affordable rent.
 - ii. If a rental unit is occupied by a tenant at the time rehabilitation is completed, the rent charged after rehabilitation shall not exceed the lesser of the tenant's current rent or the maximum rent permitted under UHAC.
 - iii. Rents in rehabilitated units may increase annually based on the standards in UHAC.
 - iv. At the time of application, applicant households and/or tenant households shall be subject to income eligibility determinations in accordance with UHAC.
3. Accessory Apartment program (per N.J.A.C. 5:93-5.9 as may be updated per various sections in N.J.A.C. 5:97-6.8).
 - a. An accessory apartment program shall provide low- and moderate-income units or may be limited to only low- or only moderate-income units .
 - b. Per N.J.A.C. 5:97-6.8(c)1, at the time of initial occupancy of the unit and for at least ten years thereafter, the accessory apartment shall be rented only to income eligible households consistent with the income category and rent structure of the unit.
 - c. Rents of accessory apartments shall be established using the same methodology of affordable rental units discussed herein.
 - d. There shall be a recorded deed or declaration of covenants and restrictions applied to the property upon which the accessory apartment is located running with the land and limiting its subsequent rental for the duration of the control period.
 - e. The municipal accessory apartment program shall not restrict the number of bedrooms in any accessory apartment.
 - f. Per N.J.A.C. 5:97-6.8(b)2, the municipality shall provide a minimum of \$25,000 per unit to subsidize the creation of each low-income accessory apartment or \$20,000 per unit to subsidize the creation of each moderate-income accessory apartment. Subsidy may be used to fund actual construction costs and/or to provide compensation for reduced rental rates.
 4. Market to Affordable program (per N.J.A.C. 5:97-6.9).
 - a. The market to affordable program permits the purchase or subsidization of unrestricted units through a mortgage write-down provided to an income-certified buyer or through a sale or rental as a low- or moderate-income unit to an income-eligible household. The market to affordable program may produce both low- and moderate-income units.

- b. At the time they are offered for sale or rental, eligible units may be new, pre-owned or vacant.
 - c. The units shall be certified to be in sound condition as a result of an inspection performed by a licensed building inspector.
 - d. A minimum subsidy of \$25,000 per moderate-income unit and/or \$30,000 per low-income unit shall be provided, with additional subsidy depending on the market prices or rents in a municipality.
 - e. The units shall comply with UHAC with the following exceptions:
 - i. Bedroom distribution (N.J.A.C. 5:80-26.4).
 - ii. Low/moderate income split (N.J.A.C. 5:80-26.4).
 - f. Affordability average (N.J.A.C. 5:80-26.4); however:
 - i. The maximum rent for a moderate-income unit shall be affordable to households earning no more than 60 percent of median income and the maximum rent for a low-income unit shall be affordable to households earning no more than 44 percent of median income; and
 - ii. The maximum sales price for a moderate-income unit shall be affordable to households earning no more than 70 percent of median income and the maximum sales price for a low-income unit shall be affordable to households earning no more than 40 percent of median income.
5. Extension of Controls Program (for ownership units per N.J.A.C. 5:97-6.14 and UHAC at N.J.A.C. 5:80-26.6(h) through (k) and (m); and for rental units per N.J.A.C. 5:97-6.14 and N.J.A.C. 5:80-26.12(h) through (k)).
- a. An extension of affordability controls program is established to maintain and extend the affordability of deed restricted units scheduled to come out of their affordability control period, subject to N.J.A.C. 5:97-6.14 and UHAC, including the following:
 - i. The affordable unit meets the criteria for prior cycle (April 1, 1980 - December 15, 1986) or post December 15, 1986 credits set forth in N.J.A.C. 5:97.
 - ii. The affordability controls for the unit are scheduled to expire in the current round; or in the next round of housing obligations if the municipal election to extend controls is made no earlier than one year before the end of the current round;
 - iii. The municipality shall obtain a continuing certificate of occupancy or a certified statement from the municipal building inspector stating that the restricted unit meets all code standards.
 - iv. If a unit requires repair and/or rehabilitation work in order to receive a continuing certificate of occupancy or certified statement from the municipal building inspector, the municipality shall fund and complete the work.
 - v. The municipality shall adhere to the process for extending controls pursuant to UHAC for extending ownership units and rental units, either inclusionary or 100% affordable developments.

- vi. The deed restriction for the extended control period shall be filed with the County Clerk.
6. Assisted Living Residence (per N.J.A.C. 5:97-6.11).
 - a. An assisted living residence is a facility licensed by the New Jersey Department of Health to provide apartment-style housing and congregate dining and to assure that assisted living services are available. All or a designated number of apartments in the facility shall be restricted to low- and moderate-income households.
 - b. The unit of credit shall be the apartment. However, a two-bedroom apartment shall be eligible for two units of credit if it is restricted to two unrelated individuals.
 - c. A recipient of a Medicaid waiver shall automatically qualify as a low- or moderate-income household.
 - d. Assisted living units are considered age-restricted housing in a HEFSP and shall be included with the maximum number of units that may be age-restricted.
 - e. Low- and moderate-income residents cannot be charged any upfront fees.
 - f. The units shall comply with UHAC with the following exceptions:
 - i. Affirmative marketing (N.J.A.C. 5:80-26.16); provided that the units are restricted to recipients of Medicaid waivers;
 - ii. The deed restriction may be on the facility, rather than individual apartments or rooms;
 - iii. Low/moderate income split and affordability average (N.J.A.C. 5:80-26.4); only if all of the affordable units are affordable to households at a maximum of 60 percent of median income; and
 - g. Tenant income eligibility (N.J.A.C. 5:80-26.14); up to 80 percent of an applicant's gross income may be used for rent, food and services based on occupancy type and the affordable unit must receive the same basic services as required by the Agency's underwriting guidelines and financing policies. The cost of non-housing related services shall not exceed one and two-thirds times the rent established for each unit.
 7. Supportive Housing and Group Homes (per N.J.A.C. 5:97-6.10).
 - a. The following provisions shall apply to group homes, residential health care facilities, and supportive shared living housing:
 - i. Units are subject to Affirmative Marketing requirements, household certification, and administrative agent oversight; and may, with the approval of the municipal housing liaison and the administrative agent, be leased either by the bedroom or to a single household in the case of multi-bedroom configurations, provided such arrangement is consistent with the Federal Fair Housing Act (Title VIII of the Civil Rights Act of 1968).
 - ii. Units may, with the approval of the administrative agent, be subject to a master lease by an approved supportive housing operator, provided that all subleases are to be certified supportive housing households and remain fully subject to the affordability controls of this subchapter. Rents for supportive housing units shall

not exceed the rent standards established and published by the New Jersey Department of Human Services.

- iii. The unit of credit shall be the bedroom. However, the unit of credit shall be the unit if occupied by a single person or household.
- iv. Housing that is age-restricted shall be included with the maximum number of units that may be age-restricted pursuant to the Act.
- v. Occupancy shall not be restricted to youth under 18 years of age.
- vi. In affordable developments with 20 or more restricted units that are supportive housing, two-bedroom units must compose at least five percent of those restricted units.
- vii. The bedrooms and/or units shall comply with UHAC with the following exceptions:
 - (a) Affirmative marketing; however, group homes, residential health care facilities, permanent supportive housing, and supportive shared living housing shall be affirmatively marketed to broadest possible population of qualified individuals with special needs in accordance with a plan approved by the sponsoring program;
 - (b) Affordability average and bedroom distribution (N.J.A.C. 5:80-26.4).
- viii. With the exception of units established with capital funding through a 20-year operating contract with the Department of Human Services, Division of Developmental Disabilities, group homes, residential health care facilities, supportive shared living housing and permanent supportive housing shall have the appropriate controls on affordability in accordance with the Act. In the event that a supportive housing provider is unable to record or execute a long-term deed restriction, the units shall be subject to annual recertification by the Municipal Housing Liaison to confirm continued occupancy and compliance with this Section.
- ix. Objective standards shall be applied in the selection of tenants for supportive housing units and shall be designed to ensure that individuals are not excluded in an arbitrary or capricious manner.
- x. The following documentation shall be submitted by the sponsor to the municipality prior to marketing the completed units or facility:
 - (a) An Affirmative Marketing Plan in accordance with D1 above; and
 - (b) If applicable, proof that the supportive and/or special needs housing is regulated by the New Jersey Department of Health and Senior Services, the New Jersey Department of Human Services or another State agency in accordance with the requirements of this section, which includes validation of the number of bedrooms or units in which low- or moderate-income occupants reside.
- xi. The sponsor/owner shall complete annual monitoring as directed by the MHL.

G. Regional Income Limits.

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

H. Maximum Initial Rents And Sales Prices.

1. In establishing rents and sales prices of affordable housing units, the Administrative Agent shall follow the procedures set forth in UHAC N.J.A.C. 5:80-26.4.
2. The average rent for all restricted units within each affordable housing development shall be affordable to households earning no more than 52 percent of regional median income.
3. The maximum rent for restricted rental units within each affordable housing development shall be affordable to households earning no more than 60% of regional median income.
4. The developers and/or municipal sponsors of restricted rental units shall establish at least one rent for each bedroom type for both low-income and moderate-income units, provided that at least 13% of all low- and moderate-income rental units shall be affordable to households earning no more than 30% of median income. These very low-income units shall be part of the low-income requirement and very-low-income units should be distributed between each bedroom count as proportionally as possible, to the nearest whole unit, to the total number of restricted units within each bedroom count.
5. The maximum sales price of restricted ownership units within each affordable housing development shall be affordable to households earning no more than 70% of median income, and each affordable housing development must achieve an affordability average that does not exceed 55% for all restricted ownership units. In achieving this affordability average, moderate-income ownership units must be available for at least three different prices for each bedroom type, and low-income ownership units must be available for at least two different prices for each bedroom type when the number of low- and moderate-income units permits.
6. The master deeds and declarations of covenants and restrictions for affordable developments may not distinguish between restricted units and market-rate units in the calculation of any condominium or homeowner association fees and special assessments to be paid by low- and moderate-income purchasers and those to be paid by market-rate purchasers. Notwithstanding the foregoing sentence, condominium units subject to a municipal ordinance adopted before December 20, 2004, which ordinance provides for condominium or homeowner association fees and/or assessments different from those provided for in this subsection are governed by the ordinance.

7. In determining the initial sales prices and rents for compliance with the affordability average requirements for restricted family units, the following standards shall be met:
 - a. A studio or efficiency unit shall be affordable to a one-person household;
 - b. A one-bedroom unit shall be affordable to a one and one-half person household;
 - c. A two-bedroom unit shall be affordable to a three-person household;
 - d. A three-bedroom unit shall be affordable to a four and one-half person household; and
 - e. A four-bedroom unit shall be affordable to a six-person household.
8. In determining the initial rents and sales prices for compliance with the affordability average requirements for restricted units in assisted living facilities and age-restricted and special needs and supportive housing developments, the following standards shall be met:
 - a. A studio or efficiency unit shall be affordable to a one-person household;
 - b. A one-bedroom unit shall be affordable to a one and one-half person household; and
 - c. A two-bedroom unit shall be affordable to a two-person household or to two one-person households. Where pricing is based on two one-person households, the developer shall provide a list of units so priced to the Municipal Housing Liaison and the Administrative Agent.
9. The initial purchase price for all restricted ownership units shall be calculated so that the monthly carrying cost of the unit, including principal and interest (based on a mortgage loan equal to 95 percent of the purchase price and the FreddieMac 30-Year Fixed Rate-Mortgage rate of interest), property taxes, homeowner and private mortgage insurance and condominium or homeowner association fees do not exceed 30 percent of the eligible monthly income of the appropriate size household as determined pursuant to N.J.A.C. 5:80-26.7, as may be amended and supplemented; provided, however, that the price shall be subject to the affordability average requirement of N.J.A.C. 5:80-26.4, as may be amended and supplemented.
10. The initial rent for a restricted rental unit shall be calculated so that the total monthly housing expense, including an allowance for tenant-paid utilities, does not exceed 30 percent of the gross monthly income of a household of the appropriate size whose income is targeted to the applicable percentage of median income for the unit, as determined pursuant to N.J.A.C. 5:80-26.3, as may be amended and supplemented. The rent shall also comply with the affordability average requirement of N.J.A.C. 5:80-26.4, as may be amended and supplemented. The initial rent for a restricted rental unit shall be calculated so the eligible monthly housing expenses/income, including an allowance for tenant-paid utilities does not exceed 30 percent of gross income of and the appropriate household size as determined pursuant to N.J.A.C. 5:80-26.3, as may be amended and supplemented.
11. At the anniversary date of the tenancy of the certified household occupying a restricted rental unit, following proper notice provided to the occupant household pursuant to N.J.S.A. 2A:18-61.1.f, the rent may be increased to an amount commensurate with the annual percentage increase in the Consumer Price Index for All Urban Consumers (CPI-U), specifically U.S. Bureau of Labor Statistics Series CUUR0100SAH, titled "Housing in Northeast urban, all urban consumers, not seasonally adjusted." Rent increases for units

constructed pursuant to Low-Income Housing Tax Credit regulations shall be indexed pursuant to the regulations governing Low-Income Housing Tax Credits.

I. Affirmative Marketing.

1. The municipality shall adopt, by resolution, an Affirmative Marketing Plan, subject to approval of the Superior Court, compliant with N.J.A.C. 5:80-26.16, as may be amended and supplemented.
2. The Affirmative Marketing Plan is a regional marketing strategy designed to attract buyers and/or renters of all majority and minority groups, regardless of race, creed, color, national origin, ancestry, marital or familial status, gender, affectional or sexual orientation, disability, age, or number of children, to housing units which are being marketed by a developer, sponsor or owner of affordable housing. The Affirmative Marketing Plan is intended to target those potentially eligible persons who are least likely to apply for affordable units in that region. It is a continuing program that directs all marketing activities toward Housing Region 3 and is required to be followed throughout the period of deed restriction.
3. The Affirmative Marketing Plan provides the following preferences, provided that units that remain unoccupied after these preferences are exhausted may be offered to households without regard to these preferences.
 - a. Where the municipality has entered into an agreement with a developer or residential development owner to provide a preference for very-low-, low-, and moderate-income veterans who served in time of war or other emergency, pursuant to N.J.S.A. 52:27D-311.j, there shall be a preference for veterans for up to 50 percent of the restricted rental units in a particular project.
 - b. There shall be a regional preference for all households that live and/or work in Housing Region 3 comprising Somerset, Hunterdon, and Middlesex Counties.
 - c. Subordinate to the regional preference, there shall be a preference for households that live and/or work in New Jersey.
 - d. With respect to existing restricted units undergoing approved rehabilitation for the purpose of preservation or to restricted units newly created to replace existing restricted units undergoing demolition, a preference for the very-low-, low-, and moderate-income households that are displaced by the rehabilitation or demolition and replacement.
4. The municipality has the ultimate responsibility for adopting the Affirmative Marketing Plan and for the proper administration of the Affirmative Marketing Process, including the marketing of initial sales and rentals and resales and re-rentals. The Administrative Agent designated by the municipality shall implement the Affirmative Marketing Process to ensure the Affirmative Marketing of all affordable units, with the exception of affordable programs that are exempt from Affirmative Marketing as noted herein.
5. The Affirmative Marketing Process shall describe the media to be used in advertising and publicizing the availability of housing. In implementing the Affirmative Marketing Process, the Administrative Agent shall consider the use of language translations where appropriate.

6. Applications for affordable housing or notices thereof, if offered online, shall be available in several locations, including, at a minimum, the County Administration Building and/or the County Library for each county within the housing region; the municipal administration building and municipal library in the municipality in which the units are located; and the developer's rental or sales office. The developer shall mail applications to prospective applicants upon request and shall make applications available through a secure online website address.
 7. In addition to other Affirmative Marketing strategies, the Administrative Agent shall provide specific notice of the availability of affordable housing units on the New Jersey Housing Resource Center website. Any other entities, including developers or persons or companies retained to implement the Affirmative Marketing Process, shall comply with this paragraph.
 8. In implementing the Affirmative Marketing Process, the Administrative Agent shall provide a list of counseling services to low- and moderate-income applicants on subjects such as budgeting, credit issues, mortgage qualification, rental lease requirements, and landlord/tenant law.
 9. The Affirmative Marketing Process for available affordable units shall begin at least four months (120 days) prior to the expected date of occupancy.
 10. The cost to affirmatively market the affordable units shall be the responsibility of the developer, sponsor or owner, with the exception of Affirmative Marketing for resales.
- J. Selection of Occupants of Affordable Housing Units.
1. The Administrative Agent shall use a random selection process to select occupants of very low-, low- and moderate-income housing.
 2. A pool of interested households will be maintained in accordance with the provisions of N.J.A.C. 5:80-26.16.
- K. Occupancy Standards.
1. In referring certified households to specific restricted units, to the extent feasible, and without causing an undue delay in occupying the unit, the Administrative Agent shall strive to:
 - a. Ensure each bedroom is occupied by at least one person, except for age-restricted and supportive and special needs housing units;
 - b. Provide a bedroom for every two adult occupants;
 - c. With regard to occupants under the age of 18, accommodate the household's requested arrangement, except that such arrangement may not result in more than two occupants under the age of 18 occupying any bedroom; and
 - d. Avoid placing a one-person household into a unit with more than one bedroom.
- L. Control Periods for Restricted Ownership Units and Enforcement Mechanisms.
1. Control periods for restricted ownership units shall be in accordance with N.J.A.C. 5:80-26.6, as may be amended and supplemented, and each restricted ownership unit shall

remain subject to the controls on affordability for a period of at least 30 years subject to the requirements of N.J.A.C. 5:80-26.6, as may be amended and supplemented.

2. Rehabilitated housing units that are improved to code standards shall be subject to affordability controls for a period of not less than 10 years (crediting towards present need only).
3. The affordability control period for a restricted ownership unit shall commence on the date the initial certified household takes title to the unit. The date of commencement shall be identified in the deed restriction.
4. If existing affordability controls are being extended, the extended control period for a restricted ownership unit commences on the effective date of the extension, which is the end of the original control period.
5. After the end of any control period, the restricted ownership unit remains subject to the affordability controls set forth in this subchapter until the owner gives notice of their intent to make an exit sale, at which point:
 - a. If the municipality exercises the right to extend the affordability controls on the unit, no exit sale occurs and a new control period commences; or
 - b. If the municipality does not exercise the right to extend the affordability controls on the unit, the affordability controls terminate following the exit sale.
6. Prior to the issuance of any building permit for the construction/rehabilitation of restricted ownership units, the developer/owner and the municipality shall record a preliminary instrument provided by the Administrative Agent.
7. Prior to the issuance of the initial certificate of occupancy for a restricted ownership unit and upon each successive sale during the period of restricted ownership, the Administrative Agent shall determine the restricted price for the unit and shall also determine the nonrestricted, fair market value of the unit based on either an appraisal or the unit's equalized assessed value without the restrictions in place.
8. At the time of the initial sale of the unit and upon each successive price-restricted sale, the initial purchaser shall execute and deliver to the Administrative Agent a recapture note obliging the purchaser, as well as the purchaser's heirs, successors, and assigns, to repay, upon the first non-exempt sale after the unit's release from the restrictions set forth in this Ordinance, an amount equal to the difference between the unit's non-restricted fair market value and its restricted price, and the recapture note shall be secured by a recapture lien evidenced by a duly recorded mortgage on the unit.
9. The affordability controls set forth in this Ordinance shall remain in effect despite the entry and enforcement of any judgment of foreclosure with respect to price-restricted ownership units.

M. Price Restrictions for Restricted Ownership Units and Resale Prices.

1. Price restrictions for restricted ownership units shall be in accordance with N.J.A.C. 5:80-26.7, as may be amended and supplemented, including:
 - a. The initial purchase price and affordability percentage for a restricted ownership unit shall be set by the Administrative Agent.

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

N. Buyer Income Eligibility.

1. Buyer income eligibility for restricted ownership units shall be established pursuant to N.J.A.C. 5:80-26.17, as may be amended and supplemented, such that very low-income ownership units shall be reserved for occupancy by households with a gross household

income less than or equal to 30% of median income, low-income ownership units shall be reserved for occupancy by households with a gross household income less than or equal to 50% of median income and moderate-income ownership units shall be reserved for occupancy by households with a gross household income less than 80% of median income.

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

- d. The household documents the existence of assets, within the asset limitation otherwise applicable, with which the household proposes to supplement the rent payments

O. Limitations on Indebtedness Secured by Ownership Unit; Subordination.

1. Prior to incurring any indebtedness to be secured by a restricted ownership unit, the owner shall apply to the Administrative Agent for a determination in writing that the proposed indebtedness complies with the provisions of this Section, and the Administrative Agent shall issue such determination prior to the owner incurring such indebtedness.
2. With the exception of original purchase money mortgages, neither an owner nor a lender shall at any time during the control period cause or permit the total indebtedness secured by a restricted ownership unit to exceed 95% of the maximum allowable resale price of that unit, as such price is determined by the Administrative Agent in accordance with N.J.A.C. 5:80-26.7(c).

P. Control Periods for Restricted Rental Units.

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

- c. The entry and enforcement of any judgment of foreclosure on the property containing the unit; or
- d. The end of the control period, until the occupant household vacates the unit, or is certified as over-income and the controls are released in accordance with UHAC.

Q. Rent Restrictions for Rental Units; Leases and Fees.

1. The initial rent for a restricted rental unit shall be set by the Administrative Agent.
2. A written lease shall be required for all restricted rental units, except for units in an assisted living residence, and tenants shall be responsible for security deposits and the full amount of the rent as stated on the lease. A copy of the current lease for each restricted rental unit shall be retained on file by the Administrative Agent.
3. No additional fees, operating costs, or charges shall be added to the approved rent (except, in the case of units in an assisted living residence, to cover the customary charges for food and services) without the express written approval of the Administrative Agent.
 - a. Operating costs, for the purposes of this section, include certificate of occupancy fees, move-in fees, move-out fees, mandatory internet fees, mandatory cable fees, mandatory utility submetering fees, and for developments with more than one and a half off-street parking spaces per unit, parking fees for one parking space per household.
4. Any fee structure that would remove or limit affordable unit occupant access to any amenities or services that are required or included for market-rate unit occupants is prohibited. Application fees (including the charge for any credit check) shall not exceed 5% of the monthly rent of the applicable restricted unit to be applied to the costs of administering the controls applicable to the unit as set forth in this Ordinance.
5. Fees for unit-specific, non-communal items that are charged to market-rate unit tenants on an optional basis, such as pet fees for tenants with pets, storage spaces, bicycle-share programs, or one-time rentals of party or media rooms, may also be charged to affordable unit tenants, if applicable.
6. Pet fees may not exceed \$30.00 per month and associated one-time payments for optional fees pertaining to pets, such as a pet cleaning fee, are prohibited.
7. Fees charged to affordable unit tenants for other optional, unit-specific, non-communal items shall not exceed the amounts charged to market-rate tenants.
8. For any prior round rental unit leased before December 20, 2024, elements of the existing fee structure that are consistent with prior rules, but inconsistent with 5:80-26.13(c)1, may continue until the occupant household's current lease term expires or that occupant household vacates the unit, whichever occurs later.

R. Tenant Income Eligibility.

1. Tenant income eligibility shall be determined pursuant to N.J.A.C. 5:80-26.14, as may be amended and supplemented, and shall be determined as follows:
 - a. Very low-income rental units shall be reserved for households with a gross household income less than or equal to 30% of the regional median income by household size.

- b. Low-income rental units shall be reserved for households with a gross household income less than or equal to 50% of the regional median income by household size.
 - c. Moderate-income rental units shall be reserved for households with a gross household income less than 80% of the regional median income by household size.
 2. The Administrative Agent shall certify a household as eligible for a restricted rental unit when the household is a very low-income, low-income or moderate-income household, as applicable to the unit, and the rent proposed for the unit does not exceed 35% (40% for age-restricted units) of the household's eligible monthly income as determined pursuant to N.J.A.C. 5:80-26.17, as may be amended and supplemented; provided, however, that this limit may be exceeded if one or more of the following circumstances exists:
 - a. The household currently pays more than 35% (40% for households eligible for age-restricted units) of its gross household income for rent, and the proposed rent will reduce its housing costs;
 - b. The household has consistently paid more than 35% (40% for households eligible for age-restricted units) of eligible monthly income for rent in the past and has proven its ability to pay;
 - c. The household is currently in substandard or overcrowded living conditions;
 - d. The household documents the existence of assets with which the household proposes to supplement the rent payments; or
 - e. The household documents reliable anticipated third-party assistance from an outside source such as a family member in a form acceptable to the Administrative Agent and the owner of the unit.
 3. The applicant shall file documentation sufficient to establish the existence of any of the circumstances in 2.a. through 2.e. above with the Administrative Agent, who shall counsel the household on budgeting.
- S. Municipal Housing Liaison.
 1. The Municipal Housing Liaison shall be approved by municipal resolution.
 2. The Municipal Housing Liaison shall be approved by the Division, or is in the process of getting approval, and fully or conditionally meets the requirements for qualifications, including initial and periodic training as set forth in in N.J.A.C. 5:99-1 et seq.
 3. The Municipal Housing Liaison shall be responsible for oversight and administration of the affordable housing program, including the following responsibilities, which may not be contracted out to the Administrative Agent:
 - a. Serving as the primary point of contact for all inquiries from the Affordable Housing Dispute Resolution Program, the State, affordable housing providers, administrative agents and interested households.
 - b. The oversight of the Affirmative Marketing Plan and affordability controls.
 - c. When applicable, overseeing and monitoring any contracting Administrative Agent.
 - d. Overseeing the monitoring of the status of all restricted units listed in the Fair Share Plan.

- e. Verifying, certifying and providing annual information within AHMS at such time and in such form as required by the Division.
- f. Coordinating meetings with affordable housing providers and administrative agents, as needed.
- g. Attending continuing education opportunities on affordability controls, compliance monitoring, and affirmative marketing as offered or approved by the Division.
- h. Overseeing the recording of a preliminary instrument in the form set forth at N.J.A.C. 5:80-26.1 for each affordable housing development.
- i. Coordinating with the Administrative Agent, municipal attorney and municipal Construction Code Official to ensure that permits are not issued unless the document required in C.8. above has been duly recorded.
- j. Listing on the municipal website contact information for the MHL and Administrative Agents.

T. Administrative Agent.

1. All municipalities that have created or will create affordable housing programs and/or affordable units shall designate or approve, for each project within its HEFSP, an administrative agent to administer the affordable housing program and/or affordable housing units in accordance with the requirements of the FHA, NJAC 5:99-1 et seq. and UHAC.
2. The fees for administrative agents shall be paid as follows:
 - a. Administrative agent fees related to rental units shall be paid by the developer/owner.
 - b. Administrative agent fees related to initial sale of units shall be paid by the developer.
 - c. Administrative agent fees related to resales shall be paid by the seller of the affordable home. Single-family homeowners and condominium homeowners shall be required to pay 3% of the sales price for services provided by the administrative agent related to the resale of their homes. That fee shall be collected at closing and paid directly to the administrative agent.
 - d. Administrative agent fees related to ongoing administration and enforcement shall be paid by the municipality.
3. An Operating Manual for each affordable housing program shall be provided by the Administrative Agent(s). The Operating Manual(s) shall be available for public inspection in the Office of the Clerk and in the office(s) of the Administrative Agent(s). Operating manuals shall be adopted by resolution of the Governing Body.
4. Subject to the role of the Administrative Agent(s), the duties and responsibilities as are set forth in N.J.A.C. 5:99-7 and which are described in full detail in the Operating Manual, including those set forth in UHAC, include:
 - a. Attending continuing education opportunities on affordability controls, compliance monitoring, and affirmative marketing as offered or approved by the Division;
 - b. Affirmative marketing:

- i. Conducting an outreach process to affirmatively market affordable housing units in accordance with the Affirmative Marketing Plan of the municipality and the provisions of N.J.A.C. 5:80-26.16.
 - ii. Providing counseling, or contracting to provide counseling services, to low- and moderate-income applicants on subjects such as budgeting, credit issues, mortgage qualification, rental lease requirements; and landlord/tenant law.
 - c. Household certification.
 - i. Soliciting, scheduling, conducting and following up on interviews with interested households.
 - ii. Conducting interviews and obtaining sufficient documentation of gross income and assets upon which to base a determination of income eligibility for a low- or moderate-income unit;
 - iii. Providing written notification to each applicant as to the determination of eligibility or non-eligibility within 5 days of the determination thereof.
 - iv. Requiring that all certified applicants for restricted units execute a certificate substantially in the form, as applicable, of either the ownership or rental certificates set forth in the Appendices J and K of N.J.A.C. 5:80-26.1 et seq.
 - v. Creating and maintaining a referral list of eligible applicant households living in the housing region, and eligible applicant households with members working in the housing region, where the units are located.
 - vi. Employing a random selection process as provided in the Affirmative Marketing Plan when referring households for certification to affordable units.
 - d. Affordability controls.
 - i. Furnishing to attorneys or closing agents forms of deed restrictions and mortgages for the recording at the time of conveyance of title of each restricted unit.
 - ii. Ensuring that the removal of the deed restrictions and cancellation of the mortgage note are effectuated and filed properly with the County Register of Deeds or County Clerk's office after the termination of the affordability controls for each restricted unit in accordance with UHAC.
 - iii. Communicating with lenders and the Municipal Housing Liaison regarding foreclosures.
 - iv. Ensuring the issuance of Continuing Certificates of Occupancy or certifications pursuant to N.J.A.C. 5:80-26.11.
 - e. Records retention.
 - i. Creating and maintaining a file on each restricted unit for its control period, including the recorded deed with restrictions, recorded recapture mortgage, and note, as appropriate.
 - ii. Records received, retained, retrieved, or transmitted in furtherance of crediting affordable units of a municipality constitute public records of the municipality as defined by N.J.S.A. 47:3-16, and are legal property of the municipality.

- f. Resales and re-rentals.
 - i. Instituting and maintaining an effective means of communicating information between owners and the Administrative Agent regarding the availability of restricted units for resale or re-rental.
 - ii. Instituting and maintaining an effective means of communicating information to very low-, low-, or moderate-income households regarding the availability of restricted units for resale or re-rental.
- g. Processing requests from unit owners.
 - i. Reviewing and approving requests from owners of restricted units who wish to refinance or take out home equity loans during the term of their ownership to determine that the amount of indebtedness to be incurred will not violate the terms of this ordinance.
 - ii. Reviewing and approving requests to increase sales prices from owners of restricted units who wish to make capital improvements to the units that would affect the selling price, such authorizations to be limited to those improvements resulting in additional bedrooms or bathrooms and the depreciated cost of central air conditioning systems.
 - iii. Notifying the municipality of an owner's intent to sell a restricted unit.
 - iv. Making determinations on requests by owners of restricted units for hardship waivers.
- h. Enforcement.
 - i. Securing annually from the municipality a list of all affordable ownership units for which property tax bills are mailed to absentee owners, and notifying all such owners that they must either move back to their unit or sell it;
 - ii. Securing from all developers and sponsors of restricted units, at the earliest point of contact in the processing of the project or development, written acknowledgement of the requirement that no restricted unit can be offered, or in any other way committed, to any person, other than a household duly certified to the unit by the Administrative Agent;
 - iii. Sending annual mailings to all owners of affordable dwelling units reminding them of the notices and requirements outlined in N.J.A.C. 5:80-26.19(d)4;
 - iv. Establishing a program for diverting unlawful rent payments to the municipal Affordable Housing Trust Fund; and
 - v. Creating and publishing a written operating manual for each affordable housing program administered by the Administrative Agent setting forth procedures for administering the affordability controls.
- i. The Administrative Agent(s) shall, as delegated by the municipality, have the authority to take all actions necessary and appropriate to carry out its/their responsibilities, herein.

U. Responsibilities of The Owner of a development containing affordable units.

1. The owner of all developments containing affordable units subject to this subchapter or the assigned management company thereof shall provide to the administrative agent:
 - a. Site plan, architectural plan, or other plan that identifies the location of each affordable unit, if subject to the site plan approval, settlement agreement, or other applicable document regulating the location of affordable units. The administrative agent shall determine the location of affordable units if not set forth in the site plan approval, settlement agreement, or other applicable document.
 - b. The total number of units in the project and the number of affordable units.
 - c. The breakdown of the affordable units by or identification of affordable unit locations by bedroom count and income level, including street addresses / unit numbers, if subject to the site plan approval, settlement agreement, or other applicable document regulating the breakdown of affordable units. The administrative agent shall determine the bedroom and income distribution if not set forth in the site plan approval, settlement agreement, or other applicable document.
 - d. Floor plans of all affordable units, including complete and accurate identification of all rooms and the dimensions thereof.
 - e. A projected construction schedule.
 - f. The location of any common areas and elevators.
 - g. The name of the person who will be responsible for official contact with the administrative agent for the duration of the project, which must be updated if the contact changes.
2. In addition to A above, the owner of rental developments containing affordable rental units subject to this subchapter or the assigned management company thereof shall:
 - a. Send to all current tenants in all restricted rental units an annual mailing containing a notice as to the maximum permitted rent and a reminder of the requirement that the unit must remain their principal place of residence, which is defined as residing in the unit at least 260 days out of each calendar year, together with the telephone number, mailing address, and email address of the administrative agent to whom complaints of excess rent can be issued.
 - b. Provide to the administrative agent a description of any applicable fees.
 - c. Provide to the administrative agent a description of the types of utilities and which utilities will be included in the rent.
 - d. Agree and ensure that the utility configuration established at the start of the rent-up process not be altered at any time throughout the restricted period.
 - e. Provide to the administrative agent a proposed form of lease for any rental units.
 - f. Ensure that the tenant selection criteria for the applicants for affordable units not be more restrictive than the tenant selection criteria for applicants for non-restricted units.
 - g. Strive to maintain the continued occupancy of the affordable units during the entire restricted period.

3. In addition to A, above, the owner of affordable for-sale developments containing affordable for-sale units subject to this subchapter or the assigned management company thereof shall provide the administrative agent:
 - a. Proposed pricing for all units, including any purchaser options and add-on items.
 - b. Condominium or homeowner association fees and any other applicable fees.
 - c. Estimated real property taxes.
 - d. Sewer, water, trash disposal, and any other utility assessments.
 - e. Flood insurance requirement, if applicable.
 - f. The State-approved planned real estate development public offering statement and/or master deed, where applicable, as well as the full build-out budget.

V. Enforcement of Affordable Housing Regulations

1. Upon the occurrence of a breach of any of the regulations governing the affordable unit by an owner, developer or tenant, the municipality shall have all remedies provided at law or equity, including but not limited to foreclosure, tenant eviction, 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.
2. After providing written notice of a violation to an owner, developer or tenant of an affordable unit and advising the owner, developer or tenant of the penalties for such violations, the municipality may take the following action against the owner, developer or tenant for any violation that remains uncured for a period of 60 days after service of the written notice:
 - a. 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:
 - i. A fine of not more than \$1000 per day or imprisonment for a period not to exceed 30 days, or both, unless otherwise specified below, provided that each and every day that the violation continues or exists shall be considered a separate and specific violation of these provisions and not a continuation of the initial offense;
 - ii. In the case of an owner who has rented his or her low- or moderate-income unit in violation of the regulations governing affordable housing units, payment into the Affordable Housing Trust Fund of the gross amount of rent illegally collected;
 - iii. In the case of an owner who has rented his or her affordable unit in violation of the regulations governing affordable housing units, payment of an innocent tenant's reasonable relocation costs, as determined by the Court.
 - iv. All remedies at law and equity, including, but not limited to, injunctive relief and foreclosure.

3. The municipality shall have the authority to levy fines against the owner of the development for instances of noncompliance with NJHRC advertising requirements (N.J.S.A. 52:27D-321.6.e.(2)), following written notice to the owner. The fine for the first offense of noncompliance shall be \$5,000, the fine for the second offense of noncompliance shall be \$10,000, and the fine for each subsequent offense of noncompliance shall be \$15,000.
4. 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 unit, in the nature of a mortgage foreclosure. Any judgment shall be enforceable as if the same were a judgment of default of the first purchase money mortgage and shall constitute a lien against the low- or moderate-income unit.
 - a. Such judgment shall be enforceable, at the option of the municipality, by means of an execution sale by the Sheriff, at which time the affordable unit of the violating owner shall be sold at a sale price which is not less than the amount necessary to fully satisfy and pay off any first purchase money mortgage and prior liens and the costs of the enforcement proceedings incurred by the 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.
 - b. The proceeds of the Sheriff's sale shall first be applied to satisfy the first purchase money mortgage lien and any prior liens upon the low- or moderate-income unit. The excess, if any, shall be applied to reimburse the municipality for any and all costs and expenses incurred in connection with either the court action resulting in the judgment of violation or the Sheriff's sale. In the event that the proceeds from the Sheriff's sale are insufficient to reimburse the municipality in full as aforesaid, the violating owner shall be personally responsible for the full extent of such deficiency, in addition to any and all costs incurred by the municipality in connection with collecting such deficiency. In the event that a surplus remains after satisfying all of the above, such surplus shall be placed in escrow by the municipality for the owner and shall be held in such escrow for a maximum period of two years or until such earlier time as the owner shall make a claim with the municipality for such. Failure of the owner to claim such balance within the two year period shall automatically result in a forfeiture of such balance to the municipality. Any interest accrued or earned on such balance while being held in escrow shall belong to and shall be paid to the municipality, whether such balance shall be paid to the owner or forfeited to the municipality.
 - c. Foreclosure due to violation of the regulations governing affordable housing units shall not extinguish the restrictions of the regulations governing affordable housing units as they apply to the low- and moderate-income unit. Title shall be conveyed to the purchaser at the Sheriff's sale, subject to the restrictions and provisions of the regulations governing the affordable housing unit. The owner determined to be in violation of the provisions of this plan and from whom title and possession were taken by means of the Sheriff's sale shall not be entitled to any right of redemption.
 - d. 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 affordable unit by satisfying the first purchase money mortgage and any

- prior liens and crediting the violating owner with an amount equal to the difference between the first purchase money mortgage and any prior liens and costs of the enforcement proceedings, including legal fees and the maximum resale price for which the affordable unit could have been sold under the terms of the regulations governing affordable housing units. This excess shall be treated in the same manner as the excess that would have been realized from an actual sale as previously described.
- e. Failure of the low- or moderate-income unit to be either sold at the Sheriff's sale or acquired by the municipality shall obligate the owner to accept an offer to purchase from any qualified purchaser that may be referred to the owner by the municipality, with such offer to purchase being equal to the maximum resale price of the low- or moderate-income unit as permitted by the regulations governing affordable housing units.
 - f. The affordable unit owner shall remain fully obligated, responsible and liable for complying with the terms and restrictions of governing affordable housing units until such time as title is conveyed from the owner.
5. It is the responsibility of the municipal housing liaison and the administrative agent(s) to ensure that affordable housing units are administered properly. All affordable units must be occupied within a reasonable amount of time and be re-leased within a reasonable amount of time upon the vacating of the unit by a tenant. If an administrative agent or municipal housing liaison becomes aware of or suspects that a developer, landlord, or property manager has not complied with these regulations, it shall report this activity to the Division. The Division must notify the developer, landlord, or property manager, in writing, of any violation of these regulations and provide a 30-day cure period. If, after the 30-day cure period, the developer, landlord, or property manager remains in violation of any terms of this subchapter, including by keeping a unit vacant, the developer, landlord, or property manager may be fined up to the amount required to construct a comparable affordable unit of the same size and the deed-restricted control period will be extended for the length of the time the unit was out of compliance, in addition to the remedies provided for in this section. For the purposes of this subsection, a reasonable amount of time shall presumptively be 60 days, unless a longer period of time is required due to demonstrable market conditions and/or failure of the municipal housing liaison or the administrative agent to refer a certified tenant.
 6. Banks and other lending institutions are prohibited from issuing any loan secured by owner occupied real property subject to the affordability controls set forth in this subchapter if such loan would be in excess of amounts permitted by the restriction documents recorded in the deed or mortgage book in the county in which the property is located. Any loan issued in violation of this subsection is void as against public policy.
 7. The Agency and the Department hereby reserve, for themselves and for each administrative agent appointed pursuant to this subchapter, all of the rights and remedies available at law and in equity for the enforcement of this subchapter, including, but not limited to, fines, evictions, and foreclosures as approved by a county-level housing judge.
 8. Appeals

- a. Appeals from all decisions of an administrative agent appointed pursuant to this subchapter must be filed, in writing, with the municipal housing liaison. A decision by the municipal housing liaison may be appealed to the Division. A written decision of the Division Director upholding, modifying, or reversing an administrative agent's decision is a final administrative action.

SECTION II

Chapters 180-1 through 180-10 are hereby repealed and replaced with the following, the entirety of which shall be contained in a new Chapter 180-1 entitled "Affordable Housing Development Fees":

A. Development Fees.

1. Purpose

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

2. Basic Requirements

- a. The municipality previously adopted a development fee ordinance, which established the Municipal Affordable Housing Trust Fund.
- b. The municipality shall not spend development fees until the court has approved a plan for spending such fees.

3. Residential Development Fees

a. Imposed fees

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

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

b. Eligible exactions, ineligible exactions and exemptions for residential development

- i. Affordable housing developments, developments where the developer is providing for the construction of affordable units elsewhere in the municipality, and developments where the developer has made an eligible payment in lieu of on-site construction of affordable units, if permitted by ordinance, or by agreement with the municipality and if approved by a municipality prior to the statutory elimination of payments in-lieu on March 20, 2024 per P.L.2024, c.2, shall be exempt from development fees.
- ii. Developments that have received preliminary or final site plan approval prior to the adoption of this ordinance and any preceding ordinance permitting the collection of development fees shall be exempt from the payment of development fees, unless the developer seeks a substantial change in the original approval. Where a site plan approval does not apply, the issuance of a zoning and/or building permit shall be synonymous with preliminary or final site plan approval for the purpose of determining the right to an exemption. In all cases, the applicable fee percentage shall be determined based upon the development fee ordinance in effect on the date that the construction permit is issued.
- iii. Development fees shall be imposed and collected when an existing structure undergoes a change to a more intense use, is demolished and replaced, or is expanded, if the expansion is not otherwise exempt from the development fee requirement. The development fee shall be calculated on the increase in the equalized assessed value of the improved structure.
- iv. No development fee shall be collected for the demolition and replacement of a residential building resulting from a fire or natural disaster.

4. Non-Residential Development Fees

a. Imposition of fees

- i. Within all zoning districts, non-residential developers, except for developers of the types of development specifically exempted, shall pay a fee equal to 2.5% of the equalized assessed value of the land and improvements, for all new non-residential construction on an unimproved lot or lots.
- ii. Within all zoning districts, non-residential developers, except for developers of the types of development specifically exempted, shall also pay a fee equal to 2.5% of the increase in equalized assessed value resulting from any additions to existing structures to be used for non-residential purposes.
- iii. Development fees shall be imposed and collected when an existing structure is demolished and replaced. The development fee of 2.5% shall be calculated on the difference between the equalized assessed value of the pre-existing land and

improvements and the equalized assessed value of the newly improved structure; i.e., land and improvements; and such calculation shall be made at the time a final certificate of occupancy is issued. If the calculation required under this section results in a negative number, the non-residential development fee shall be zero.

- b. Eligible exactions, ineligible exactions and exemptions for non-residential development
 - i. The non-residential portion of a mixed-use inclusionary or market-rate development shall be subject to a 2.5% development fee, unless otherwise exempted below.
 - ii. The 2.5% fee shall not apply to an increase in equalized assessed value resulting from alterations, change in use within existing footprint, reconstruction, renovations and repairs.
 - c. Non-residential developments shall be exempt from the payment of non-residential development fees in accordance with the exemptions required pursuant to the Statewide Non-Residential Development Fee Act (N.J.S.A. 40:55D-8.1 through 8.7), as specified in Form N-RDF “State of New Jersey Non-Residential Development Certification/Exemption.” Any exemption claimed by a developer shall be substantiated by that developer.
 - d. A developer of a non-residential development exempted from the non-residential development fee pursuant to the Statewide Non-Residential Development Fee Act shall be subject to the fee at such time as the basis for the exemption no longer applies, and shall make the payment of the non-residential development fee, in that event, within three years after that event or after the issuance of the final certificate of occupancy of the non-residential development, whichever is later.
 - e. If a property that was exempted from the collection of a non-residential development fee thereafter ceases to be exempt from property taxation, the owner of the property shall remit the fees required pursuant to this section within 45 days of the termination of the property tax exemption. Unpaid non-residential development fees under these circumstances may be enforceable by the municipality as a lien against the real property of the owner.
5. Collection Procedures
- a. Upon the granting of a preliminary, final or other applicable approval for a development, the applicable approving authority shall direct its staff to notify the construction official responsible for the issuance of a building permit.
 - b. For non-residential developments only, the developer shall also be provided with a copy of Form N-RDF, “State of New Jersey Non-Residential Development Certification/Exemption,” to be completed by the developer as per the instructions provided in the Form N-RDF. The construction official shall verify the information submitted by the non-residential developer as per the instructions provided on Form N-RDF. The tax assessor shall verify exemptions and prepare estimated and final assessments as per the instructions provided in Form N-RDF.

- c. The construction official responsible for the issuance of a building permit shall notify the tax assessor of the issuance of the first construction permit for a development that is subject to a development fee.
 - d. Within 90 days of receipt of that notice, the tax assessor shall provide an estimate, based on the plans filed, of the equalized assessed value of the development.
 - e. The construction official responsible for the issuance of a final certificate of occupancy shall notify the tax assessor of any and all requests for the scheduling of a final inspection on property that is subject to a development fee.
 - f. Within 10 business days of a request for the scheduling of a final inspection, the tax assessor shall confirm or modify the previously estimated equalized assessed value of the improvements associated with the development; calculate the development fee; and thereafter notify the developer of the amount of the fee.
 - g. Should the municipality fail to determine or notify the developer of the amount of the development fee within 10 business days of the request for final inspection, the developer may estimate the amount due and pay that estimated amount consistent with the dispute process set forth in Subsection b. of section 37 of P.L.2008, c.46 (N.J.S.A. 40:55D-8.6).
 - h. Fifty percent (50%) of the development fee shall be collected at the time of issuance of the construction permit. The remaining portion shall be collected at the time of issuance of the certificate of occupancy. The developer shall be responsible for paying the difference between the fee calculated at the time of issuance of the construction permit and that determined at the time of issuance of certificate of occupancy.
6. Appeal of development fees
- a. A developer may challenge residential development fees imposed by filing a challenge with the County Board of Taxation. Pending a review and determination by that board, collected fees shall be placed in an interest-bearing escrow account by the municipality. Appeals from a determination of the board may be made to the Tax Court in accordance with the provisions of the State Tax Uniform Procedure Law, R.S. 54:48-1 et seq., within 90 days after the date of such determination. Interest earned on amounts escrowed shall be credited to the prevailing party.
 - 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 45 days of receipt of the challenge, collected fees shall be placed in an interest-bearing escrow account by the municipality. Appeals from a determination of the director may be made to the Tax Court in accordance with the provisions of the State Tax Uniform Procedure Law, R.S. 54:48-1 et seq., within 90 days after the date of such determination. Interest earned on amounts escrowed shall be credited to the prevailing party.
7. Affordable Housing Trust Fund
- a. A separate, interest-bearing Municipal Affordable Housing Trust Fund shall be maintained by the chief financial officer of the municipality for the purpose of

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

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

8. Use of Funds

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

9. Monitoring

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

10. Ongoing Collection of Fees

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

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

SECTION III

All ordinances or code provisions or parts thereof inconsistent with this Ordinance are hereby repealed to the extent of such inconsistency.

SECTION IV

If any section, subsection, paragraph, sentence or any other part of this Ordinance is adjudged unconstitutional or invalid, such judgment shall not affect, impair or invalidate the remainder of this Ordinance.

SECTION V

This ordinance shall take effect upon its passage and publication, as required by law.

ATTEST:

BOROUGH OF MIDDLESEX

Kelsey Meixner, Municipal Clerk

John Mikolajczyk, Mayor

INTRODUCED: February 10, 2026

DATE OF PUBLICATION:
OF INTRODUCTION February 24, 2026

ADOPTED: March 10, 2026

DATE OF PUBLICATION
OF ADOPTION: March 11, 2026

EXHIBIT B

BOROUGH OF MIDDLESEX

ORDINANCE NO. 2161-26

AN ORDINANCE AMENDING CHAPTER 420, ZONING, OF THE ORDINANCES OF THE BOROUGH OF MIDDLESEX, TO REZONE BLOCK 15, LOTS 18, 20 AND 22 AS A NEW TH-AH-1 ZONE

WHEREAS, the Municipal Land Use Law (“MLUL”) of the State of New Jersey, N.J.S.A. 40:55D-1 et seq. grants to municipalities the power to adopt a zoning ordinance relating to the nature and extent of the uses of lands, buildings and structures thereon; and

WHEREAS, the Borough desires to create additional zones in which inclusionary multi-family non-age-restricted housing developments are permitted to be constructed that will include a substantial set-aside of housing units affordable to low and moderate income households in order that Middlesex may satisfy its constitutional obligation to create such affordable housing, especially its obligation to provide affordable housing that is available for rent; and

WHEREAS, the Borough finds that Block 15, Lots 18, 20 and 22, that are proposed to be rezoned, are available, suitable, developable, and approvable, as those terms have been defined at N.J.A.C. 5:93-1, et seq.

NOW, THEREFORE, BE IT ORDAINED, by the Governing Body of the Borough of Middlesex, County of Middlesex, State of New Jersey, as follows:

SECTION ONE. Chapter 420, Zoning, of the Ordinances of the Borough of Middlesex and the Zoning Map, shall be amended to create a new Article VI-420-56.1 as follows:

ARTICLE VI-56.1

TH-AH-1

TOWNHOUSE-AFFORDABLE HOUSING/SET-ASIDE I ZONE

Section 420-56.1 PURPOSE:

The purpose of the TH-AH-1 Zone is to create the opportunity for the construction of inclusionary multi-family residential developments, with a set-aside for housing units affordable to very-low, low- and moderate-income households, which development would be permitted as a matter of right on the sites included in this Zone. Where the affordable housing units will be rental units or will be for sale, the required set-aside rate shall be at least twenty (20) percent of all multi-family housing units built (these units shall hereafter be referred to as "Affordable Units").

Section 420-56.2 PERMITTED USES:

1. Subject to the provisions of Subsections 3 and 4, below, the following uses are permitted in the TH-AH-1 Zone.
 - A. Townhouses as defined in Section 420-2.
 - B. Stacked townhouse or townhouses that have multiple units vertically, typically two in number, each unit having its own private entrance from the street or at least from the outside.
2. The following accessory uses shall be permitted in the TH-AH-1 Zone:
 - A. Common open space including community buildings and recreational facilities.
3. A portion of the required number of Affordable Units for a particular development may be transferred from one approved development parcel to another by a developer undertaking multiple simultaneous projects within Middlesex, pursuant to a Developer's Agreement executed with the Borough, provided the Affordable Units required for each development can and will be constructed in accordance with COAH's phasing requirements at N.J.A.C. 5:93-5.6 relative to the completion of the market units in the development from which the requirement for the Affordable Units originates.

Section 420-56.3 DENSITY AND BULK REQUIREMENTS:

1. The minimum lot area shall be at least 0.35 contiguous acres, and the density shall not exceed 29 dwelling units per gross acre, up to a maximum of 10 units.
2. There shall be a minimum frontage of one hundred (100) feet upon an accepted public street, improved to the street specification standards of the Borough, County or State.

3. If more than one building is constructed on the site, there shall be a minimum distance between buildings of thirty (20) feet, except that any two buildings that are each taller than thirty-five (35) feet shall be separated from one another by at least fifty (50) feet.
4. Maximum height: 38 feet.
5. Front yard setback: 20 feet.
6. Side yard setback: 10 feet each side.
7. Rear yard setback: 25 feet.
8. Accessory buildings, if provided, shall comply with the R-60 district requirements.

Section 420-56.4. PARKING REQUIREMENTS:

1. On-site parking shall be provided in conformance with the requirements of the Residential Site Improvement Standards ("RSIS").
2. Any outdoor parking area for three (3) or more automobiles shall be separated from the nearest building by a sidewalk at least four (4) feet wide.
3. Surface parking areas shall be paved and curbed and provided with adequate storm water drainage in conformance with RSIS requirements.

Section 420-56.5 STREETS AND SIDEWALKS:

1. All streets, sidewalks and driveways shall be in conformance with applicable RSIS requirements.
2. Sidewalks shall be provided in suitable locations including along the street frontage and at entrances and exits to the development and to the building(s) within the development and wherever pedestrian traffic is anticipated to occur.

Section 420-56. BUILDING STANDARDS:

1. The minimum width of any dwelling unit shall be eighteen (18) feet.
2. Each two and three-bedroom Affordable Unit shall be provided with an enclosed, lockable storage space, in addition to the closets located within these units. Such storage space shall be at least 200 cubic feet in area and at least six (6) feet in height.
4. Built-in air conditioning units shall not project more than two (2) inches from the outside face of the wall.

5. A townhouse unit shall have at least two (2) exterior exposures, each of which shall be provided with windows, doors or a combination thereof, so as to provide cross or through ventilation for such unit. A flat shall have at least one exterior exposure.
6. No structure or equipment of any kind shall be attached to the finished exterior surface of the roof, walls or other portions of any building containing townhouses and/or flats other than (a) residential-style lighting fixtures, (b) gutters, (c) downspouts, (d) shutters, (e) structures, fixtures or equipment required for compliance with the Uniform Construction Code, and/or (f) a maximum of one (1) satellite dish antenna per unit, not exceeding 1 meter (3.28 feet) in diameter, and located wholly within the perimeter of a deck, balcony or patio attached to and intended for the exclusive use of residents of the unit served by the satellite dish antenna. Such deck, balcony or patio must be surrounded by a railing not exceeding 36 inches in height or the minimum height required by the Uniform Construction Code, whichever is greater. No portion of the satellite dish antenna may extend above the top of the surrounding railing, unless the unit owner shall establish that, in the particular case of the unit in question, this requirement will unreasonably impair signal reception. Any satellite dish antenna herein permitted and all of its appurtenances must be painted to match, or blend with, the predominant color of the background surrounding the antenna, as determined by the reviewing authority issuing approvals for installation of the antenna.

Section 420-56.7. UTILITIES AND GARBAGE DISPOSAL.

1. Garbage collection shall be accomplished by individual unit pick-up, in the case of a townhouse development, or from common refuse collection containers, in the case of buildings containing stacked townhouses. Common refuse collection containers shall be located either within one or more separate walled enclosures or within a portion of each building that is walled off from the rest of the building and is directly accessible to the outdoors for collection purposes. Where common refuse collection containers are provided, the enclosure shall have adequate storage space for all recyclable materials as well and shall be readily accessible for collection purposes without the need for special accommodations. Storage of garbage and recyclables for townhouses shall be within the enclosed garages provided for the individual units.
2. Every dwelling unit shall be provided with public water and public sanitary sewer which shall be installed by and at the expense of the Developer. In addition, a fire hydrant shall be provided on-site adjacent to the interior at-grade cul-de-sac as well as in other locations as recommended by the Fire Official.
3. All utilities shall be installed underground.
4. Street lighting on public and private streets shall be in accordance with the specifications in the Borough Ordinance.
5. Adequate lighting shall be provided along pedestrian walkways, within parking areas, and at dwelling entrances and access routes.

Section 420-56.8. Application Review Procedures

The Land Use Board shall comply with the provisions of N.J.A.C. 5:93-10.1 regarding the expedited review of inclusionary residential development applications.

SECTION TWO. A copy of this Ordinance is hereby transmitted to the Borough of Middlesex Land Use Board (“Land Use Board”) for its report and recommendation pursuant to the Municipal Land Use Law, N.J.S.A. 40:55D-1 et seq. and the Land Use Board hereby has 35 days to submit a report and if it fails to do so, then the Borough Council may proceed to adopt the Ordinance.

SECTION THREE. All Ordinances of the Borough of Middlesex which are inconsistent with the provisions of this Ordinance are hereby repealed as to the extent of such inconsistency.

SECTION THREE. If any section, subsection clause, or phrase of this Ordinance is for any reason held to be unconstitutional or invalid by any Court of competent jurisdiction, such decision shall not affect the remaining portion of the Ordinance.

SECTION FOUR. This Ordinance shall take effect as provided by law.

ATTEST:

BOROUGH OF MIDDLESEX

Kelsey Meixner, Municipal Clerk

John Mikolajczyk, Mayor

INTRODUCED: February 10, 2026

DATE OF PUBLICATION:
OF INTRODUCTION February 24, 2026

ADOPTED: March 10, 2026

DATE OF PUBLICATION
OF ADOPTION: March 11, 2026

EXHIBIT C

BOROUGH OF MIDDLESEX

ORDINANCE NO. 2162-26

AN ORDINANCE AMENDING CHAPTER 420, ZONING, OF THE ORDINANCES OF THE BOROUGH OF MIDDLESEX, TO CREATE AFFORDABLE HOUSING OVERLAY ZONES

WHEREAS, the Municipal Land Use Law (“MLUL”) of the State of New Jersey, N.J.S.A. 40:55D-1 et seq. grants to municipalities the power to adopt a zoning ordinance relating to the nature and extent of the uses of lands, buildings and structures thereon; and

WHEREAS, the Borough desires to create additional zones in which inclusionary set-aside of housing units affordable to low and moderate income households in order that Middlesex may satisfy its constitutional obligation to create such affordable housing;

WHEREAS, the Borough finds that the areas on the map appended heretoe that are proposed to be rezoned, are available, suitable, developable, and approvable, as those terms have been defined at N.J.A.C. 5:93-1, et seq.

NOW, THEREFORE, BE IT ORDAINED, by the Governing Body of the Borough of Middlesex, County of Middlesex, State of New Jersey, as follows:

SECTION ONE. Chapter 420, Zoning, of the Ordinances of the Borough of Middlesex and the Zoning Map, shall be amended to create a new Article VI-420-57 as follows:

§ 420-57 Affordable Housing Overlay Zones.

- A. Purpose. The purpose of this section is to establish overlay zones so as to provide opportunity to develop multifamily residential housing units which are affordable to low- and moderate- income families. Development is to be limited in height, density, and development coverages, with adequate space provisions comparable with the suburban character of the Borough of Middlesex. This ordinance preserves the right to use the subject property in accordance with existing zoning and creates an option to develop with another use at an increased intensity that includes affordable housing.

- B. Permitted principal uses. Apartment development on upper floors of buildings subject to the specific conditions and limitations as set forth in this chapter.
- C. Required affordable housing set-aside. Any residential development within the option created in the AHO zones must provide a minimum of 20% of the total number of units on-site to be constructed as affordable to low- and moderate-income eligible families. All affordable units provided in the AHO zone shall be subject to the regulations as set forth in Section 420-69, entitled "Mandatory Affordable Housing Set-aside."
- D. Permitted accessory uses. Within the AHO Districts, the following accessory uses shall be permitted:
 - (1) Laundry rooms, recreational rooms and other similar such accessory uses which are for the common benefit of all residents of the multifamily development.
 - (2) Outdoor recreational facilities including but not limited to a swimming pools, tennis courts, basketball courts and playground equipment.
 - (3) Fences, garden walls and other landscape features, including decorative pools, fountains, statuary, terraces, steps, benches.
- E. Minimum lot size requirements. The minimum lot size within the AHO zones shall be not less than the minimum lot size for the district in which they are located.
- F. Dwelling unit density. Dwelling density shall not exceed:
 - (1) AHO-1 District: 20 dwelling units per acre.
 - (2) AHO-2 District: 115 dwelling units per acre.
 - (3) AHO-3 District: 50 units per acre.
- G. Impervious coverage. The sum of the area of all principal and accessory buildings shall not exceed:
 - (1) AHO-1 District: 95 percent
 - (2) AHO-2 District: 90 percent
 - (3) AHO-3 District: 90 percent
- H. Yard requirements.
 - (1) The following minimum yard requirements shall apply:

| AHO Zone | Front (feet) | Side (each) (feet) | Rear (feet) |
|-----------------|-------------------------|-----------------------------------|------------------------|
| AHO-1 | 15 | 10 | 15 or existing setback |
| AHO-2 | 10 | ½ Building Height | 15 |
| AHO-3 | 5-9 | ½ Building Height | 20 |

I. Open space.

- (1) Any premises used for multifamily dwelling purposes shall contain a minimum of 10% of the lot area as open space. Roof area when improved and available to the public may be used to satisfy up to 5% of this requirement.
- (2) Required open space shall be easily accessible to the occupants of all of the dwelling units on the premises, which is allocated to individual dwelling units, as hereinabove provided, shall be easily accessible to the occupants of the units to which such space is allocated.
- (3) No portion of any required front yard or any required planting area shall be used for required open space.
- (4) No portion of any required open space shall be used for driveways or parking spaces.
- (5) No structure of any kind shall be permitted within any required open space, except for swimming pools, outdoor sport structures or playgrounds, or other common outdoor amenities such as courtyards, provided that not more than 25% of any structure shall be covered by a roof.
- (6) Required open space shall be subject to site plan review as to design and layout, shall be attractively landscaped and shall not exceed a grade of 5% and shall be of a design to accommodate the needs of the occupants or contemplated occupants of the dwelling units it is designed to serve.
- (7) Roof space on accessory buildings or structures, including roof space on parking facilities, may be used as required open space, provided that:
 - (a) Such space shall be accessible to occupants of the dwelling units it is designed to serve, by pedestrian means of access other than stairs.
 - (b) Such space shall, on at least one side, be at the same grade as the land abutting it.
 - (c) Such space shall, on all sides, be not more than 12 feet above the grade of the land abutting it.
 - (d) Such space shall contain railings, fencing or similar treatment to make it safe

and suitable for recreational use.

- J. Buffer requirements. A landscaped buffer area shall be required and consist of planted materials intended to provide an attractive visual screen within all of the following described areas adjacent to each side lot line and the rear lot line of each lot:
- (1) When adjacent to property used or zoned for residential purposes: 10 feet.
 - (2) When adjacent to property used for nonresidence purposes: 6 feet.
- K. Design standards. All overlay districts except the AHO-1 district is subject to Section 10 in the Lincoln Boulevard Redevelopment Plan. Where there is an overlap of standards, this ordinance shall prevail when developing in accordance with the overlay incentives.
- L. Regulations concerning yards, planting areas, fences, etc.
- (1) Within a required front yard, no accessory building or structure shall be permitted, except for walls or fences not more than 4 1/2 feet high.
 - (2) Notwithstanding any of the foregoing restrictions:
 - (a) Cornices and cantilevered roofs may project into any required yard a distance of not more than 24 inches.
 - (b) Belt courses, windowsills and similar ornamental features may project into any required yard a distance of not more than 12 inches, and chimneys may so project a distance of not more than 18 inches.
 - (c) A required open fire escape or fireproof stairway may project into any required yard a distance of not more than eight feet.
 - (3) Chain-link material used for any fence within a multiple-residence district shall be of dark-colored material, and the posts and other framework forming part of such fence shall be the same color as the chain-link material.
 - (4) Accessory buildings and structures may be erected in side or rear yards, provided that they do not encroach on any required planting area.
 - (5) Any fence which is designed or constructed so as to have a front side and a rear side shall be erected so that the front side faces abutting streets or abutting premises and the rear side faces the premises on which the fence is erected.
 - (6) Except as otherwise permitted by this chapter, no fence or wall in a multiple-residence district shall exceed 6 feet in height.
- M. Height limitations.
- (1) The following maximum height requirements shall apply:

| AHO Zone | Feet | Stories |
|-----------------|--------------------------------------|----------------|
| AHO-1 | 40 | 3 |
| AHO-2 | 60 | 5 |
| AHO-3 | 48 (South Side of Lincoln Boulevard) | 4 |
| | 40 (All other locations) | 3 |

- (2) No accessory building shall exceed a height of 20 feet.
- (3) Chimneys, flues, towers, bulkheads, spires, and similar decorative features may exceed the aforesaid height limitations if the total area of all such features on any single building does not exceed 20% of the area of the roof of such building.

Severability

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

Effective Date

This ordinance shall take effect immediately upon passage and publication according to law.

ATTEST:

BOROUGH OF MIDDLESEX

Kelsey Meixner, Municipal Clerk

John Mikolajczyk, Mayor

INTRODUCED: February 10, 2026

DATE OF PUBLICATION:
OF INTRODUCTION February 24, 2026

ADOPTED: March 10, 2026

DATE OF PUBLICATION

OF ADOPTION:

March 11, 2026

EXHIBIT D

BOROUGH OF MIDDLESEX

ORDINANCE NO. 2163-26

**AN ORDINANCE AMENDING PROVISIONS OF CHAPTER 420 “ZONING” OF THE
CODE OF THE BOROUGH OF MIDDLESEX, TO INCLUDE NEW ARTICLE XII
SETTING FORTH MANDATORY SETASIDE REQUIREMENTS FOR RESIDENTIAL
DEVELOPMENT IN THE BOROUGH OF MIDDLESEX**

WHEREAS, in order to capture small-scale opportunities to create new affordable housing units, the Borough wishes to adopt a mandatory set-aside ordinance applicable to new residential or mixed-use projects that were not anticipated at the time the fourth-round plan was adopted; and

WHEREAS, the mandatory set-aside ordinance does not create any entitlement for the granting of or lessen the burden of proof for applicants requesting variances, rezonings or redevelopment plans; and

NOW, THEREFORE, BE IT ORDAINED by the Mayor and Council of the Borough of Middlesex, in the County of Middlesex and State of New Jersey, that Chapter 420 of the Code of the Borough of Middlesex, is hereby amended as follows, to include new Section 420-69.

§ 420-69 Mandatory Affordable Housing Set-aside

- A. Except as otherwise regulated in this chapter, any development application proposing five (5) or more new dwelling units shall be required to set aside twenty percent (20%) of said lots or units for affordable housing. All existing and proposed redevelopment plans shall be subject to these requirements and shall not rely upon language within the redevelopment plan that allows the redevelopment plan provisions to supersede or replace existing Zoning regulations associated with affordable housing requirements.
- B. This requirement shall apply for all new multi-family residential developments of five (5) or more units that become permissible through either a use variance, a density variance increasing the permissible density at the site, a rezoning permitting multi-family residential housing where not previously permitted, or new redevelopment plan.
- C. This requirement shall not apply to residential expansions, additions, renovations, replacement, or any other type of residential development that does not result in a net increase in the number of dwellings of five (5) or more.
- D. For residential or mixed-use projects in which the affordable units are to be offered for rent or sale, the set-aside percentage shall be twenty (20) percent.

- E. The developer shall provide that half of the affordable units constructed be reserved for low-income households and that the remaining half be reserved for moderate-income households. At least 13 percent of all restricted units shall be very low-income units (affordable to a household earning 30 percent or less of median income). The very-low-income units shall be counted as part of the required number of low-income units within the development.
- F. Subdivision and/or site plan approval shall not be granted by the reviewing board unless the developer complies with the requirements to provide very low-, low-, and moderate-income housing pursuant to the provisions of this section. A property shall not be permitted to be subdivided so as to avoid meeting this requirement. The board may impose any reasonable conditions to ensure such compliance.
- G. This requirement does not create any entitlement for a property owner or applicant for a zoning amendment, variance, or adoption of a Redevelopment Plan or amended Redevelopment Plan in areas in need of redevelopment or rehabilitation, or for approval of any particular proposed project.
- H. This requirement shall not apply to sites or zoning districts identified in the Fair Share Plan where standards for the set-aside of affordable housing units have already been established.
- I. In the event application of the required set-aside percentage (20%) to the total number of residential units proposed does not result in a full integer, the developer shall round the required set-aside upward and construct a whole affordable unit when 0.5 unit or more is the resulting fraction of a unit.

Severability

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

Effective Date

This ordinance shall take effect immediately upon passage and publication according to law.

ATTEST:

BOROUGH OF MIDDLESEX

Kelsey Meixner, Municipal Clerk

John Mikołajczyk, Mayor

INTRODUCED: February 10, 2026

DATE OF PUBLICATION:
OF INTRODUCTION February 24, 2026

ADOPTED: March 10, 2026

DATE OF PUBLICATION
OF ADOPTION: March 11, 2026

EXHIBIT E



Be it Resolved, by the Mayor and Council of the Borough of Middlesex, New Jersey that:

Resolution # 97-2026

Resolution 97-2026 Adopting An Affordability Assistance Manual For The Middlesex Borough Affordable Housing Program

WHEREAS, pursuant to the Fair Housing Act, N.J.S.A. 52:27D-301, et seq. (“FHA”), the Borough of Middlesex is required to adopt an Affordability Assistance Manual for the Borough’s affordable housing program (“Manual”) by March 15, 2026, and

WHEREAS, a manual has been prepared and is annexed hereto as Exhibit A; and

WHEREAS, the Borough seeks to comply with all aspects of the FHA in order to obtain a Compliance Certification and immunity from exclusionary zoning and builder’s remedy lawsuits.

NOW, THEREFORE, BE IT RESOLVED on this 10th day of March, 2026, by the Council of the Borough of Middlesex, Middlesex County, State of New Jersey, as follows:

1. The Housing Rehabilitation Manual attached hereto as Exhibit A is hereby adopted.
2. This resolution shall take effect immediately.

CERTIFICATION

I, Kelsey Meixner, Clerk of the Borough of Middlesex, County of Middlesex, State of New Jersey, do hereby certify that the foregoing is a true copy of a resolution adopted by the Borough Council at a meeting held on March 10, 2026.

Kelsey Meixner, Borough Clerk

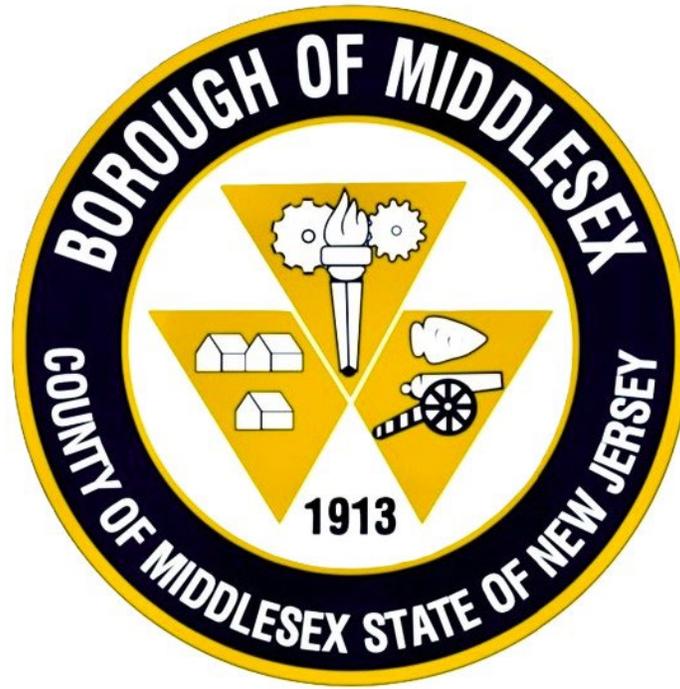
EXHIBIT A

I Hereby Certify that the above resolution was duly adopted by the Governing Body of the Borough of Middlesex, at a meeting of said Borough Council on March 10, 2026

RESULT: **Adopted**
MOVER: Council President Michael Conahan
SECONDER: Councilman Kevin Dotey
AYES: Michael Conahan, Joseph DeScenza, Kenneth Griggs, Kevin Dotey, Jennifer Clock, Shannon Quinn



Kelsey Meixner, Municipal Clerk



AFFORDABLE ASSISTANCE MANUAL

Middlesex Borough
Middlesex County, New Jersey

Prepared by:

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44 East Water Street
Toms River NJ 08753
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I. INTRODUCTION

N.J.A.C.5:97 –8.8 (a)states that“...at least 30 percent of all development fees collected and interest earned shall be used to provide affordability assistance to low- and moderate-income households in affordable units included in the municipality’s Fair Share Plan. One-third of the affordability assistance portion shall be used to provide affordability assistance to very low-income households. Affordability assistance programs may include down payment assistance, security deposit assistance, low interest loans, rental assistance, assistance with homeowner’s association or condominium fees and special assessments, and assistance with emergency repairs.”

The purpose of this Manual is to describe the policies and procedures of the Affordability Assistance Program. This Manual describes the basic content and operation of the various affordable assistance program components.

The Borough has created an Affordability Assistance Program that shall include thirty percent (30%) of all development fees collected (including earned interest) pursuant to N.J.A.C. 5:97-8.8(a).

II. TYPES OF AFFORDABILITY ASSISTANCE

1. Assistance programs for very-low, low- and moderate-income tenants in the Middlesex Borough including:

a. Security Deposit Assistance to Low And Moderate-Income Households That Rent Housing Units or Deed-Restricted Affordable Housing Units

Middlesex Borough may determine that certain types of financial hardships warrant one-time grants for For affordability assistance that deal with temporary crisis for households that are living in subsidized rental housing and/or other deed restricted affordable housing units.

b. Temporary Crisis grants to low and moderate-income households facing potential

Eviction - The Borough has also determined that other types of financial hardships warrant one-time grants for affordability assistance that deal with temporary crisis for households living in rental housing and/or other deed-restricted affordable housing. Very low-income households and low- and moderate-income households struggling with a temporary crisis are often unable to make their monthly rent payments. This puts these households at risk of eviction. The Borough wishes to provide special grants for such households as it is important to keep such households from being evicted from public housing and/or other deed restricted affordable housing units or losing a tenant-based voucher. For the purposes of this program a “temporary crisis” shall be considered: a) loss of a job; b) a wage earner being diagnosed with a debilitating illness

that prevents further work; c), the imposition of an unexpectedly large medical expense; or d) a necessary and unanticipated repair to an automobile required to get a member of the household to school or work with proof provided of the expense. Assistance under this program will be available for a maximum of three months of the tenant-paid portion of rent per tenant.

Both programs will be administered by the Borough, and the disbursement of the funds by approval of a municipal resolution. The Borough's Municipal Housing Liaison (ML) will work with the Borough Attorney and the Affordable Housing Administrative (AA) to ensure that the deed restrictions and other requirements are met prior to the disbursement of funds.

2. Security Deposit and One-Time Grants for Rent - This program is meant to help very low-income households and low- and moderate-income households who wish to move into any rental unit in the Borough, not just deed-restricted units. When such households wish to move into an apartment, they experience financial hardship resulting from providing a security deposit. To address this hardship, Middlesex Borough will provide a security deposit to very low-income households and low- and moderate-income households that wish to rent a home in the Borough. Tenants will be able to keep the security deposit upon move out if the unit is maintained, so the tenant will have an incentive to maintain the unit to receive the security deposit back when they move out. This assistance is a grant and does not need to be paid back.

The Borough has also determined that other types of financial hardships warrant one-time grants for affordability assistance that deal with temporary crisis. Very low-income households and low- and moderate-income households struggling with a temporary crisis often are unable to make their monthly rent payments. This puts these households at risk of eviction. For the purposes of this program a "temporary crisis" shall be considered:

a) loss of a job; b) a wage earner being diagnosed with a debilitating illness that prevents further work; c) the imposition of an unexpectedly large medical expense; d) a necessary and unanticipated repair to an automobile required to get a member of the household to school or work with proof provided of the expense; or e) a family status change in a family with children that puts the children at risk of losing stable housing. This program will provide one-time grants for rent for very low-income households and low- and moderate- income households that are renting units in the Borough and are facing temporary crisis and are unable to pay their rent. This program will be administered by STEPS. Assistance under this program will be available for a maximum of three months of rent per tenant, with a potential extension of three months per household in the discretion of the administrator. At least forty percent (40%) of the fun

3. Down Payment Assistance and One-Time Grants for Mortgage Payments -

When very low-income households and low- and moderate-income households wish to purchase a home, they often experience financial hardship resulting from providing a down payment. To address this hardship, Middlesex Borough will provide down payment assistance of a maximum of \$7,500 per homebuyer to very low-income households and low- and moderate-income households that wish to purchase a home in the Borough. Down payment assistance grants will be secured by a note and mortgage which will permit the Borough to recover same if the grantee vacates or transfers title to the property within ten (10) years of signing the note.

The Borough has determined that other types of financial hardships warrant one-time

grants for affordability assistance that deal with temporary crisis. Very low-income households and low- and moderate-income households struggling with a temporary crisis often are unable to make their monthly mortgage payments. This puts these households at risk of foreclosure. For the purposes of this program a "temporary crisis" shall be considered: a) loss of a job; b) a wage earner being diagnosed with a debilitating illness that prevents further work; c) the imposition of an unexpectedly large medical expense; d) a necessary and unanticipated repair to an automobile required to get a member of the household to school or work with proof provided of the expense; or e) a family status change in a family with children that puts the children at risk of losing stable housing. This program will provide one-time grants for low- and moderate- income households that own a home in the Borough and are unable to make a mortgage payment due to a temporary crisis. Assistance under this program will be available for a maximum of three months per household up to the cost of mortgage payments for that period, with a potential extension of three months per household in the discretion of the administrator.

4. One-Time Grants for Condominium and Homeowner Association Fees - It has come to the Borough's attention that a number of very low-income households and low- and moderate income households that are currently living in deed-restricted affordable housing units are unable to pay their condominium and homeowner association fees because they are facing temporary crisis. This, in turn, puts negative financial stress on developments with significant numbers of deed-restricted affordable housing units. Going forward, the program administrator will provide one-time grants for condominium and homeowner association fees for owners of deed-restricted affordable housing units that are facing temporary crisis and are unable to pay these fees. For the purposes of this program, a "temporary crisis" shall be considered: a) loss of a job; b) a wage earner being diagnosed with a debilitating illness that prevents further work; c) the imposition of an unexpectedly large medical expense; d) a necessary and unanticipated repair to an automobile required to get a member of the household to school or work with proof provided of the expense; or e) a family status change in a family with children that puts the children at risk of losing stable housing. Assistance under this program will be available up to a maximum of the cost of three months of such fees per household. The

program administrator shall have the authority, upon written approval of the Borough Municipal Housing Liaison, to shift funds from this program to the Down Payment Assistance and One Time Grant for Mortgage Payments program when it believes that there is not adequate need for the condominium and homeowner association fee program.

5. Emergency Repairs and Housing Rehabilitation

In order to ensure that the municipalities housing stock is in proper code compliance and free or health and safety conditions, the Borough may create a housing rehabilitation program for low and moderate-income residents who own their own home. The program will consider applicant's who are lacking basic working systems at their homes who may be without heat, hot water, basic electrical operation and require barrier free improvements for a disabled resident. The Borough would establish this program outside of the Middlesex County Housing Rehabilitation auspices to ensure immediate remedy. Outside of this proposed emergency program, the Middlesex Borough will dedicate \$150,000 to the County's program for units requiring assistance in the Borough. These units will include a mortgage/lien for a 10-year period to ensure units rehabilitated are not sold at market pricing with public funding utilized in their improvement.

6. Inclusionary Development Infrastructure Upgrades

The Middlesex Borough will dedicate \$500,000 for various water and sewer infrastructure upgrades which are anticipated in conjunction with the affordable housing inclusionary developments in the Borough.

III. ELIGIBILITY

Applications submitted for affordability assistance will be provided on a first come-first-served basis according to the following criteria:

1. There are affordability assistance funds remaining in the budget for the year
- 2.. The applicant owns a deed restricted affordable unit in Middlesex Borough that they maintain as their primary residence.
3. The applicant rents a deed restricted affordable units in Middlesex Borough.
The applicant has not received an affordability assistance grant in the past.(Only one award per household is permitted. This requirement can be waived with justification.)
Applicants applying for repairs will require income certification at the time of application.
4. Applicants applying for repairs, must show proof that property taxes, municipal utilities and, if applicable, mortgage and homeowner association fee are paid current.
5. Applicants applying for repairs, must show proof that the needed improvements cause a serious threat to the health and/or safety of the building's residents.

IV. REPAYMENT TERMS AND REPAYMENT AGREEMENT IF LOANS ARE DISBURSED

When required, loans for properties participating in the Affordability Assistance Program shall be secured through a Mortgage and Mortgage Note in favor of the municipality and executed by the property owner. The Mortgage and Mortgage Note will be executed at closing. The terms of the mortgage are in the Mortgage Note, which is not recorded. The original mortgage note shall be retained by the Program Administrator and kept in the unit file. The administrative agent will send the affordability assistance Mortgage requiring recording to the Borough. Upon receipt the Borough will file said documents with the County Clerk's office upon the completion of the closing of title or completion of the repair, whichever program is applicable.

When required, the following is the term of the mortgage: All loans are zero interest, deferred payment, forgivable loans.

Application Process

1. Applicant submits application to the relevant Program Administrator
2. Program Administrator reviews and processes application to determine whether same meets the requirements for the program which they are administering. The Program Administrator shall certify the income of the application pursuant to the Household certification process set forth in Administrator shall also certify that the applicant meets the specific requirements of each program as set forth in Paragraph III above.
3. If an applicant meets the requirements for a particular Affordability Assistance Program, the Program Administrator shall release Program Funds in conformance with the particular program. A copy of the cashed check shall be kept in the applicant's file.
4. Program administrator records assistance on master reporting spreadsheet. Said spreadsheet shall be provided, annually, to the Borough's Municipal Affordable Housing Liaison.
5. The Municipal Affordable Housing Liaison will audit the affordability assistance program by contacting a random number of tenants to ensure that the funding has been properly credited.

V. Program Limitations

The affordability assistance program will continue, contingent on available funds. The reduction or elimination of available funds will result in a corresponding reduction or elimination of grants.

Likewise, if there are funds available in excess of the program projections, the annual grants will be increased proportionally.

VI. PROGRAM ADMINISTRATION

The Administrative agent will be responsible for administering the program. Questions about the Program should be directed the Administrative Agent. All forms are included in the appendices.

Emergency and Health/Safety Repairs Program

1. Procedures

- Homeowner submits application for assistance along with proof of workitems needed. Refer to section on Requirements of Work Items.
- Administrative Agent income certifies applicant and confirms property taxes, municipal utilities and, if applicable existing mortgage and homeowner association fee are paid current.
- Program inspector visits home to document emergency repair and to prepare the work specifications and cost estimate.
- Upon eligibility determination and site visit– Administrative Agent will send homeowner:
 - ✓ Eligibility letter (including paragraph on municipal contractor payment process to show to the contractor)
 - ✓ Work specifications
 - ✓ Instructions to obtain and provide proposal from contractors(willingtobepaid by municipality at job completion). Homeowner to identify contractor selected to do the job and provide that contractor’s business registration, Consumer Affairs home improvement license and certificate of insurance listing program as certificate holder. The homeowner will have to fund any amount over the program funding limit, ayable directly to the contractor.

Once homeowner provides the above items, send the homeowner’s certificate of eligibility and contractors election to the Borough to pass are solution authorizing funding assistance. Upon receipt of the approved municipal resolution, provide the homeowner the construction agreement for the homeowner and contractor to sign, as well as program mortgage & note (if applicable) for the homeowner to sign in front of notary and return to program.

- Upon construction completion, the homeowner will provide to the Program:
 - ✓ Written homeowner’s approval of satisfactory job completion.
 - ✓ Invoice from contractor with notarized statement identifying the work items he completed.

- ✓ Copies of municipal permits and closed out permits via municipal Certificate of Approval for the applicable items installed.
- If work does not require permit, Administrative Agent inspector will inspect work to ensure completeness before payment.
- Administrative Agent submits the contractor invoice to the municipality for payment and forwards the mortgage, when applicable, to the municipality to file (record) with the county clerk.

2. Process

In order to be eligible for assistance, households in each unit to be assisted must be determined to be income eligible. All adult members, 18 years of age and older, of the household must be fully certified as income-eligible before any assistance will be provided by the Program. The Program will income qualify applicants in accordance with the Uniform Housing Affordability Controls (UHAC) at N.J.A.C. 5:80-16.1 et seq., except for the asset test.

The following is a list of various types of wages, payments, rebates and credits. Those that are considered as part of the household's income are listed under Income. Those that are not considered as part of the household's income are listed under Not Income.

B. Rental Assistance Program

1. Procedures

- Renter submits application (Exhibit 2) seeking rental assistance for one year.
- Administrative Agent reviews application and contacts the landlord to verify renter is an occupant of the affordable rental unit, the number bedrooms of the affordable rental unit, the starting and ending dates of the lease for the affordable rental unit, and the monthly affordable rent.
- Upon verifying the information provided in the application, the Administrative Agent approves the application in writing to the applicant and landlord. The approval letter shall indicate the amount of the rental assistance, which shall not exceed one month's rent issued for one year. If the information cannot be verified, the Administrative Agent denies the application in writing explaining the reasons for denial sent to the applicant.
- For the landlord to receive a check in the amount of the rental assistance, the landlord sends to the Administrative Agent an executed certification indicating that one month's rent for the specific renter and affordable unit has been forgiven (Exhibit 3).
- Administrative Agent reviews the landlord's certification and, upon finding the certification to be satisfactory, approves payment in the amount of the forgiven monthly rent.
- Administrative Agent initiates purchase order to the municipality for payment in the amount of the forgiven monthly rent to the landlord.

2. Process

For a very-low-,low-or moderate-income household to receive rental assistance, the household shall submit an application on an annual basis in order to ensure the affordable rental unit is occupied by the household, the lease is active, the amount of the monthly rent complies with affordability requirements, and the landlord has forgiven one month's rent.

HOUSEHOLD INCOME CERTIFICATION

Before any certain households, as set forth in the Borough's Affordability Assistance Manual, can receive affordability assistance, PROGRAM ADMINISTRATOR must certify the household as eligible. Certification of a household involves the verification of two critical pieces of data: 1) Household size and composition, including gender; and 2) The total income and assets for all household members over 18 years of age. The certification process begins with the applicant completing an application in its entirety and providing the required backup documentation. Once eligibility documents and data have been collected, PROGRAM ADMINISTRATOR will begin the process of calculating the household's income.

Procedure for Income-Eligibility Certification

PROGRAM ADMINISTRATOR will require each member of an applicant household who is 18 years of age or older to provide documentation to verify their income. Income verification documentation includes, but is not limited to the following for each and every member of a household who is 18 years of age or older:

- Four current consecutive pay stubs [including both the check and the stub], including bonuses, overtime or tips, or a letter from the employer stating the present annual income figure or if self-employed, a current Certified Profit & Loss

Statement and Balance Sheet.

- Copies of Federal and State income tax returns for each of the preceding three tax years - A Form 1040 Tax Summary for the past three tax years can be requested from the local Internal Revenue Service Center or by calling 1-800-829-1040.
- A letter or appropriate reporting form verifying monthly benefits such as:
- Social Security or SSI - Current award letter or computer print out letter
- Unemployment - verification of Unemployment Benefits
- Welfare -TANF2 current award letter
- Disability - Worker's compensation letter
- Pension income (monthly or annually) - a pension letter

- A letter or appropriate reporting form verifying any other sources of income claimed by the applicant, such as alimony or child support - copy of court order or recent original letters from the court or education scholarship/stipends -current award letter.
- Current reports of savings and checking accounts (bank statements and passbooks) and income reports from banks or other financial institutions holding or managing trust funds, money market accounts, certificates of deposit, stocks or bonds (In brokerage accounts - most recent statements and/or in certificate form - photocopy of certificates). Evidence or reports of income from directly held assets, such as real estate or businesses. • Interest in a corporation or partnership - Federal tax returns for each of the preceding three tax years.
- Current reports of assets - Market Value Appraisal or Realtor
- Comparative Market Analysis and Bank/Mortgage Co. Statement indicating Current Mortgage Balance. For rental property, attach copies of all leases.

The following is a list of various types of wages, payments, rebates and credits. Those that are considered as part of the household's income are listed under Income. Those that are not considered as part of the household's income are listed under Not Income.

Income

1. Wages, salaries, tips, commissions
2. Alimony
3. Regularly scheduled overtime
4. Pensions
5. Social
6. Unemployment compensation (verify the remaining number of weeks they are eligible to receive)
7. TANF
8. Verified regular child support
9. Disability
10. Net income from business or real estate
11. Interest income from assets such as savings, certificates of deposit, money market accounts, mutual funds, stocks, bonds
12. Imputed interest (using a current average annual rate of two percent) from non-income producing assets, such as equity in real estate. Rent from real estate is considered income, after deduction of any mortgage payments, real estate taxes, property owner's insurance.

13. Rent from real estate is considered income
14. Any other forms of regular income reported to the Internal Revenue Service

Not Income

1. Rebates or credits assistance programs
2. Food stamps received under
3. Payments received for foster care
4. Relocation assistance benefits
5. Income of live-in attendants
6. Scholarships
7. Student loans
8. Personal property such as automobiles low-income energy
9. Lump-sum additions to assets such as inheritances, lottery
10. Part-time income of persons enrolled as full-time students
11. Court ordered payments for alimony or child support paid to another household are deducted from gross annual income To calculate income, the current gross income of the applicant is used to project that income over the next 12 months.

Student Income

Only full-time income of full-time students is included in the income calculation. A full-time student is a member of the household who is enrolled in a degree seeking program for 12 credit hours or more per semester; and part-time income is income earned on less than a 35-hour workweek.

The Real Estate Asset Limit

This section is not relevant because NJDCA has agreed that all prospective purchasers must be first time homebuyers.

Income from Real Estate

If real estate owned by an applicant for affordable housing is a rental property, the rent is considered income. After deduction of any mortgage payments, real estate taxes, property owner insurance and reasonable property management expenses as reported to the Internal Revenue Service, the remaining amount is counted as income.

If an applicant owns real estate with mortgage debt, which is not to be used as rental housing, PROGRAM ADMINISTRATOR will determine the imputed interest from the value of the property. PROGRAM ADMINISTRATOR will deduct outstanding mortgage debt from the documented market value established by a market value appraisal. Based on current money market rates, interest will be imputed on the determined value of the real estate.

Maximum Monthly Payments

The percentage of funds that a household can contribute toward housing expenses is limited. However, an applicant may qualify for an exception based on the household's current housing cost (see below). PROGRAM ADMINISTRATOR will strive to place an applicant in a unit with a monthly housing cost equal to or less than the applicant's current housing cost. A certified household is not permitted to purchase a unit that would require more than 33 percent of the verified household income to pay principal, interest, taxes, homeowner and private mortgage insurance and condominium or homeowner association fees, as applicable. However, at the discretion of PROGRAM

ADMINISTRATOR, this limit can be exceeded if the applicant:

- Obtains a firm mortgage loan commitment at the higher level from a licensed financial institution, under terms consistent with the requirements of the New Jersey Home Ownership Security Act of 2002, N.J.S.A. 46:10B-22 et seq.; and
- Submits a certification from a non-profit counselor approved by HUD or the New Jersey Department of Banking and Insurance that the household has received counseling on the **Records Documents Household Composition and Circumstances**

The following are various records for documenting household information:

- Social Security records or cards. Either individual Social Security card or letter from Social Security Administration
- Adoption papers or legal documents showing adoption in process
- Income tax return
- Birth Certificate or Passport
- Alien Registration Card

Approving or Rejecting a Household

PROGRAM ADMINISTRATOR will notify applicant households of their eligibility within 20 days of PROGRAM ADMINISTRATOR's determination.

In addition to non-eligibility based on income, PROGRAM ADMINISTRATOR may deny a certification because of the household's failure or inability to document household composition, income, assets, sufficient funds for down payment, or any other required facts and information. A household may also be denied certification if PROGRAM ADMINISTRATOR determines that there was a willful or material misstatement of fact made by the applicant. Commission if property was to be sold.

Based on current money market rates, interest will be imputed on the determined value of the real estate.

C. Other Eligibility Requirements

Applicant to submit the following in the application package:

- Recorded deed to the property to be assisted;
- If you are a widow or widower, copy of Death Certificate should be included;
- Receipt for property taxes paid current.
- Signed Release form to verify eligibility determination from third party sources;
- Proof that all mortgage payments are current; and
- Copy of any and all other liens recorded against the property.
- Personal identification (a copy of any of the following Driver's License, Passport, Birth Certificate, Social Security Card, Adoption Papers, Alien Registration Card, etc.) for each household member.

B. Requirements of Utilities and Taxes Paid Current

All applicants' water/sewer and tax accounts must be paid current. The Program reserves the right to make an exception to the requirement of paid up tax and/or water and/or sewer accounts. Individual files will be review on a case-by-case basis. Upon approval by the appropriate municipal officials and the Program, a Special Needs Eligibility Requirements Waiver may be issued.

C. Requirements of Work Items

Homeowner has to demonstrate the existing problem has been inspected and the threat verified by one of the following:

- The appropriate local subcode official;
- A doctor or local health official ;or
- Systems or components that have been red tagged by utility company and/or verified non-functional by a qualified service technician.

This is done at the time of submission of the program application.

D. Eligibility Certification

After the Administrative Agent determines that the household is income eligible and meets all other eligible requirements, the Administrative Agent Program Manager will complete and sign the Eligibility Certification. This certification is valid for six months starting from date of eligibility certification. A Construction Agreement must be signed within this time period. If not, the Program Manager must reevaluate the household's eligibility.

- The Middlesex Borough Emergency Repair Assistance Program will provide a maximum loan of \$10,000. to each eligible homeowner.

V. CREATION OF ADDITIONAL VERYLOW-INCOME UNITS PROGRAM PROCEDURE

A. Terms to be negotiated between landlord/developer and the Borough.

B. Upon approval of terms by both parties, Municipal attorney prepares Resolution authorizing award and terms, including changes in unit designation(s) from conversion of moderate-and low-income units to very low-income units; revisions to restrictive covenant language, etc. Administrative Agent shall assist attorney upon request. See Exhibit 1.

C. Borough adopts Resolution.

D. Boroughs ends assistance directly to landlord.

Administrative Agent records assistance on master reporting spreadsheet.

EXHIBIT 1**SUMMARY OF AFFORDABILITY ASSISTANCE
PROGRAM TERMS****EXHIBIT1: SUMMARY OF AFFORDABILITY ASSISTANCE TERMS**

| Description | Emergency Repair Program | Create Additional VeryLow-Income Rental Units |
|-------------------------------|--|--|
| Purpose | Assist with documented emergency repairs, health and/or safety items that are a threat to the building residents. Unit must be a deed restricted affordable unit, and applicant must be income Certified at the time of the application. | Converting moderate or low-income unit into very low income in new or existing affordable developments. |
| Maximum Amount | Up to \$10,000 | Determined on case-by-case basis. See sample formula in program narrative |
| Program Terms | Deferred payment 0 % interest loan (secured with mortgage), paid back when title is transferred | Direct subsidy to developer; does not need to be repaid, in lieu of providing new very low-income units from prior low-or moderate-income units. |
| Justification Required | Yes | No |
| Additional Criteria | Need detailed cost proposal from licensed contractor. Contractor paid after work is Complete | No |
| Assistance to: | Homeowner | Property Owner |
| Advertising | Annual newsletter to owners | Borough will inform new affordable housing developers. |

| Description | Rental Assistance Program |
|-------------------------------|---|
| Purpose | Assist current very-low-, low- and moderate-income renter households with their annual rent. Assistance is provided to offset up to one month's rent paid by household. |
| Maximum Amount | Up to one month's rent per year. |
| Program Terms | Up to one month's rent is paid directly to the landlord after verification of the household having occupied the affordable rental unit for one year and the landlord has foregone up to one month's rent for said household. |
| Justification Required | Yes. |
| Additional Criteria | Household shall submit an application for rental assistance on an annual basis. The landlord shall provide written document verifying the household's annual occupancy of the affordable unit and the amount of the monthly rent paid by the household. |
| Assistance to: | Renter |
| Advertising | Annual flyer to renters of affordable units. |

EXHIBIT2

**AFFORDABILITY RENTAL ASSISTANCE APPLICATION
APPLICATION FOR AFFORDABILITY ASSISTANCE**

Middlesex Borough Rental Assistance Program

This program is eligible for only income-qualified households who reside in affordable housing rental units.

APPLICANT INFORMATION

You Must Report All Persons Living In Your Household:

| | |
|-------------------------------------|--|
| Homeowner (First, Last Name) | |
| Social Security Number | |
| Co-Owner(First, Last Name) | |
| | |
| Street Address | |
| City, State, Zip | |
| Home / Cell Telephone | |
| Work Telephone and Ext. | |
| Email Address: | |
| Additional Household Member1 | |
| • Age | |
| AdditionalHouseholdMember2 | |
| • Age | |
| AdditionalHouseholdMember3 | |
| • Age | |

Provide the following information about the landlord and the location of the affordable unit you are renting for your household:

| | |
|---|--|
| Name of Landlord | |
| Address of Landlord | |
| Telephone Number of Landlord | |
| Address of Rental Unit, including Unit Number | |

| | |
|-----------------------------------|--|
| Number of Bedrooms of Rental Unit | |
| Monthly Rent | |

ACKNOWLEDGMENT:

This is to certify that all statements made in my application are true to the best of my knowledge. I understand that the deliberate misrepresentation of the required information shall result in the denial of participating in the rental assistance program.

These provisions are in accordance with the Policy and Procedural Manual adopted for this program by the Middlesex Borough.

Head of Household Signature

Date

Co-Renter on Lease Signature

Date

RETURN COMPLETED FORM TO: ADMINISTRATIVE AGENT

EXHIBIT 3

LANDLORD AFFORDABILITY RENTAL ASSISTANCE CERTIFICATION

LANDLORD CERTIFICATION FOR AFFORDABILITY ASSISTANCE

Middlesex Borough Rental Assistance Program

This certification shall be completed by the landlord, or its official representative, indicating that the identified renter of an affordable rental unit owned by the landlord has received rental assistance in the form of forgiving up to one month's rent in accordance with Middlesex Borough's Rental Assistance Program.

Name of Landlord: _____

Address of Landlord: _____

Name of Renter: _____

Address of Affordable Rental Unit: _____

Amount of Rental Assistance (amount forgiven): \$ _____

Date of Rent Forgiven: _____

1. My name is _____ and I hold the position of _____ at _____ (name of landlord).

2. On behalf of _____ (name of landlord), I hereby certify that the _____ (name of landlord) is in compliance with Middlesex Borough's Rental Assistance Program.

I certify that the foregoing statements made by me are true. I understand that if any of the foregoing statements made by me are willfully false, I may be subject to punishment.

Signature and Title

Date

RETURN COMPLETED FORM TO:

ADMINISTRATIVE AGENT

EXHIBIT 4

**EMERGENCY REPAIR PROGRAM DOCUMENTS
APPLICATION FOR REHABILITATION ASSISTANCE**

Middlesex Borough Emergency Repair Program APPLICANT

INFORMATION

YOU MUST REPORT ALL PERSONS LIVING IN YOUR HOUSEHOLD

| | |
|-------------------------------------|--|
| Homeowner (First, Last Name) | |
| Social Security Number | |
| Co-Owner(First, Last Name) | |
| | |
| Street Address | |
| City, State, Zip | |
| Home /Cell Telephone | |
| Work Telephone and Ext. | |
| Email Address: | |
| Additional Household Member1 | |
| • Age | |
| Additional Household Member2 | |
| • Age | |
| Additional Household Member3 | |
| • Age | |

PROPERTY INFORMATION

| | |
|--|--|
| Name of Owner(s) as it Appears on The Property's Deed: | |
| <u>Co-Owner</u> | |

| | |
|------------------------------------|--|
| <u>Original Mortgage Amount</u> | |
| <u>Approximate Present Balance</u> | |
| <u>Monthly Payment</u> | |

List Emergency Repairs that you believe require rehabilitation through this Program:

INCOME DATA EMPLOYMENT:(You must report all income received for all household members)

| | |
|-------------------------------------|--|
| Applicant Name | |
| First Employer Name: | |
| Address of Employer: | |
| | |
| Position: | |
| #of Years Employed | |
| Gross Income(before Taxes): | \$ Circle one: Monthly Bi-Weekly Weekly |
| | |
| Second Employer Name: | |
| Address of Employer: | |
| | |
| Position: | |
| #of Years Employed | |
| Gross Income (before Taxes): | \$ Circle one: Monthly Bi-Weekly Weekly |
| OTHER INCOME | PLEASE ENTER MONTHLY AMOUNT BELOW |
| Social Security | \$ |
| Child Support | \$ |
| Unemployment | \$ |
| Welfare | \$ |
| Disability | \$ |
| Pension | \$ |
| Interest/Stocks/Bonds | \$ |
| Other (Explain) | \$ |

| | |
|---------------------------------------|--|
| Other Household Member#1 Name: | |
| First Employer Name: | |
| Address of Employer: | |
| | |
| Position: | |
| #of Years Employed | |
| Gross Income(before Taxes): | \$ Circle one: Monthly Bi-Weekly Weekly |
| | |
| Second Employer Name: | |
| Address of Employer: | |
| | |
| Position: | |
| #of Years Employed | |
| Gross Income (before Taxes): | \$ Circle one: Monthly Bi-Weekly Weekly |
| OTHER INCOME | PLEASE ENTER MONTHLY AMOUNT BELOW |
| Social Security | \$ |
| Child Support | \$ |
| Unemployment | \$ |
| Welfare | \$ |
| Disability | \$ |
| Pension | \$ |
| Interest/Stocks/Bonds | \$ |
| Other (Explain) | \$ |

| | |
|---------------------------------------|--|
| Other Household Member#2 Name: | |
| First Employer Name: | |
| Address of Employer: | |
| | |
| Position: | |
| #of Years Employed | |
| Gross Income (before Taxes): | \$ Circle one: Monthly Bi-Weekly Weekly |
| | |
| Second Employer Name: | |

| | |
|-----------------------------------|--|
| Address of Employer: | |
| Position: | |
| #of Years Employed | |
| GrossIncome(before Taxes): | \$ Circle one: Monthly Bi-Weekly Weekly |
| OTHERINCOME | PLEASEENTERMONTHLYAMOUNTBELOW |
| SocialSecurity | \$ |
| ChildSupport | \$ |
| Unemployment | \$ |
| Welfare | \$ |
| Disability | \$ |
| Pension | \$ |
| Interest/Stocks/Bonds | \$ |
| Other (Explain) | \$ |

IFADDITIONALHOUSEHOLDMEMBERSAREEMPLOYED,PLEASEATTACH ANOTHER SHEET AND PROVIDE EMPLOYMENT INFORMATION

PLEASE LIST ALL checking and savings accounts including CDs, Money Market Funds, Mutual Funds, stocks and bonds, and other assets held by financial institutions:

| Name and Addressof Financial Institution | Account Number | Current Value | Annual Income |
|---|-----------------------|----------------------|----------------------|
| | | | |
| | | | |
| | | | |

ACKNOWLEDGMENT:

This is to certify that all statements made in my application are true to the best of my knowledge. I understand that failure to report all income on all household members can result in the denial to participate in the emergency repair program.

These provisions are in accordance with the Policy and Procedural Manual adopted for this program.

X _____
Homeowner Signature

Date

X _____
Co-Owner Signature

Date

The **FOLLOWING ITEMS MUST BE RETURNED WITH THIS APPLICATION**, enter an X in the space provided or place N/A in the space provided as it pertains to your household.

| | |
|--|---|
| | COPY OF THE RECORDED DEED-- <u>ALL PAGES</u> |
| | COPY OF HOMEOWNER'S CURRENT INSURANCE (DECLARATION PAGE) |
| | MOST RECENT TAX RETURN, ALL PAGES AND SCHEDULES, 1040, 1040A, EZ, NO W-2 PLEASE |
| | MOST RECENT PAYSTUBS, FOR ALL HOUSEHOLD MEMBERS WORKING ,4 CONSECUTIVE WEEK/1 MONTH |
| | REAL ESTATE TAX BILL |
| | SOCIAL SECURITY AWARD LETTER, ALIMONY, OR CHILD SUPPORT DECREE |
| | PENSION AWARD LETTER, WELFARE AWARD LETTER, DISABILITY AWARD LETTER |
| | BANK STATEMENTS SHOWING INTEREST, STOCKS, BONDS, ETC. |
| | FLOOD INSURANCE WHERE APPLICABLE |

RETURN COMPLETED FORM TO:

ADMINISTRATIVE AGENT

EXHIBIT F



Be it Resolved, by the Mayor and Council of the Borough of Middlesex, New Jersey that:

Resolution # 96-2026

Resolution 96-2026 Adopting An Affirmative Marketing Plan For The Middlesex Borough Affordable Housing Program

WHEREAS, pursuant to the Fair Housing Act, N.J.S.A. 52:27D-301, et seq. (“FHA”), the Borough of Middlesex is required to adopt an Affirmative Marketing Plan for the Borough’s affordable housing program (“Plan”) by March 15, 2026, and

WHEREAS, a plan has been prepared and is annexed hereto as Exhibit A; and

WHEREAS, the Borough seeks to comply with all aspects of the FHA in order to obtain a Compliance Certification and immunity from exclusionary zoning and builder’s remedy lawsuits.

NOW, THEREFORE, BE IT RESOLVED on this 10th day of March, 2026, by the Council of the Borough of Middlesex, Middlesex County, State of New Jersey, as follows:

1. The Affirmative Marketing Plan attached hereto as Exhibit A is hereby adopted.
2. This resolution shall take effect immediately.

CERTIFICATION

I, Kelsey Meixner, Clerk of the Borough of Middlesex, County of Middlesex, State of New Jersey, do hereby certify that the foregoing is a true copy of a resolution adopted by the Borough Council at a meeting held on March 10, 2026.

Kelsey Meixner, Borough Clerk

EXHIBIT A

I Hereby Certify that the above resolution was duly adopted by the Governing Body of

the Borough of Middlesex, at a meeting of said Borough Council on March 10, 2026

RESULT: **Adopted**
MOVER: Council President Michael Conahan
SECONDER: Councilman Kevin Dotey
AYES: Michael Conahan, Joseph DeScenza, Kenneth Griggs, Kevin
 Dotey, Jennifer Clock, Shannon Quinn

A handwritten signature in black ink, appearing to read "Kelsey Meixner". The signature is written in a cursive, flowing style.

Kelsey Meixner, Municipal Clerk

AFFIRMATIVE FAIR HOUSING MARKETING PLAN
 For Affordable Housing in **(REGION 3)**
SAMPLE FOR FUTURE USE

I. APPLICANT AND PROJECT INFORMATION

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

| | | | |
|--|---|---|--|
| 1a. Administrative Agent Name, Address, Phone Number Rehabco Inc. 44 East Water St. Toms River NJ 08753 | | 1b. Development or Program Name, Address ? | |
| 1c. Number of Affordable Units: ? Number of Rental Units: Number of For-Sale Units: | 1d. Price or Rental Range From ? To | 1e. State and Federal Funding Sources (if any) ? | |
| 1f. <input type="checkbox"/> Age Restricted ? <input type="checkbox"/> Non-Age Restricted | 1g. Approximate Starting Dates Advertising: ? Occupancy: | | |
| 1h. County Hunterdon, Middlesex, Somerset | | 1i. Census Tract(s): | |
| 1j. Managing/Sales Agent's Name, Address, Phone Number ? | | | |
| 1k. Application Fees (if any): | | | |

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

II. RANDOM SELECTION

| |
|---|
| <p>2. Describe the random selection process that will be used once applications are received. Applicants will, of course, be required to provide written documentation to evidence this and other eligibility criteria at a later time. Once a sufficient number of applicants have been placed in the pool, the Administrative Agent, Rehabco Inc will close the pool and no other applicants will be considered until the applicant pool is reopened by the Administrative Agent. All households in the applicant pool will then be notified of the location, date and time that the random selection will take place. Each applicant will be assigned a number that will be used to identify them in the random selection process. This number will be provided to the applicant prior to the random selection. All numbers will be placed in a container and chosen at random. Using the order set by the random selection process, the Administrative Agent will contact applicants that indicated that they lived and/or worked in AHPNJ Housing Region 4. Once this list of applicants is exhausted, Rehabco will contact applicants outside Region 4 in the order in which they were randomly selected. As units become available, and in the order described above, Rehabco will notify applicants in writing that they are among a group of applicants that are being considered for an available affordable unit. Applicants will be given 14 days to complete a full application and submit it along with the requested back-up documentation. A waiting list of all eligible applicants will be maintained by the Administrative Agent Rehabco in accordance with the provisions contained in <u>N.J.A.C. 5:80-26 et. seq.</u> of UHAC.</p> |
|---|

III. MARKETING

3a. Direction of Marketing Activity: (indicate which group(s) in the housing region are least likely to apply for the housing without special outreach efforts because of its location and other factors)

White (non-Hispanic)
 Black (non-Hispanic)
 Hispanic
 American Indian or Alaskan Native
 Asian or Pacific Islander
 Other group:

3b. **HOUSING RESOURCE CENTER** (www.njhousing.gov) A free, online listing of affordable housing

3c. Commercial Media (required) (Check all that applies)

| | DURATION & FREQUENCY OF OUTREACH | NAMES OF REGIONAL NEWSPAPER(S) | CIRCULATION AREA |
|--|----------------------------------|--|----------------------------|
| TARGETS ENTIRE HOUSING REGION 3 | | | |
| Daily Newspaper | | | |
| <input checked="" type="checkbox"/> | | Star-Ledger | |
| TARGETS PARTIAL COAH REGION 3 | | | |
| Daily Newspaper | | | |
| <input checked="" type="checkbox"/> | | Home News Tribune | Middlesex, Somerset, Union |
| <input checked="" type="checkbox"/> | | Courier News | Somerset and Hunterdon |
| Weekly Newspaper | | | |
| <input type="checkbox"/> | | Beacon | Hunterdon |
| <input type="checkbox"/> | | Delaware Valley News | Hunterdon |
| <input type="checkbox"/> | | Hunterdon County Democrat / Hunterdon Observer | Hunterdon |
| <input type="checkbox"/> | | Hunterdon Review | Hunterdon |
| <input type="checkbox"/> | | Amboy Beacon | Middlesex |
| <input type="checkbox"/> | | Colonia Corner | Middlesex |
| <input type="checkbox"/> | | Cranbury Press | Middlesex |
| <input type="checkbox"/> | | East Brunswick Sentinel | Middlesex |
| <input type="checkbox"/> | | Edison Sentinel | Middlesex |
| <input type="checkbox"/> | | South Brunswick Post | Middlesex |
| <input type="checkbox"/> | | South Plainfield Observer | Middlesex |
| <input type="checkbox"/> | | Suburban, The | Middlesex |
| <input type="checkbox"/> | | Princeton Packet | Middlesex, Somerset |
| <input type="checkbox"/> | | Sentinel, The | Middlesex, Somerset |
| <input type="checkbox"/> | | Atom Tabloid & Citizen Gazette | Middlesex, Union |

| | | | |
|--------------------------|--|-------------------------------|---------------------|
| <input type="checkbox"/> | | Parsippany Life | Morris |
| <input type="checkbox"/> | | Echoes Sentinel | Morris, Somerset |
| <input type="checkbox"/> | | Bernardsville News | Somerset |
| <input type="checkbox"/> | | Branchburg News | Somerset |
| <input type="checkbox"/> | | Chronicle | Somerset |
| <input type="checkbox"/> | | Hills-Bedminster Press | Somerset |
| <input type="checkbox"/> | | Hillsborough Beacon | Somerset |
| <input type="checkbox"/> | | Manville News | Somerset |
| <input type="checkbox"/> | | Messenger-Gazette | Somerset |
| <input type="checkbox"/> | | Reporter | Somerset |
| <input type="checkbox"/> | | Somerset Spectator | Somerset |
| Monthly Newspaper | | | |
| <input type="checkbox"/> | | About Our Town/Community News | Middlesex, Somerset |

| | DURATION & FREQUENCY OF OUTREACH | NAMES OF REGIONAL TV STATION(S) | CIRCULATION AREA AND/OR RACIAL/ETHNIC IDENTIFICATION OF READERS/AUDIENCE |
|--|---|--|---|
| TARGETS ENTIRE HOUSING REGION 3 | | | |
| <input type="checkbox"/> | | 2 WCBS-TV Cbs Broadcasting Inc. | |
| <input type="checkbox"/> | | 3 KYW-TV Cbs Broadcasting Inc. | |
| <input type="checkbox"/> | | 4 WNBC NBC Telemundo License Co. (General Electric) | |
| <input type="checkbox"/> | | 5 WNYW Fox Television Stations, Inc. (News Corp.) | |
| <input type="checkbox"/> | | 6 WPVI-TV American Broadcasting Companies, Inc (Walt Disney) | |
| <input type="checkbox"/> | | 7 WABC-TV American Broadcasting Companies, Inc (Walt Disney) | |
| <input type="checkbox"/> | | 9 WWOR-TV Fox Television Stations, Inc. (News Corp.) | |
| <input type="checkbox"/> | | 10 WCAU NBC Telemundo License Co. (General Electric) | |
| <input type="checkbox"/> | | 11 WPIX Wpix, Inc. (Tribune) | |
| <input type="checkbox"/> | | 12 WHYI-TV Whyi, Inc. | |
| <input type="checkbox"/> | | 13 WNET Educational Broadcasting Corporation | |

| | | | |
|---|--|--|--------------------------|
| <input type="checkbox"/> | | 17 WPHL-TV Tribune Company | |
| <input type="checkbox"/> | | 31 WPXN-TV Paxson Communications License Company, Llc | |
| <input type="checkbox"/> | | 35 WYBE Independence Public Media Of Philadelphia, Inc. | |
| <input type="checkbox"/> | | 39 WLVT-TV Lehigh Valley Public Telecommunications Corp. | |
| <input type="checkbox"/> | | 41 WXTV Wxtv License Partnership, G.p. (Univision Communications Inc.) | |
| <input type="checkbox"/> | | 48 WGTW-TV Trinity Broadcasting Network | |
| <input type="checkbox"/> | | 50 WNJN New Jersey Public Broadcasting Authority | |
| <input type="checkbox"/> | | 52 WNJT New Jersey Public Broadcasting Authority | |
| <input type="checkbox"/> | | 57 WPSG Cbs Broadcasting Inc. | |
| <input type="checkbox"/> | | 58 WNJB New Jersey Public Broadcasting Authority | |
| <input type="checkbox"/> | | 61 WPPX Paxson Communications License Company, Llc | |
| <input type="checkbox"/> | | 63 WMBC-TV Mountain Broadcating Corporation | |
| <input type="checkbox"/> | | 65 WUVP-TV Univision Communications, Inc. | |
| <input type="checkbox"/> | | 68 WFUT-TV Univision New York Llc | Spanish |
| TARGETS PARTIAL HOUSING REGION 3 | | | |
| <input type="checkbox"/> | | 16 WNEP-TV New York Times Co. | Hunterdon |
| <input type="checkbox"/> | | 46 W46BL Maranatha Broadcasting Company, Inc. | Hunterdon |
| <input type="checkbox"/> | | 51 WTVE Reading Broadcasting, Inc | Hunterdon (Christian) |
| <input type="checkbox"/> | | 25 W25BB New Jersey Public Broadcasting Authority | Hunterdon, Middlesex |
| <input type="checkbox"/> | | 22 WYOU Nexstar Broadcasting, Inc | Hunterdon, Somerset |
| <input type="checkbox"/> | | 28 WBRE-TV Nexstar Broadcasting, Inc. | Hunterdon, Somerset |
| <input type="checkbox"/> | | 44 WVIA-TV Ne Pa Ed Tv Association | Hunterdon, Somerset |
| <input type="checkbox"/> | | 56 WOLF-TV Wolf License Corp | Hunterdon, Somerset |
| <input type="checkbox"/> | | 60 WBPH-TV Sonshine Family Television Corp | Hunterdon, Somerset |
| <input type="checkbox"/> | | 69 WFMZ-TV Maranatha Broadcasting | Hunterdon, Somerset |

| | | | |
|--------------------------|--|---|------------------------------------|
| | | Company, Inc. | |
| <input type="checkbox"/> | | 29 WTXF-TV Fox Television Stations, Inc. (News Corp.) | Middlesex, Somerset |
| <input type="checkbox"/> | | 47 WNJU NBC Telemundo License Co. (General Electric) | Middlesex, Somerset |
| <input type="checkbox"/> | | 66 WFME-TV Family Stations of New Jersey, Inc. | Middlesex, Somerset (Christian) |
| <input type="checkbox"/> | | 25 WNYE-TV New York City Dept. Of Info Technology & Telecommunications | Somerset |

| | DURATION & FREQUENCY OF OUTREACH | NAMES OF CABLE PROVIDER(S) | BROADCAST AREA |
|---|----------------------------------|--|-----------------------------|
| TARGETS PARTIAL HOUSING REGION 3 | | | |
| <input type="checkbox"/> | | Comcast of Northwest NJ, Southeast Pennsylvania | Partial Hunterdon |
| <input type="checkbox"/> | | Patriot Media & Communications | Partial Hunterdon, Somerset |
| <input type="checkbox"/> | | Service Electric Cable TV of Hunterdon | Partial Hunterdon |
| <input type="checkbox"/> | | Cablevision of Raritan Valley | Partial Middlesex, Somerset |
| <input type="checkbox"/> | | Comcast of Central NJ, NJ (Union System) | Partial Middlesex |
| <input type="checkbox"/> | | Comcast of Plainfield | Partial Middlesex, Somerset |

| | DURATION & FREQUENCY OF OUTREACH | NAMES OF REGIONAL RADIO STATION(S) | BROADCAST AREA AND/OR RACIAL/ETHNIC IDENTIFICATION OF READERS/AUDIENCE |
|--|----------------------------------|------------------------------------|--|
| TARGETS ENTIRE HOUSING REGION 3 | | | |
| AM | | | |
| <input type="checkbox"/> | | WFAN 660 | |
| <input type="checkbox"/> | | WOR 710 | |
| <input type="checkbox"/> | | WABC 770 | |
| <input type="checkbox"/> | | WCBS 880 | |
| <input type="checkbox"/> | | WBBR 1130 | |
| <input type="checkbox"/> | | WWTR 1170 | |
| <input type="checkbox"/> | | WTTM 1680 | Spanish, Asian, etc. |
| FM | | | |
| <input type="checkbox"/> | | WFNY-FM 92.3 | |
| <input type="checkbox"/> | | WPAT-FM 93.1 | Spanish |
| <input type="checkbox"/> | | WNYC-FM 93.9 | |

| | | | |
|---|--|---------------|----------------------|
| <input type="checkbox"/> | | WPST 94.5 | |
| <input type="checkbox"/> | | WFME 94.7 | |
| <input type="checkbox"/> | | WPLJ 95.5 | |
| <input type="checkbox"/> | | WQXR-FM 96.3 | |
| <input type="checkbox"/> | | WQHT 97.1 | |
| <input type="checkbox"/> | | WSKQ-FM 97.9 | Spanish |
| <input type="checkbox"/> | | WRKS 98.7 | |
| <input type="checkbox"/> | | WAWZ 99.1 | Christian |
| <input type="checkbox"/> | | WBAI 99.5 | |
| <input type="checkbox"/> | | WPHI-FM 100.3 | |
| <input type="checkbox"/> | | WCBS-FM 101.1 | |
| <input type="checkbox"/> | | WKXW-FM 101.5 | |
| <input type="checkbox"/> | | WQCD 101.9 | |
| <input type="checkbox"/> | | WNEW 102.7 | |
| <input type="checkbox"/> | | WPRB 103.3 | |
| <input type="checkbox"/> | | WKTU 103.5 | |
| <input type="checkbox"/> | | WWPR-FM 105.1 | |
| <input type="checkbox"/> | | WDAS-FM 105.3 | |
| <input type="checkbox"/> | | WLTW 106.7 | |
| TARGETS PARTIAL HOUSING REGION 3 | | | |
| AM | | | |
| <input type="checkbox"/> | | WFIL 560 | Hunterdon |
| <input type="checkbox"/> | | WIP 610 | Hunterdon |
| <input type="checkbox"/> | | WAEB 790 | Hunterdon |
| <input type="checkbox"/> | | WCHR 1040 | Hunterdon |
| <input type="checkbox"/> | | WGPA 1100 | Hunterdon |
| <input type="checkbox"/> | | WEEX 1230 | Hunterdon |
| <input type="checkbox"/> | | WKAP 1470 | Hunterdon |
| <input type="checkbox"/> | | WRNJ 1510 | Hunterdon |
| <input type="checkbox"/> | | WWJZ 640 | Hunterdon, Middlesex |

| | | | |
|--------------------------|--|---------------|-------------------------------------|
| <input type="checkbox"/> | | WPHY 920 | Hunterdon, Middlesex |
| <input type="checkbox"/> | | WPHT 1210 | Hunterdon, Middlesex |
| <input type="checkbox"/> | | WBUD 1260 | Hunterdon, Middlesex |
| <input type="checkbox"/> | | WMCA 570 | Middlesex (Christian) |
| <input type="checkbox"/> | | WIMG 1300 | Middlesex |
| <input type="checkbox"/> | | WCTC 1450 | Middlesex, Somerset |
| FM | | | |
| <input type="checkbox"/> | | WRTI 90.1 | Hunterdon |
| <input type="checkbox"/> | | WCVH 90.5 | Hunterdon |
| <input type="checkbox"/> | | WHYY-FM 90.9 | Hunterdon |
| <input type="checkbox"/> | | WXTU 92.5 | Hunterdon |
| <input type="checkbox"/> | | WAEB-FM 104.1 | Hunterdon |
| <input type="checkbox"/> | | WFKB 107.5 | Hunterdon |
| <input type="checkbox"/> | | WMMR 93.3 | Hunterdon, Middlesex |
| <input type="checkbox"/> | | WYSP 94.1 | Hunterdon, Middlesex |
| <input type="checkbox"/> | | WBEN-FM 95.7 | Hunterdon, Middlesex |
| <input type="checkbox"/> | | WRDW-FM 96.5 | Hunterdon, Middlesex |
| <input type="checkbox"/> | | WOGL 98.1 | Hunterdon, Middlesex |
| <input type="checkbox"/> | | WUSL 98.9 | Hunterdon, Middlesex |
| <input type="checkbox"/> | | WIOQ 102.1 | Hunterdon, Middlesex |
| <input type="checkbox"/> | | WMGK 102.9 | Hunterdon, Middlesex |
| <input type="checkbox"/> | | WJJZ 106.1 | Hunterdon, Middlesex |
| <input type="checkbox"/> | | WKDN 106.9 | Hunterdon, Middlesex (Christian) |
| <input type="checkbox"/> | | WAXQ 104.3 | Hunterdon, Middlesex, Somerset |
| <input type="checkbox"/> | | WNTI 91.9 | Hunterdon, Somerset |
| <input type="checkbox"/> | | WZZO 95.1 | Hunterdon, Somerset |
| <input type="checkbox"/> | | WCTO 96.1 | Hunterdon, Somerset |
| <input type="checkbox"/> | | WLEV 100.7 | Hunterdon, Somerset |
| <input type="checkbox"/> | | WNJT-FM 88.1 | Middlesex |
| <input type="checkbox"/> | | WRSU-FM 88.7 | Middlesex |
| <input type="checkbox"/> | | WWFM 89.1 | Middlesex |

| | | | |
|--------------------------|--|------------|---------------------|
| <input type="checkbox"/> | | WWPH 107.9 | Middlesex |
| <input type="checkbox"/> | | WDVR 89.7 | Middlesex, Somerset |
| <input type="checkbox"/> | | WVPH 90.3 | Middlesex, Somerset |
| <input type="checkbox"/> | | WMGQ 98.3 | Middlesex, Somerset |
| <input type="checkbox"/> | | WBLS 107.5 | Middlesex, Somerset |

3d. Other Publications (such as neighborhood newspapers, religious publications, and organizational newsletters) (Check all that applies)

| | NAME OF PUBLICATIONS | OUTREACH AREA | RACIAL/ETHNIC IDENTIFICATION OF READERS/AUDIENCE |
|---|---|---|--|
| TARGETS ENTIRE HOUSING REGION 3 | | | |
| Weekly | | | |
| | Nuestra Comunidad | Central/South Jersey | Spanish-Language |
| Monthly | | | |
| <input type="checkbox"/> | Sino Monthly | North Jersey/NYC area | Chinese-American |
| TARGETS PARTIAL HOUSING REGION 3 | | | |
| Daily | | | |
| <input type="checkbox"/> | 24 Horas | Bergen, Essex, Hudson, Middlesex, Passaic, Union Counties | Portuguese-Language |
| Weekly | | | |
| <input type="checkbox"/> | Arab Voice Newspaper | North Jersey/NYC area | Arab-American |
| <input type="checkbox"/> | Catholic Advocate, The | Essex County area | Catholic |
| <input type="checkbox"/> | La Voz | Hudson, Union, Middlesex Counties | Cuban community |
| <input type="checkbox"/> | Amerika Magyar Nepszava (American Hungarian Peoples' Voice) | Central/North Jersey | Hungarian-Language |
| <input type="checkbox"/> | New Jersey Jewish News | Northern and Central New Jersey | Jewish |
| <input type="checkbox"/> | Nuestra Comunidad | Central/South Jersey | Spanish-Language |
| <input type="checkbox"/> | Desi NJ | Central Jersey | South Asian |
| <input type="checkbox"/> | Ukrainian Weekly | New Jersey | Ukrainian Community |

3e. Employer Outreach (names of employers throughout the housing region that can be contacted to post advertisements and distribute flyers regarding available affordable housing) (Check all that applies)

| DURATION & FREQUENCY OF OUTREACH | NAME OF EMPLOYER/COMPANY | LOCATION |
|----------------------------------|--------------------------|----------|
| Hunterdon County | | |

| | | | |
|--------------------------|--|---|---|
| <input type="checkbox"/> | | Merck & Co | 1 Merck Dr, Whitehouse Station |
| <input type="checkbox"/> | | Hunterdon Medical Center | 2100 Wescott Drive Flemington, NJ 08822 |
| <input type="checkbox"/> | | Foster Wheeler | Perryville Corporate Park Clinton, NJ , 08809-4000 |
| <input type="checkbox"/> | | ChubbInsurance co. | 202 Halls Mill Rd Whitehouse Station, NJ 08889 |
| <input type="checkbox"/> | | Exxonmobil Research & Engineering | 1545 US Highway 22 E Annandale, NJ 08801 |
| <input type="checkbox"/> | | New York Life | 110 Cokesbury Rd, Lebanon |
| Middlesex County | | | |
| <input type="checkbox"/> | | Bristol-Myers Squibb | 1 Squibb Dr, New Brunswick, nj 08901 |
| <input type="checkbox"/> | | Merrill Lynch & Company | 800 Scudders Mill Rd, Plainsboro |
| <input type="checkbox"/> | | Johnson & Johnson | 1 Johnson & Johnson Plaza |
| <input type="checkbox"/> | | Prudential Insurance Company | 44 Stelton Rd # 130, Piscataway |
| <input type="checkbox"/> | | Robert Wood Johnson University Hospital | 1 Robert Wood Johnson Pl, New Brunswick, NJ 08901 |
| <input type="checkbox"/> | | Silverline Building Products | 207 Pond Ave Middlesex, NJ 08846 |
| <input type="checkbox"/> | | St. Peter's University Hospital | 254 Easton Ave, New Brunswick |
| <input type="checkbox"/> | | Telcordia Technology | 444 Hoes Ln, Piscataway |
| <input type="checkbox"/> | | J.F.K. Medical Center | 65 James Street Edison, NJ 08818 |
| <input type="checkbox"/> | | Raritan Bay Medical Center | 530 New Brunswick Av Perth Amboy, NJ 08861 |
| <input type="checkbox"/> | | Amerada Hess Corporation | 405 Main St, Woodbridge and 679 Convery Blvd, Perth Amboy |
| <input type="checkbox"/> | | Dow Jones & Company | 54 Eddington LN, Monroe Twp |
| <input type="checkbox"/> | | Siemens AG | 755 College Rd E, Princeton |
| <input type="checkbox"/> | | AT&T | 1 Highway Ter, Edison |
| <input type="checkbox"/> | | Engelhard Corporation | 101 Wood Ave S, Metuchen |
| Somerset County | | | |
| <input type="checkbox"/> | | AT&T | 1414 Campbell St Rahway |
| <input type="checkbox"/> | | ABC Limousine | 574 Ferry St Newark |
| <input type="checkbox"/> | | Bloomberg LP | 1350 Liverty Ave Hillside |
| <input type="checkbox"/> | | Courier News | 1091 Lousons Road PO Box 271 Union, NJ |
| <input type="checkbox"/> | | Emcore Corp | 800 Rahway Ave Union, NJ |
| <input type="checkbox"/> | | Ethicon Inc | 1515 West Blancke Street Bldgs 1501 and 1525 Linden, NJ |

| | | | |
|--------------------------|--|------------------------------------|--|
| <input type="checkbox"/> | | Fedders Corp | 27 Commerce Drive Cranford, nj |
| <input type="checkbox"/> | | ICI Americas Inc. | 450 West First Ave Roselle,nj |
| <input type="checkbox"/> | | ITW Electronic Component Packaging | 600 Mountain Ave Murray Hill,NJ |
| <input type="checkbox"/> | | Johnson & Johnson | 1 Merck Drive PO Box 2000 (RY60-200E) Rahway, NJ |
| <input type="checkbox"/> | | Tekni-Plex Inc. | 865 Stone Street Rahway, NJ |
| | | Ortho-Clinical Diagnostics Inc | 1401 Park Ave South Linden |
| <input type="checkbox"/> | | Hooper Holmes Inc | 170 Mount Airy Rd. Basking Ridge, NJ 07920 |

3f. Community Contacts (names of community groups/organizations throughout the housing region that can be contacted to post advertisements and distribute flyers regarding available affordable housing)

| Name of Group/Organization | Outreach Area | Racial/Ethnic Identification of Readers/Audience | Duration & Frequency of Outreach |
|--|----------------|--|----------------------------------|
| Central Jersey Housing Resource Center | Central Jersey | | |
| | | | |
| | | | |

IV. APPLICATIONS

Applications for affordable housing for the above units will be available at the following locations:

4a. County Administration Buildings and/or Libraries for all counties in the housing region (list county building, address, contact person) (Check all that applies)

| | BUILDING | LOCATION |
|----------------------------|---------------------------------------|--|
| X <input type="checkbox"/> | Middlesex County Administration Bldg | 75 Bayard, New Brunswick, NJ 08903 |
| <input type="checkbox"/> | Somerset County Admin. Bldg | 20 Grove Street, Somerville, NJ 08876 |
| <input type="checkbox"/> | Somerset County Library Headquarters | 1 Vogt Drive, Bridgewater, NJ 08807 |
| <input type="checkbox"/> | Hunterdon County Library Headquarters | 314 State Highway 12, Flemington, NJ 08822 |

4b. Municipality in which the units are located (list municipal building and municipal library, address, contact person)

| |
|--|
| |
| |

4c. Sales/Rental Office for units (if applicable)

| |
|--|
| |
|--|

V. CERTIFICATIONS AND ENDORSEMENTS

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

Name (Type or Print)

Title/Municipality

Signature

Date

EXHIBIT G



Be it Resolved, by the Mayor and Council of the Borough of Middlesex, New Jersey that:

Resolution # 98-2026

Resolution 98-2026 Adopting A Housing Rehabilitation Manual For The Middlesex Borough Affordable Housing Program

WHEREAS, pursuant to the Fair Housing Act, N.J.S.A. 52:27D-301, et seq. (“FHA”), the Borough of Middlesex is required to adopt a Housing Rehabilitation Manual for the Borough’s affordable housing program (“Manual”) by March 15, 2026, and

WHEREAS, a manual has been prepared and is annexed hereto as Exhibit A; and

WHEREAS, the Borough seeks to comply with all aspects of the FHA in order to obtain a Compliance Certification and immunity from exclusionary zoning and builder’s remedy lawsuits.

NOW, THEREFORE, BE IT RESOLVED on this 10th day of March, 2026, by the Council of the Borough of Middlesex, Middlesex County, State of New Jersey, as follows:

1. The Affordability Assistance Manual attached hereto as Exhibit A is hereby adopted.
2. This resolution shall take effect immediately.

CERTIFICATION

I, Kelsey Meixner, Clerk of the Borough of Middlesex, County of Middlesex, State of New Jersey, do hereby certify that the foregoing is a true copy of a resolution adopted by the Borough Council at a meeting held on March 10, 2026.

Kelsey Meixner, Borough Clerk

EXHIBIT A

I Hereby Certify that the above resolution was duly adopted by the Governing Body of the Borough of Middlesex, at a meeting of said Borough Council on March 10, 2026

RESULT: **Adopted**
MOVER: Council President Michael Conahan
SECONDER: Councilman Kevin Dotey
AYES: Michael Conahan, Joseph DeScenza, Kenneth Griggs, Kevin Dotey, Jennifer Clock, Shannon Quinn

A handwritten signature in cursive script, appearing to read "Kelsey Meixner".

Kelsey Meixner, Municipal Clerk

Middlesex County Owner-Occupied Housing Rehabilitation Program

PROGRAM INFORMATION HANDOUT

INTRODUCTION

The Owner-Occupied Housing Rehabilitation Program (OOHRP) was created by the County to provide funds to assist income eligible owner-occupied single-family homes correct existing interior and exterior health, safety and code substandard conditions of major housing systems in conformity with the standards of the New Jersey State Housing Code, N.J.A.C. 5:28, the Rehabilitation Subcode, N.J.A.C. 5:23-6 and the applicable municipality’s local property maintenance code. The County of Middlesex County has contracted with Community Grants, Planning & Housing LLC (CGP&H), a private consulting firm specializing in the implementation of publicly funded housing rehabilitation programs, to manage and administer the Owner-Occupied Housing Rehabilitation Program. Funding for the Owner-Occupied Housing Rehabilitation Program is provided through the County’s Community Development Block Grant from the U.S. Department of Housing and Urban Development (HUD).

CATEGORIES OF PARTICIPANTS

Only owner-occupied single-family homes may receive funding for rehabilitation, provided the household and property meet the Program eligibility requirements and the property is located in one of the following participating municipalities:

| | | | | | |
|------------|-------------|-------------------|------------------|-------------|-----------------|
| Carteret | Cranbury | Dunellen | East Brunswick | Helmetta | Highland Park |
| Jamesburg | Metuchen | Middlesex Borough | Milltown | Monroe | North Brunswick |
| Plainsboro | South Amboy | South Brunswick | South Plainfield | South River | Spotswood |

APPLICATION SELECTION

The program will process new applicants added to the waiting list/applicant pool on a first-come, first served basis, to qualified applicants. There is no cost to apply.

Eligibility Requirements

- Household occupants are within the income limit.
- Must be the program participant’s primary residence within one of the OOHRP’s participating municipalities
- The house must need substantial repair or replacement of at least one eligible item in ELIGIBLE ACTIVITIES.
- Property taxes, and if applicable, mortgage and any municipal utilities must be paid current.
- If any living quarters (bedrooms, kitchen or bathroom facilities) exist in the basement or attic and/or if there is any secondary kitchen in any unit, the homeowner will be required to provide evidence (closed out permit, certificate of occupancy, etc.) that it was permitted by the municipality of residence, prior to being able to proceed with program assistance. If there are any repairs or renovations currently being undertaken on your home by others or yourself or done within the last few years that require or required municipal permits, the work must be

completed, and the permits closed out prior to applying to the Program. Contact the municipal Building and Code Enforcement office if you have questions regarding construction permit requirements.

INCOME LIMITS

Household income is defined as the combined annual gross income of all family members 18 years of age and older. Gross income is defined as current combined incomes before deduction including wages, Social Security, disability insurance, unemployment insurance, pensions, dividend/interest income, alimony, etc. The full list of possible income is in the application's enclosure checklist.

ELIGIBLE ACTIVITIES

For clarification of eligible work items, be advised that funds may be used only for work and repairs required to make the unit standard and abate interior and exterior violations of the local municipal property maintenance code New Jersey State Housing Code, N.J.A.C. 5:28, the Rehabilitation Subcode, N.J.A.C. 5:23-6 and/or any other applicable housing codes; conserve energy and remove health and/or safety hazards; and any other work or repairs, including finishing and painting, which are directly related to the above listed objectives. The Program must install smoke and CO detectors as required by applicable codes in all houses assisted with program funds. If funding permits, driveways and appliances are eligible under certain conditions allowable by HUD. If the owner sells the property after improvement, appliances purchased with the program funds must remain in the property.

A. Eligible Improvements

In order to qualify for participation in the program, at least one of the following major systems must be in need of replacement or substantial repair:

- Roof
- Plumbing (including sanitary plumbing)
- Electrical
- Load bearing structural systems
- Heating
- Window, Doors, Insulations
- Lead Paint Remediation

The Program Inspector will visit the home to perform the property inspection and, if appropriate, issue a Certification of Substandard.

B. Ineligible Improvements

Work not eligible for program funding includes but is not limited to luxury improvements (improvements which are strictly cosmetic), carpets, additions, conversions (basement, garage, porch, attic, etc.), repairs to structures separate from the living units (detached garage, shed, barn, etc.), furnishings, pools landscaping, solar panels and generators. Rehabilitation work performed by property owners shall not be funded under this program. The cost of removing any illegally converted living space (e.g., illegal bedrooms in the basement) are not eligible for assistance. Please note that the Program does not reimburse for previously completed work or for work that is currently underway.

FUNDING TERMS

The Program Funding will be provided on the following terms:

- Up to \$30,000.00 for an eligible owner occupied single family home

There is no cost to apply and applying for program funds does not affect your credit score.

All program loans are in the form of a zero percent (0%) Deferred until sale/title transfer loan. There is no monthly payment, no interest, and no prepayment penalties. The loan is not due payable until sale or transfer of title, and only for the exact amount borrowed with no interest or penalties.

Mechanism for Securing the Loan

Program controls are secured by a Program Mortgage and Mortgage Note for the terms of the full lien period as specified under the FUNDING TERMS section.

When Repayment Occurs

If the owner decides to sell the property, transfer title, or if the owner should die, the owner, heirs, executors or legal representatives must repay loan at title transfer. Please refer to the Funding Terms section for more information. When recapture of the loan amount is required due to aforementioned conditions, 100% of the recorded mortgage amount is due and payable in its entirety at zero-percent interest. The Program can use the returned funds to finance the rehabilitation of another eligible house. If the property is rented to anyone for any reason within the lien period, the loan must be repaid immediately.

Exceptions to Loan Repayment Terms above during the lien period

1. If the loan transfers due to inheritance of immediate family member Class A beneficiary who will take occupancy upon death of program mortgagee and assume the balance of the lien.

Overview of Administrative Process

You submit your completed application to the Program. The Housing Rehabilitation Specialist reviews the application package and determines eligibility/ineligibility. Once your eligibility has been established, the Program will conduct a comprehensive house inspection. The purpose of the comprehensive inspection is to detail any health, safety or substandard code items that exist on your property. At least one major system has to be substandard in code for the property to participate in the Program and the house must be repaired. Please be prepared to have your property survey available for the inspection for the inspector's review, and afterwards for municipal permit application requirements, if needed.

If the house was built prior to 1978, a lead paint risk assessment will also be performed. Lead-based paint hazards identified by the assessment will be remediated through the Program.

The Program Inspector will create a Work-Write-Up and Cost Estimate for your home's rehabilitation, based upon the comprehensive inspection and, if applicable, the lead risk assessment report findings. A copy of the Work Write-Up, along with a contractor list, will be provided to you for approval.

The Program will solicit bids by circulating bid packages to registered general contractors. If you know of a contractor that would like to submit a bid on the job, they must contact the Program to request a bid package.

The submitted bids will be reviewed by the Program Inspector and the homeowner. Generally, the lowest responsible bid from a qualified contractor will be chosen. The homeowner may select a contractor with a higher bid but must pay the difference between the contractor chosen and the lowest responsible bid. Your contribution of the cost difference is to be provided at the pre-construction meeting.

The Program is not guaranteeing to rehabilitate all the work listed in the work write-up. Code, safety, and health related work items identified by the program inspector will take precedent over non-code work if elimination of work items is necessary. The homeowner has the option of contributing personal funds for any work that exceeds the funding limit. A preconstruction conference/loan closing is conducted at which time the construction agreement, program mortgage and mortgage note are executed. The contractor will obtain the permits (as necessary) and the construction phase will begin. Program personnel will manage the construction process which will include progress and final inspections. The contractor will close out construction permits; provide warranty information and case closeout documentation. The County will pay the contractor directly upon program inspection approval of work completed. Program participants will adhere to the Program's decisions.

Homeowners' Responsibility:

- All areas of the house must be readily accessible, uncluttered, and clean. This is in anticipation of the Program Inspector and contractors needs of proper and sanitary access for inspections and construction work progress. Program work including inspections, program loan closing and construction are conducted during normal weekday business hours. Please be prepared to plan accordingly.
- All household members must be disclosed in your application. If evidence of any additional undisclosed household members is discovered during case processing, the Program has the right to terminate your case for falsifying information and the County has the right to penalize you for related case administration cost. It is your responsibility to call the Program if you need clarification on household members.

Questions

If you have any further questions, please contact Community Grants, Planning & Housing, LLC, Program Administrators, Monday through Friday between the hours of 9:00 A.M. and 5:00 P.M. at (609) 642-4992 or bsanchez@cgph.net. Feel free to also visit www.hip.cgph.net for frequently asked questions.



EXHIBIT H



Be it Resolved, by the Mayor and Council of the Borough of Middlesex, New Jersey that:

Resolution # 102-2026

Resolution 102-2026 Adopting An Affordable Housing Trust Fund Spending Plan

WHEREAS, pursuant to the Fair Housing Act, N.J.S.A. 52:27D-301, et seq. (“FHA”), the Borough of Middlesex is required to adopt a Spending Plan for the Borough’s affordable housing trust fund (“Plan”) by March 15, 2026, and

WHEREAS, a plan has been prepared and is annexed hereto as Exhibit A; and

WHEREAS, the Borough seeks to comply with all aspects of the FHA in order to obtain a Compliance Certification and immunity from exclusionary zoning and builder’s remedy lawsuits.

NOW, THEREFORE, BE IT RESOLVED on this 10th day of March, 2026, by the Council of the Borough of Middlesex, Middlesex County, State of New Jersey, as follows:

1. The Spending Plan attached hereto as Exhibit A is hereby adopted.
2. This resolution shall take effect immediately.

CERTIFICATION

I, Kelsey Meixner, Clerk of the Borough of Middlesex, County of Middlesex, State of New Jersey, do hereby certify that the foregoing is a true copy of a resolution adopted by the Borough Council at a meeting held on March 10, 2026.

Kelsey Meixner, Borough Clerk

I Hereby Certify that the above resolution was duly adopted by the Governing Body of the Borough of Middlesex, at a meeting of said Borough Council on March 10, 2026

RESULT: **Adopted**
MOVER: Council President Michael Conahan
SECONDER: Councilman Kevin Dotey
AYES: Michael Conahan, Joseph DeScenza, Kenneth Griggs, Kevin Dotey, Jennifer Clock, Shannon Quinn

A handwritten signature in black ink, appearing to read "Kelsey Meixner". The signature is fluid and cursive, with a long horizontal stroke at the end.

Kelsey Meixner, Municipal Clerk

Affordable Housing Trust Fund Spending Plan

Borough of Middlesex

Middlesex County

Adopted: March 10, 2026

INTRODUCTION

The Borough of Middlesex, Middlesex County, has prepared a Housing Element and Fair Share plan that addresses its regional fair share of the affordable housing need in accordance with the Municipal Land Use Law (N.J.S.A. 40:55D-1 et seq.) and the Fair Housing Act (N.J.S.A. 52:27D-301). A development fee ordinance creating a dedicated revenue source for affordable housing was adopted by the municipality and amended on October 24, 2023. The ordinance establishes the Borough of Middlesex Affordable Housing Trust Fund for which this spending plan is prepared.

As of June 5, 2025, the Borough of Middlesex has collected \$1,321,925.89 in its non-residential development fee account and \$1,135,821.36 into a separate affordable housing account associated with revenues collected from PILOT agreements, resulting in a balance of \$2,457,747.25.

All development fees, payments in lieu of constructing affordable units on site, funds from the sale of units with extinguished controls, and interest generated by the fees are deposited in a separate interest-bearing affordable housing trust fund for the purposes of affordable housing. These funds shall be spent as described in the sections that follow. This Spending Plan is submitted to the Superior Court of New Jersey for approval to expand all current and future affordable housing trust fund monies, as necessary.

1. REVENUES FOR CERTIFICATION PERIOD

To calculate a projection of revenue anticipated during the period of July 1, 2025 to June 30, 2035, the Borough of Middlesex considered the following:

- (a) Development fees:

1. Residential and nonresidential projects which have had development fees imposed upon them at the time of preliminary or final development approvals;
 2. All projects currently before the planning and zoning boards for development approvals that may apply for building permits and certificates of occupancy; and
 3. Future development that is likely to occur based on historical rates of development.
- (b) Other funding sources: No other funds have been or are anticipated to be collected.
- (c) Projected interest: The trust fund is in an interest-bearing account.

| SOURCE OF FUNDS | PROJECTED REVENUES-HOUSING TRUST FUND - 2025 THROUGH 2035 | | | | | | | | | | | Total | |
|---|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-------------|-------------|
| | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 | 2034 | 2035 | | |
| (a) Development Fees: Approved Development | \$40,000 | | | | | | | | | | | | \$40,000 |
| Development Pending Approval | \$32,500 | | | | | | | | | | | | \$32,500 |
| Projected Development | \$100,000 | \$200,000 | \$200,000 | \$200,000 | \$200,000 | \$200,000 | \$200,000 | \$200,000 | \$200,000 | \$200,000 | \$100,000 | \$2,000,000 | \$2,000,000 |
| (b) Payments in Lieu of Construction | | | | | | | | | | | | | |
| (c) Other Funds (Specify source(s)) | | | | | | | | | | | | | |
| (d) Interest | | | | | | | | | | | | | |
| Total | \$172,500 | \$200,000 | \$200,000 | \$200,000 | \$200,000 | \$200,000 | \$200,000 | \$200,000 | \$200,000 | \$200,000 | \$100,000 | \$2,072,500 | \$2,072,500 |

Middlesex projects a total of \$2,072,500 in revenue to be collected between July 1, 2025 and June 30, 2035. This projected amount, when added to Middlesex's trust fund balance as of May 19, 2025, results in an anticipated total revenue of \$4,530,247 available to fund and administer its affordable housing plan. All interest earned on the account shall be used only for the purposes of affordable housing.

2. ADMINISTRATIVE MECHANISM TO COLLECT AND DISTRIBUTE FUNDS

The following procedural sequence for the collection and distribution of development fee revenues shall be followed by the Borough of Middlesex:

(a) Collection of development fee revenues:

Collection of development fee revenues shall be consistent with the Borough of Middlesex’s development fee ordinance for both residential and non-residential developments in accordance with state rules and P.L.2008, c.46, sections 8 (C. 52:27D-329.2) and 32-38 (C. 40:55D-8.1 through 8.7).

(b) Distribution of development fee revenues:

The governing body shall adopt a resolution authorizing the expenditure of development fee revenues consistent with the spending plan. Once a request has been approved by resolution, the CFO shall release the requested revenue from the trust fund for the specific use approved in the governing body’s resolution.

3. DESCRIPTION OF ANTICIPATED USE OF AFFORDABLE HOUSING FUNDS

(a) **Rehabilitation and new construction programs and projects**

Rehabilitation program: \$280,000 is budgeted for the rehabilitation program. This will fund 14 units which will partially satisfy the Borough’s rehabilitation obligation for the first three years of the 10-year affordable housing cycle. Based on public response to the program, the Borough will evaluate the need to dedicate additional rehabilitation monies. The average per unit cost of \$20,000 includes construction costs, cost estimating, bid specifications, contractor bid process, loan closing, and construction inspections. (Rehabilitation administrative costs such as income certifications, program marketing and reporting are not included in this per unit cost and is an Administrative expense.)

(b) Affordability Assistance:

Projected minimum affordability assistance requirement:

| AFFORDABILITY ASSISTANCE CALCULATION | | |
|---|-------|-------------|
| Actual fees thru 6/5/25 | | \$2,457,747 |
| Actual interest thru 6/5/25 | + | \$0 |
| Projected Development Fees, 2025 thru June 30, 2035 | + | \$2,072,500 |
| Projected Trust Fund Interest, 2025 thru June 30, 2035 | + | \$301,000 |
| Less housing Activity assist. Expenditures thru June 30, 2035 | - | \$580,000 |
| Total | = | \$4,251,247 |
| 30% Requirement | x.30 | \$1,275,374 |
| Less Affordability assist. Expenditures thru June 30, 2035 | - | \$0.00 |
| Projected Min. Afford Asst., 7/1/2025 thru 6/30/35 | = | \$1,275,374 |
| Projected Min. Afford Asst. for Very Low Income, 25' thru '35 | x 1/3 | \$424,700 |

The Borough of Middlesex will dedicate \$1,275,374 from the affordable housing trust fund to render units more affordable, including \$424,700 to render units more affordable to households earning 30 percent or less of median income by region, as follows.

Affordability assistance will be utilized to assist very low, low, and moderate-income residents of credit worthy group homes and family affordable housing. Specifically, funds will be utilized to help make affordable units more energy efficient, saving thousands of dollars over the term of the affordability controls. This program will be available to affordable housing landlords, single-family affordable housing units, and group homes/supportive housing. Inclusionary developments will also be eligible, but only on a pro rata basis when applicable. In addition, affordability assistance funds may be made available to provide down payment assistance for affordable housing purchasers; a rental assistance program that provides a grant for the first month's rent to assist affordable housing renters; and an emergency assistance program to protect documented and eminent health and safety concerns. Group Homes will also be eligible for emergency prevention upgrades including provision of a generator, so services can remain operational during power

outages. The Borough has also included a buy down program in the Spending Plan to make currently affordable low or moderate-income units into additional very low-income units. The Borough is not budgeting funds for every one of these five programs at this time, but wants these programs approved in order to reserve the ability to fund them in the future, as opportunities present themselves. For the details on each program and a complete budget breakdown, please refer to Exhibit I of Middlesex's Affordability Assistance Manual.

(c) Administrative Expenses

Projected maximum administrative expense calculation:

| ADMINISTRATIVE EXPENSE CALCULATION | | |
|--|------|--------------------|
| Actual fees and interest thru 6/5/25/25 | + | \$2,457,747 |
| Projected Development Fees and interest 2025 thru June 30, 2035 | + | \$2,373,500 |
| Payments-In-Lieu of construction and other deposits thru 6/30/35 | + | \$0.00 |
| Total for Admin. Calculation 2025 thru June 30, 2035 | = | \$4,831,247 |
| 20% Maximum for Admin Expense | x.20 | \$966,249 |
| Less Admin thru 6/30/35 | - | \$0.00 |
| Available for Admin 2025 thru June 30, 2035 | = | \$966,249 |

The Borough of Middlesex projects that a maximum of \$966,249 will be available from the affordable housing trust fund to be used for administrative purposes. Projected administrative expenditures, subject to the 20 percent cap, are as follows:

Administrative costs may include the costs of salaries and benefits for municipal employees or consultants' fees necessary to develop or implement municipal housing programs such as the preparation of amendments to the housing element and fair share plan, the

implementation of the affirmative marketing program, the costs of marketing and income qualifications of the Housing Rehabilitation Program and reporting.

4. EXPENDITURE SCHEDULE

The Borough of Middlesex intends to use affordable housing trust fund revenues for the creation of housing units. Where applicable, the creation funding schedule below parallels the implementation schedule set forth in the Housing Element and Fair Share Plan and is summarized as follows.

| Source of Funds | Projected Expenditure Schedule 2025 - 2035 | | | | | | | | | | | Total | |
|--|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|----------|-------|-------------|
| | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 | 2034 | 2035 | | |
| Rehabilitation (21 units) | | \$93,333 | \$93,333 | \$93,333 | | | | | | | | | \$280,000 |
| Affordability Assistance | \$70,854 | \$141,708 | \$141,708 | \$141,708 | \$141,708 | \$141,708 | \$141,708 | \$141,708 | \$141,708 | \$141,708 | \$70,854 | | \$1,275,374 |
| Supportive Housing Arc of Middlesex County | | \$100,000 | \$100,000 | \$100,000 | | | | | | | | | \$300,000 |
| Administration | \$12,500 | \$25,000 | \$25,000 | \$25,000 | \$25,000 | \$25,000 | \$25,000 | \$25,000 | \$25,000 | \$25,000 | \$12,500 | | \$250,000 |
| Total | | | | | | | | | | | | | \$2,105,374 |

5. EXCESS OR SHORTFALL OF FUNDS

Pursuant to the Housing Element and Fair Share Plan, the governing body of the Borough of Middlesex has adopted a resolution agreeing to fund any shortfall of funds required for implementing the Housing Rehabilitation Program. In the event that a shortfall of anticipated revenues occurs, the Borough of Middlesex will bond for any shortfall.

In the event of excess funds, any remaining funds above the amount necessary to satisfy the municipal affordable housing obligation will be used to fund the Housing Rehabilitation Program.

| | | |
|---|---|--------------------|
| SPENDING PLAN SUMMARY | | |
| Balance as of June 6, 2025 | | \$2,457,747 |
| PROJECTED REVENUE 2025-2035 | | |
| Development Fees | + | \$2,072,500 |
| Interest | + | \$301,000 |
| TOTAL FUNDS AVAILABLE | = | \$4,831,247 |
| PROJECTED EXPENDITURES 2025-2035 | | |
| Funds used for Rehabilitation | + | \$280,000 |
| Funds used for Group Home Creation | + | \$300,000 |
| Affordability Assistance* | + | \$1,275,374 |
| Administration** | + | \$250,000 |
| TOTAL PROJECTED EXPENDITURES | = | \$1,945,872 |
| REMAINING BALANCE | = | \$2,885,375 |

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

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

6. BARRIER FREE ESCROW

Collection and distribution of barrier free funds shall be consistent with the Borough of Middlesex's Affordable Housing Ordinance Chapter 66-4.(B).

SUMMARY

The Borough of Middlesex intends to spend affordable housing trust fund revenues consistent with the housing programs outlined in the Housing Element and Fair Share Plan dated June 2025 and the revised spending plan.

The Borough of Middlesex has a balance of \$2,457,747 as of June 6, 2025, and anticipates an additional \$2,072,500 in revenues before June 30, 2035 for a total of \$4,831,247 when including interest of \$301,000. The municipality will dedicate \$280,000 towards its Rehabilitation Program, \$300,000 to assist the Arc in acquiring additional group homes/supportive housing, \$1,275,374 to render units more affordable, and \$250,000 for administrative costs. Any shortfall of funds will be offset by municipal bonding. The municipality will dedicate any excess funds towards the Housing Rehabilitation Program.