

# Housing Element and Fair Share Plan

*Prepared for:*


**Monroe Township  
Middlesex County, New Jersey**

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Prepared By:


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## **INTRODUCTION**

In the case of Southern Burlington County NAACP v. the Township of Mount Laurel, (commonly known as Mount Laurel I), the New Jersey Supreme Court established the doctrine that developing municipalities in New Jersey have a constitutional obligation to provide a realistic opportunity for the construction of low and moderate income housing in their communities. In its Mount Laurel decision, decided on January 20, 1983 (Mount Laurel II), the Supreme Court expanded the Mount Laurel doctrine by stating that this constitutional responsibility extended to all municipalities in New Jersey. The Court also established various remedies, including the “builder remedy” or court-imposed zoning, to ensure that municipalities affirmatively addressed this obligation.

In response to the Mount Laurel II decision, the New Jersey Legislature adopted the Fair Housing Act in 1985 (Chapter 222, Laws Of New Jersey, 1985). The Fair Housing Act established a Council on Affordable Housing (COAH) as an administrative alternative to the courts. COAH was also given the responsibility of establishing various housing regions in the state, determining regional and municipal fair share affordable housing obligations and adopting regulations establishing the guidelines and approaches that municipalities may use in addressing their affordable housing need.

Under COAH’s regulations, low income households are defined as those with incomes no greater than 50 percent of the median household income, adjusted for household size, of the housing region in which the municipality is located, and moderate-income households are those with incomes no greater than 80 percent and no less than 50 percent of the median household income, adjusted for household size, of the housing region. For the Township of Monroe, the housing region is defined by COAH as Region 3 and is comprised of Hunterdon, Middlesex, and Somerset counties. In Region 3 the median income for a four-person household is \$146,200, the moderate-income limit is \$116,960 and low-income limit is \$73,100 in 2024.

Pursuant to both the Fair Housing Act and the Municipal Land Use Law (MLUL), municipalities in New Jersey are required to include a housing element in their master plans. The principal purpose of the housing element is to provide for methods of achieving the goal of access to affordable housing to meet the municipality’s low- and moderate-income housing needs. The statutory required contents of the housing element are:

- An inventory of the municipality’s housing stock by age, condition, purchase or rental value, occupancy characteristics, and type, including the number of units affordable to low- and moderate-income households and substandard housing capable of being rehabilitated;
- A projection of the municipality’s housing stock, including the probable future construction of low- and moderate-income housing, for the ten years, taking into

account, but not necessarily limited to, construction permits issued, approvals of applications for development and probable residential development of lands;

- An analysis of the municipality's demographic characteristics, including but not necessarily limited to, household size, income level and age;
- An analysis of the existing and probable future employment characteristics of the municipality;
- A determination of the municipality's present and prospective fair share for low- and moderate-income housing and its capacity to accommodate its present and prospective housing needs, including its fair share for low- and moderate-income housing; and
- A consideration of the lands that are most appropriate for construction of low- and moderate-income housing and of the existing structures most appropriate for conversion to, or rehabilitation for low- and moderate-income housing, including a consideration of lands of developers who have expressed a commitment to provide low- and moderate-income housing.



## **MUNICIPAL SUMMARY**

Monroe Township is a growing suburban community located in southern Middlesex County, New Jersey. The Township consists of a land area of approximately 42 square miles, which makes it the largest municipality in the county by area. The Township was originally founded by settlers in the late 1600s for its agricultural opportunities and natural resources.

Today, Monroe Township is characterized by a diverse land use that consists of residential neighborhoods, commercial centers, industrial areas, recreational spaces and preserved open spaces. Monroe Township shares borders with several municipalities including Millstone Township to the south, Englishtown, Manalapan and Marlboro Township to the east, Spotswood to the north, and Cranbury and East Windsor to the west. The Township also completely surrounds the Borough of Jamesburg.

The current year-round population of Monroe is estimated at 48,299 (ACS 2023 5-year data). The Township has a population density of 1,145 persons per square mile. Monroe has also grown older by 3.8 years between 2000 and 2023, with a current median age of 57.3 years of age. Monroe's 2023 median household income estimate of \$106,892 was lower than that of the county (\$109,028) and higher than the State (\$101,050).

In the guidelines established by COAH, Monroe Township is in affordable housing Region 3 which is comprised of Hunterdon, Middlesex, and Somerset.

## DEMOGRAPHIC CHARACTERISTICS

### POPULATION

In 2023, Monroe Township had a total population of 48,299. This number represented an increase of 3,684 individuals or 8.3 percent since 2020, when the total population was 44,615 individuals. This increase is part of the steady increase of population that the Township has experienced. The total population pattern for Monroe, Middlesex County, and New Jersey are detailed below.

**TABLE 1: POPULATION TRENDS, 1940-2023**

Year	Monroe			Middlesex County			New Jersey		
	Population	Change		Population	Change		Population	Change	
		Number	Percent		Number	Percent		Number	Percent
1940	3,034	-	-	217,007	-	-	4,160,165	-	-
1950	4,082	1,048	34.5%	264,872	47,865	22.0%	4,835,329	675,164	16.2%
1960	5,831	1,749	42.8%	433,856	168,984	63.8%	6,066,782	1,231,453	25.5%
1970	9,138	3,307	56.7%	583,813	149,957	34.6%	7,171,112	1,104,330	18.2%
1980	15,858	6,720	73.5%	595,893	12,080	2.1%	7,365,011	193,899	2.7%
1990	22,255	6,397	40.3%	671,780	75,887	12.7%	7,730,188	365,177	5.0%
2000	27,999	5,744	25.8%	750,162	78,382	11.7%	8,414,350	684,162	8.9%
2010	39,132	11,133	39.8%	809,858	59,423	8.0%	8,721,577	307,227	3.6%
2020*	44,615	5,483	14.0%	825,015	15,157	1.8%	8,885,418	163,841	1.9%
2023*	48,299	3,684	8.3%	861,535	36,520	4.4%	9,267,014	381,596	4.29%
2050**	51,173	2,874	5.9%	939,723	78,188	9.1%	-	-	-

Source: U.S. Census Bureau Decennial Census  
 \*American Community Survey 5-Year Estimates (table DP05)  
 \*\*Population Projections from North Jersey Transportation Planning Authority (NJTPA)

### POPULATION COMPOSITION BY AGE

The age composition of Monroe has shifted noticeably since 2010. According to American Community Survey 5-Year Estimates, 2023, significant changes occurred in many age groups. The populations of children aged 15 to 19 and under the age of 5 years old decreased significantly over this time period. All population cohorts but these two increased during the 2010 to 2023 time period. The greatest increase in population was experienced in the years 65 to 74 age cohort, followed by the 60 to 64 years age cohort.

**TABLE 2: POPULATION BY AGE COHORT, MONROE, 2010-2023**

Population	2010		2023		Change 2010-2023
	Number	Percent	Number	Percent	
Total population	37,171	100.0%	48,299	100.00%	29.9%
Under 5 years	1,655	4.5%	1,431	3.0%	-13.5%
5 to 9 years	1,970	5.3%	2,448	5.1%	24.2%
10 to 14 years	1,912	5.1%	2,823	5.8%	47.6%
15 to 19 years	1,947	5.2%	1,595	3.3%	-18.1%
20 to 24 years	1,007	2.7%	1,401	2.9%	39.1%
25 to 34 years	2,134	5.7%	2,107	4.4%	13.8%
35 to 44 years	4,139	11.1%	4,771	9.9%	15.3%
45 to 54 years	4,445	12.0%	6,042	12.5%	35.9%
55 to 59 years	2,006	5.4%	2,868	5.9%	42.9%
60 to 64 years	2,586	7.0%	4,013	8.3%	55.0%
65 to 74 years	5,278	14.2%	9,117	18.9%	72.7%
75 to 84 years	6,094	16.4%	6,666	13.8%	9.4%
85 years and over	1,998	5.4%	3,017	6.2%	51.0%
U.S. Census Bureau ACS 5- Year Estimates (table DP-05)					

Middlesex County also experienced shifts in the age make-up of its population. The County experienced a significant decrease in children under the age of 9. The 55 and over age cohorts also experienced population increases between 2010 and 2023, suggesting that the County, like the Township, has an aging population.

**TABLE 3: POPULATION BY AGE COHORT, MIDDLESEX COUNTY, 2010-2023**

Population	2010		2023		Change 2010-2023
	Number	Percent	Number	Percent	
Total population	798,882	100.0%	861,535	100.0%	7.8%
Under 5 years	50,702	6.3	46,940	5.4%	-7.4%
5 to 9 years	51,488	6.4	50,589	5.9%	-1.7%
10 to 14 years	49,664	6.2	55,217	6.4%	11.1%
15 to 19 years	57,603	7.2	59,602	6.9%	3.4%
20 to 24 years	55,404	6.9	54,938	6.4%	-0.8%
25 to 34 years	111,988	14.0	110,996	12.9%	-0.9%
35 to 44 years	120,693	15.1	119,608	13.9%	-0.8%
45 to 54 years	119,395	14.9	115,123	13.4%	-3.6%
55 to 59 years	48,118	6.0	58,702	6.8%	21.9%
60 to 64 years	36,906	4.6	53,932	6.3%	46.1%
65 to 74 years	48,494	6.1	80,737	9.4%	66.5%
75 to 84 years	34,814	4.4	38,881	4.5%	11.6%
85 years and over	13,613	1.7	16,270	1.9%	19.5%
U.S. Census Bureau American Community Survey 5-Year Estimates (table DP-05)					

The median age of Monroe Township residents has increased by 3.8 years between 2010 and 2023. While the State and County have experienced increases in median age and the Township experienced a higher increase between 2010 and 2023, and is the highest of the median age range of the three populations.

**TABLE 4: MEDIAN AGE**

Year	Monroe	Middlesex County	New Jersey
2010	53.5	36.9	38.5
2023	57.3	37.3	40.1
Change	3.8	0.4	1.6
U.S. Census Bureau, American Community Survey 2010, 2023 5-Year Estimates (table B01002)			

## **HOUSEHOLDS**

A household is defined as one or more persons, either related or not, living together in a housing unit. 2023 ACS 5-Year Estimates note that there were approximately 21,673 households in the Township. Approximately 71.2% percent of all Township households were comprised of one or two persons, with 39.6% comprising two-person households. While one- and two-person household also comprise the majority of County households at 52.1%, Monroe has far fewer large households than the County overall. The Township's average household size was 2.21, which is smaller than the County's average household size of 2.74.

**TABLE 5: HOUSEHOLD CHARACTERISTICS  
MONROE AND MIDDLESEX COUNTY, 2023**

	Township		County	
	Number	Percent	Number	Percent
Total Households	21,673	100.0%	305,610	100.0%
1-person	6,853	31.6%	68,949	22.6%
2-persons	8,588	39.6%	90,455	29.6%
3-persons	2,116	9.8%	56,378	18.4%
4 or more persons	4,116	19.0%	89,828	29.4%
Average Household Size	2.21		2.74	
U.S. Census Bureau, American Community Survey 2023 5-Year Estimates (tables S2501 & B25010)				

Family households are defined as two or more persons living in the same household, related by blood, marriage or adoption. Households in Monroe mainly consist of family households (66.0%). Approximately 91.1 percent of all family households were family households with married couple householders. While 5.9 percent and 3.0 percent of family households respectively were family households consisting of single female and male householders. The average family size was 3.3 persons. The average non-family household size was 1.07 persons.

**TABLE 6: HOUSEHOLDS BY TYPE (2023)**

Households	Total	Percent
	21,673	100.0%
Average Household Size	2.21	
Average Non-Family Household Size	1.07	
Family households	14,307	66.0%
Married Couple Family	13,039	91.1%
With own children under 18 years	4,132	19.0%
No children under 18 years	8,907	41.1%
Other Family		
Male householder, no spouse present	428	3.0%
With own children under 18 years	217	1.0%
No own children under 18 years	211	0.9%
Female householder, no spouse present	840	5.9%
With own children under 18 years	203	0.9%
No own children under 18 years	637	2.9%
Nonfamily Households	4,762	21.9%
Average Family Size	3.3	
U.S. Census Bureau, American Community Survey 2023 5-Year Estimates (table S1101)		

## INCOME

Monroe experienced a 65.2 percent increase in per capita income between 2010 and 2023, which was much higher than Middlesex County's 48.4 percent increase, and higher than the State's 52.3 percent increase over the same period. The Township's percent increase in per capita income was higher than that of Middlesex County and the per capita income value of \$69,356 was greater than that of the County (\$49,417) and the State overall (\$53,118).

**TABLE 7: PER CAPITA INCOME AND MEDIAN HOUSEHOLD INCOME**

	2010 Per Capita Income	2023 Per Capita Income	Percent Change	2010 Median Household Income	2023 Median Household Income	Percent Change
Monroe	\$41,959	\$69,356	65.2%	\$74,202	\$106,892	44.1%
Middlesex	\$33,289	\$49,417	48.4%	\$77,615	\$109,028	40.4%
New Jersey	\$34,858	\$53,118	52.3%	\$69,811	\$101,050	44.7%
U.S. Census Bureau, 2010 Decennial Census (tables DP03 and P082)						
U.S. Census Bureau, American Community Survey 2023 5-Year Estimates (tables S1902 and S1903)						

The income distribution for the Township deviates from that of the County. The income bracket containing the highest percentage of households for Monroe is the \$200,000 or more while the County's highest is the \$100,000 to \$149,999 range. The income brackets containing the second highest percentage were the \$100,000 to \$149,999 range for Monroe, and the

\$200,000 or more range for the County. However, the median income in Monroe was \$106,829, approximately \$2,136 less than the county median household income, and about \$5,842 more than the state median household income. Between 2010 and 2023, the median household income increased by 44.1 percent, higher than the 40.4 percent growth rate experienced in Middlesex County and lower than the 44.7 percent increase for the State overall.

**TABLE 8: HOUSEHOLD INCOME DISTRIBUTION  
MONROE AND MIDDLESEX COUNTY, 2023**

	Monroe		Middlesex County	
	Number	Percent	Number	Percentage
<b>Total Households</b>	<b>21,673</b>	<b>100.0%</b>	<b>305,610</b>	<b>100.0%</b>
Less than \$10,000	549	2.5%	9,699	3.1%
\$10,000 to \$14,999	476	2.2%	7,697	2.5%
\$15,000 to \$24,999	1,251	5.7%	13,810	4.5%
\$25,000 to \$34,999	772	3.3%	12,665	3.5%
\$35,000 to \$49,999	2,044	9.4%	22,016	7.2%
\$50,000 to \$74,999	2,584	11.9%	38,152	12.4%
\$75,000 to \$99,999	2,661	12.3%	36,214	11.8%
\$100,000 to \$149,999	3,111	14.3%	59,875	22.7%
\$150,000 to \$199,999	2,783	12.8%	41,172	19.5%
\$200,000 or more	5,442	25.1%	64,310	21.0%
U.S. Census Bureau, American Community Survey 2023 5-Year Estimates (table B19001)				

## **HOUSEHOLD COSTS**

The tables below show housing expenditures for owner- and renter-occupied units in Monroe in 2023. The first table shows the housing costs of owner occupants as a percentage of total income. A total of 6,059 households (30.7%) were devoting more than 30 percent of their annual income to housing costs. The State affordability threshold for housing as a percent of income suggests that not more than 28 percent of gross income should be allocated for housing costs.

The second table shows rental costs as a percentage of household income. A total of 1,929 households renting in Monroe, or 53.1 percent, were spending over 30 percent of their incomes on rent. The State affordability threshold for housing as a percent of income suggests that not more than 30 percent of gross income should be allocated for rent.

**TABLE 9: MONTHLY OWNER COSTS AS A PERCENTAGE OF HOUSEHOLD INCOME, 2023**

	Monroe		Middlesex County	
	Number	Percent	Number	Percent
Total Owner-Occupied Housing Units	19,710	100.0%	124,042	100.0%
Less than 15%	5,947	30.2%	24,716	19.9%
15 to 19%	2,856	14.5%	23,010	18.5%
20 to 24%	2,783	14.1%	20,437	16.5%
25 to 29%	1,949	9.9%	14,983	12.1%
30 to 34%	1,432	7.3%	9,894	7.9%
35% or more	4,627	23.5%	30,546	24.6%
Not computed	116	0.6%	456	0.4%
U.S. Census Bureau, American Community Survey 2023 5-Year Estimates (table B25091)				

**TABLE 10: GROSS RENT AS A PERCENTAGE OF HOUSEHOLD INCOME, 2023**

	Monroe		Middlesex County	
	Number	Percentage	Number	Percentage
Total Renter-Occupied Housing Units	1,963	100.0%	111,647	100.0%
Less than 15%	68	3.4%	13,968	12.5%
15 to 19%	83	4.2%	15,373	13.8%
20 to 24%	59	3.0%	15,508	13.6%
25 to 29%	341	17.3%	12,276	10.9%
30 to 34%	130	6.6%	9,599	8.6%
35% or more	942	47.9%	39,747	35.6%
Not computed	340	17.3%	5,176	4.6%
U.S. Census Bureau, American Community Survey 2023 5-Year Estimates (table B25070)				

## EXISTING HOUSING CONDITIONS

### HOUSING UNIT DATA

Monroe housing stock is predominantly owner occupied and relatively new. According to the 2023 ACS, the Township had a total of 22,598 occupied housing units. Most occupied units (95.9%) were owner-occupied (87.2), while only 8.7 percent were renter-occupied. Housing construction peaked from 2000-2009, followed by homes built in 2010 or later. Most of the housing structures (55.8%) in Monroe were built after 1990.

**TABLE 11: HOUSING UNIT DATA, 2023**

<b>Housing Units in Monroe</b>	<b>Number</b>	<b>Percent</b>
Total Housing Units	22,598	100.0%
Vacant Housing Units	925	4.1%
Occupied Housing Units	21,673	95.9 %
Owner Occupied	19,710	87.2%
Renter Occupied	1,963	8.7%
U.S. Census Bureau, American Community Survey 2023 5-Year Estimates (table DP04)		

	Number	Percent
Built 1939 or earlier	450	2.0%
Built 1940 to 1949	246	1.1%
Built 1950 to 1959	762	3.4%
Built 1960 to 1969	1,613	7.1%
Built 1970 to 1979	3,488	15.4%
Built 1980 to 1989	3,402	15.1%
Built 1990 to 1999	3,258	14.4%
Built 2000 to 2009	5,291	23.4%
Built 2010 or later	4,088	18.0%
Total	22,598	100.0%
Median Year Structure Built	1994	
U.S. Census Bureau, American Community Survey 2023 5-Year Estimates (table DP04 and B25035)		

## **HOUSING TYPE AND SIZE**

The majority of the housing stock in Monroe is generally divided into two different unit types. Single-family detached homes comprise approximately 62.8% percent of the Township's housing stock, while a further 26.7 percent of all units were single-family attached homes. The median number of rooms per unit was 6.2.



**TABLE 12: HOUSING UNITS BY TYPE, 2023**

Units in Structure	Total	Percent
Total	22,598	100%
1 Unit, detached	14,192	62.8%
1 Unit, attached	6,034	26.7%
2 Units	559	2.5%
3 or 4 Units	394	1.7%
5 to 9 Units	349	1.5%
10 to 19 Units	206	0.9%
20 Units or more	852	3.8%
Mobile home	12	0.1%
Boat, RV, van, etc.	0	0.0%
Rooms	Total	Percent
1 room	351	1.6%
2 rooms	108	0.5%
3 rooms	1,136	5.0%
4 rooms	1,973	8.7%
5 rooms	4,419	19.6%
6 or more rooms	14,611	64.7%
Median number of rooms	6.2	
U.S. Census Bureau, American Community Survey 2023 5-Year Estimates (DP04)		

## HOUSING VALUES AND CONTRACT RENTS

According to ACS 2023 5-Year Estimates, most housing units in Monroe (51.7%) were valued at \$500,000 and greater. Table 13 provides a breakdown of home values for owner-occupied units within the Township. Only 465 owner-occupied housing units in Monroe were worth less than \$100,000. The median value of an owner-occupied housing unit was \$513,400 at the time of the survey.

**TABLE 13: VALUE OF OWNER-OCCUPIED HOUSING UNITS, 2023**

	Monroe		Middlesex County	
	Number	Percentage	Number	Percentage
Total	19,710	100.0%	193,963	100%
Less than \$50,000	201	1.0%	4,112	2.1%
\$50,000 to \$99,999	264	1.3%	2,241	1.2%
\$100,000 to \$149,999	587	3.0%	2,815	1.5%
\$150,000 to \$199,999	1,079	5.5%	4,396	2.3%
\$200,000 to \$299,999	2,310	11.7%	23,362	12.0%
\$300,000 to \$499,999	5,079	25.8%	86,661	44.7%
\$500,000 and greater	10,190	51.7%	70,376	36.2%
Median Value	\$513,400		\$439,300	
U.S. Census Bureau, American Community Survey 2023 5-Year Estimates (table DP04)				

With respect to renter-occupied units, there are a range of rents, with a majority of the rental units in the Township carrying rental costs within the \$1,500 to \$1,999 range followed by the \$2,000 to \$2,499 per month range. At the time of the ACS 5-Year Estimates, the median gross rent in Monroe was \$1,882. 161 units in the Township carried rental costs less than \$1,000 per month, and 0.0 percent of units did not require cash rent payments.

**TABLE 14: GROSS RENT PAID**

	Monroe		Middlesex County	
	Number	Percentage	Number	Percentage
Total Renter Occupied Units	1,623	100.0%	108,226	100%
Less than \$500	0	0.0%	4,968	4.6%
\$500 to \$999	161	9.9%	4,691	4.3%
\$1,000 to \$1,499	273	16.8%	21,863	20.2%
\$1,500 to \$1,999	494	30.4%	36,441	33.7%
\$2,000 to \$2,499	482	29.7%	26,270	24.3%
\$2,500 to \$2,999	76	4.7%	9,099	8.4%
\$3,000 or more	137	8.4%	4,894	4.5%
No cash rent	0	0.0%	0	0.0%
Median Contract Rent	\$1,882		\$1,771	
U.S. Census Bureau, American Community Survey 2023 5-Year Estimates (table DP04)				

## HOUSING CONDITIONS

According to the 2023 ACS, there were a minimal number of units exhibiting overcrowding (more than one person per room), lacking complete plumbing facilities or lacking complete kitchen facilities. Table 15 details the condition of housing within Monroe based on plumbing facilities, kitchen facilities, and overcrowding. These factors are utilized in determining housing deficiency and general housing problems and are used as the basis to calculate the municipal rehabilitation obligation. According to the data, 0.3 percent of occupied housing units experienced over-crowding, while 0.1 percent of occupied units lacked complete plumbing facilities and 0.5 percent of units lacked complete kitchen facilities.

**TABLE 15: HOUSING DEFICIENCY CHARACTERISTICS**

	Count	Percent
<b>Housing Units with 1.01 or More Persons Per Room</b>		
1.01 to 1.5 occupants per room	38	0.2%
1.51 or more occupants per room	18	0.1%
<b>Plumbing Facilities</b>		
Total Occupied Housing Units	21,673	100.0%
Lacking complete plumbing facilities	27	0.1%
<b>Kitchen Equipment</b>		
Total Occupied Housing Units	21,673	100.0%
Lacking complete kitchen facilities	112	0.5%
U.S. Census Bureau, American Community Survey 2023 5-Year Estimates (table DP04)		

## PROJECTED HOUSING STOCK

According to New Jersey Department of Community Affairs, Monroe has issued building permits for 9,898 residential dwelling units between 2000 and 2023. During that same time period, the Township issued 124 residential demolition permits, adding a total of 9,774 dwelling units over this time period. Building permit data by year is summarized in Table 16 below.

**TABLE 16: BUILDING PERMITS AND DEMOLITION PERMITS ISSUED,  
2000 - 2023**

Year	Residential Building Permits Issued				Residential Demolition Permits Issued	Total Added
	1&2 Family	Multi Family	Mixed Use	Total	Total	
2000	-	-	-	435	0	435
2001	-	-	-	471	1	470
2002	-	-	-	644	1	643
2003	-	-	-	525	2	523
2004	677	6	1	684	22	662
2005	652	10	2	664	6	658
2006	352	306	0	658	8	650
2007	356	61	0	417	6	411
2008	249	0	0	249	17	232
2009	327	1	0	328	2	326
2010	274	5	1	280	5	275
2011	300	0	0	300	3	297
2012	273	20	0	293	2	291
2013	436	9	1	446	2	444
2014	362	10	0	372	7	365
2015	419	15	0	434	4	430
2016	314	37	0	351	1	350
2017	292	122	0	414	0	414
2018	278	126	0	404	4	400
2019	242	25	0	267	5	262
2020	254	53	0	307	7	300
2021	229	125	0	354	4	350
2022	231	50	0	281	6	275
2023	206	114	0	320	9	311
<b>Total</b>	<b>6,723</b>	<b>1,095</b>	<b>5</b>	<b>9,898</b>	<b>124</b>	<b>9,774</b>

Source: New Jersey Department of Community Affairs Construction Reporter

## EMPLOYMENT DATA

The 2023 ACS reports on work activity of residents aged 16 years and older. While the Township's working age population was 41,012 residents, Monroe had an approximate labor force of 20,941 residents. Approximately 48.9 percent of the Township's working age

residents were not participating in the labor force at the time of the estimates. All of the Township's labor force was employed in civilian jobs, while 0 residents reported being members of the armed forces. Approximately 2.9 percent of the Township's residents reported being unemployed.

**TABLE 17: EMPLOYMENT STATUS**

	Monroe		Middlesex County	
	Number	Percent	Number	Percent
Population 16 years and over	41,012	100.0%	697,485	100.0%
In labor force	20,941	51.1%	466,429	66.9%
Civilian Labor Force	20,941	51.1%	466,150	66.8%
Employed	19,743	48.1%	436,300	62.6%
Unemployed	1,198	2.9%	29,850	4.3%
Armed Forces	0	0.0%	279	0.04%
Not in labor force	20,071	48.9%	231,056	33.1%
U.S. Census Bureau, American Community Survey 2023 5-Year Estimates (table DP03)				

More than three quarters of the Township's workers were employed in private wage and salary positions, while 3.3 percent of workers are self-employed. Government workers comprise about 13.2 percent of the Township's workforce. Table 18 provides a breakdown of worker classifications.

**TABLE 18: CLASSIFICATION OF WORKERS IN MONROE, 2023**

	Number	Percent
Total	19,743	100.0%
Private Wage and Salary Worker	16,468	83.4%
Government Worker	2,610	13.2%
Self-Employed Worker	649	3.3%
Unpaid Family Worker	16	0.1%
U.S. Census Bureau, American Community Survey 2023 5-Year Estimates (table DP03)		

An analysis of employees (over the age of 16) by economic sector indicates that employed working age individuals in Monroe were involved in a range of economic sectors. As depicted in Table 19 below, the highest concentration of workers (22%) are employed in the educational services, health care, and social services sectors. The professional scientific, management, administrative and waste management services employee, and finance and insurance, and real estate and rental and leasing sector employ 18.9 and 15.3 percent of the Township's workforce and employ the next highest concentrations of Township workers respectively.

**TABLE 19: WORKFORCE BY SECTOR**

<b>Sector</b>	<b>Number</b>	<b>Percent</b>
Civilian employed population 16 years and over	19,743	100.0%
Agriculture, forestry, fishing and hunting, mining	84	0.4%
Construction	696	3.5%
Manufacturing	1,590	8.1%
Wholesale Trade	626	3.2%
Retail Trade	1,906	9.7%
Transportation and Warehousing, and Utilities	1,110	5.6%
Information	576	2.9%
Finance and insurance, and real estate and rental and leasing	3,025	15.3%
Professional, scientific, and management, and administrative and waste management services	3,730	18.9%
Educational services, and health care and social assistance	4,367	22.1%
Arts, entertainment, and recreation, and accommodation and food services	621	3.1%
Other Services, except public administration	460	2.3%
Public administration	952	4.8%
U.S. Census Bureau, American Community Survey 2023 5-Year Estimates (table DP03)		

Table 20 provides a percentage comparison of the Township's workforce against that of the County. The Township's profile of employment by sector generally mirrors that of the County. A higher percentage of the Township's workforce is employed in finance and insurance, and real estate and rental and leasing; while a higher percentage of the County's workforce was employed in retail trade, manufacturing, transportation and warehousing, and utilities; and arts, entertainment, and recreation, and accommodation and food services.

**TABLE 20: COMPARISON OF WORKFORCE BY SECTOR  
MONROE AND MIDDLESEX COUNTY, 2023**

<b>Sector</b>	<b>Monroe</b>	<b>Middlesex County</b>
Civilian employed population 16 years and over	19,743	436,300
Agriculture, forestry, fishing and hunting, mining	0.4%	0.2%
Construction	3.5%	4.9%
Manufacturing	8.1%	9.0%
Wholesale Trade	3.2%	3.3%
Retail Trade	9.7%	10.3%
Transportation and Warehousing, and Utilities	5.6%	8.2%
Information	2.9%	2.5%
Finance and insurance, and real estate and rental and leasing	15.3%	9.3%
Professional, scientific, and management, and administrative and waste management services	18.9%	16.0%
Educational services, and health care and social assistance	22.1%	23.2%
Arts, entertainment, and recreation, and accommodation and food services	3.1%	5.3%
Other Services, except public administration	2.3%	3.7%
Public administration	4.8%	4.0%
U.S. Census Bureau, American Community Survey 2023 5 Year Estimates (table DP03)		

Table 21 provides a breakdown of occupations by type for the Township's employed civilian labor force. Approximately 61.6 percent of the Township's employed civilian labor force was employed in management, business, science and arts occupations, while 19.4 percent of the Township's employed work force worked in sales and office occupations.

**TABLE 211: OCCUPATIONS BY TYPE**

<b>Occupation</b>	<b>Number</b>	<b>Percent</b>
Employed Civilian population 16 years and over	19,743	100.0%
Management, business, science and arts occupations	12,159	61.6%
Service occupations	1,722	8.7%
Sales and office occupations	3,821	19.4%
Natural resources, construction and maintenance occupations	880	4.5%
Production Transportation and material moving occupations	1,161	5.9%
U.S. Census Bureau, American Community Survey 2023 5-Year Estimates (table DP03)		

As indicated in Table 22 below, it is projected that Middlesex County will add 46,600 jobs by 2032. The Transportation and Warehousing, Arts, Entertainment, and Recreation and Ambulatory Health Care Service sectors are poised to experience the greatest increase in number of jobs over the course of the projection period.

**TABLE 22: PROJECTED EMPLOYMENT, MIDDLESEX COUNTY, 2032**

Industry Title	2022 Actual Employment	2032 Projected Employment	Numeric Change	Annual Growth Rate	Percent Change	Outlook
Mining	100	100	0	0.0%	0	Stable
Utilities	126,950	142,450	15,500	1.2%	12.2%	Growing
Construction	15,650	16,800	1,150	0.7%	7.3%	Growing
Manufacturing	31,600	33,000	1,400	0.4%	4.4%	Growing
Wholesale Trade	32,400	34,750	2,350	0.7%	7.3%	Growing
Retail Trade	39,400	39,850	450	0.1%	1.1%	Growing
Transportation and Warehousing	54,200	66,900	12,700	0.2%	23.4%	Growing
Postal Service	1,550	1,450	-100	-0.6%	-6.9%	Declining
Information	9,200	8,900	-300	-0.3	-3.2%	Declining
Finance and Insurance	13,200	13,850	650	0.4%	4.9%	Growing
Real Estate and Rental and Leasing	5,600	5,900	300	0.5%	5.2%	Growing
Professional, Scientific, and Technical Services	48,200	51,800	3,600	0.7%	7.5%	Growing
Management of Companies and Enterprises	8,050	9,150	1,100	0.1%	13.8%	Growing
Administrative and Support and Waste Management and Remediation Services	51,500	58,300	6,800	0.1%	13.2%	Growing
Educational Services	42,900	45,300	2,400	0.5%	5.7%	Growing
Health Care and Social Assistance	53,950	60,650	6,700	0.1%	12.4%	Growing
Ambulatory Health Care Services	21,300	25,700	4,400	0.2%	20.5%	Growing
Hospitals	18,300	18,900	600	0.3	3.3%	Growing
Nursing and Residential Care Facilities	5,400	5,750	350	0.6%	6.1%	Growing
Social Assistance	8,900	10,300	1,400	0.1%	15.6%	Growing
Arts, Entertainment, and Recreation	4,350	5,300	950	0.2%	21.7%	Growing
Accommodation and Food Services	23,400	26,200	2,800	0.1%	12.0%	Growing
Other Services (except Government)	16,100	17,200	1,100	0.6%	6.6%	Growing
Government	15,900	15,900	0	0.02%	0.2%	Growing
Total Federal Government Employment	2,400	2,250	-150	-0.6%	-6.2%	Declining
State Government, Excluding Education and Hospitals	2,100	1,700	-400	-0.1%	-19.1%	Declining
Local Government, Excluding Education and Hospitals	11,350	11,950	600	0.5%	5.1%	Growing
Federal Government, Excluding Post Office	850	800	-50	-0.5%	-5.1%	Declining
Total Self Employed and Unpaid Family Workers, All Jobs	28,350	30,750	2,400	0.8%	8.5%	Growing
<b>Total All Industries</b>	<b>494,950</b>	<b>541,550</b>	<b>46,600</b>	<b>0.9%</b>	<b>9.4%</b>	<b>Growing</b>

Source: 2022-2032 Industry Employment Projections, NJ Department of Labor and Workforce Development

## **LANDS MOST APPROPRIATE FOR AFFORDABLE HOUSING**

An analysis was conducted to determine which areas of the Township could accommodate developments that address affordable housing need. This analysis reviews the Township's existing zoning and planned zoning changes, and outlines the Township's capacity to accommodate residential and non-residential growth projections. The following are included:

- An analysis of the available existing and planned infrastructure;
- The projected demand for types of uses permitted by zoning based on present and anticipated future demographic characteristics of the Township and anticipated land use patterns; and
- Factors, such as environmental conditions, that present constraints on development.

## **Infrastructure**

### *Water and Sewer*

The Township of Monroe is mostly located within public water and sewer service areas. These areas include most of the Township located in the southern, western, and northern portion of the Township. The areas excluded from the sewer service areas include most of the southeastern portion of the Township. These areas contain mostly wooded areas, farms, and protected state parks. These areas are also located in clusters across the Township. Residential lots located within these areas use septic systems. Other areas excluded from the sewer service area include the golf courses located at the Forsgate Country Club and the Rossmoor Golf Course located to the northwestern portion of the Township.

The sewer service and public water are provided by the Monroe Municipal Utilities Department. The Authority primarily gets their water from two main aquifers: the Cahansey aquifer and the Piney Point Aquifer. They additionally purchase water from New Jersey American Water. Sewer wastewater is also treated by the Monroe Municipal Utilities Department's Central Treatment facility for the Township.

## **Anticipated Demand and Land Use Patterns**

The Township of Monroe contains residential neighborhoods, agricultural and commercial development, and public facilities. According to NJTPA population estimates projected to 2050, it is anticipated that the Township's population will grow to approximately 51,173 people. While large portions the Township have been developed, open farmlands and green spaces that are not preserved still remain. Many of these areas are identified for future preservation or contain environmental constraints. However, it is anticipated that some future growth will occur on previously undeveloped lands.



*Residential*

Currently, the Township is zoned for Residential Housing. These zones are located in the northern and northeastern portions of the Township, with small clusters of residential zoning located in the center and southern portion of the Township. Additionally, there are additional zoning for Affordable-Housing, planned retirement and age-restrictions, and planned residential community that provide multi-uses. These zones are located on the western along Applegarth Road and the southern portion of the Township along State Route 33. Monroe Township has opportunities to allow and encourage mixed-use development in its downtown area near commercial uses, permitting multifamily uses in areas potentially designated as mixed-use districts.

*Non-Residential*

Monroe Township hosts a variety of commercial businesses, office and similar establishments primarily located along major roadways that intersect the Township, like NJ Route 33 and Interstate 95. These corridors feature a mix of retail shops, service providers, and restaurants, all serve as daily and central services for commercial activities. Though there is still space for development within the Township, opportunities for new residential areas are growing more and more limited. Future commercial growth is anticipated to focus increasingly on redeveloping and repurposing currently existing sites rather than completely new sites.

**Environmental Constraints**

Monroe Township contains a variety of environmental features, including wooded areas and wetlands. Protected spaces are also included in the Township, including Matchapoinx Forest, a 100-acre area that the township acquired in 2008. The area consists of wooded area, wetland and streams that flow into the Matchpoinx Brook. In addition, Monroe also contains an 86-acre Superfund site located at Spotswood-Gravil Hill Road, that was used as a landfill until 1978, when it was closed. Environmental constraints and preservation of open spaces are a source of development constraints in Monroe.

**Historic**

There are a number of properties listed on the State or National Register of Historic Places. They include:

- Brookland Prehistoric 1, 3, 4, 5, and 6 Sites
- Buckelew Bog Complex
- Camden and Amboy Railroad Main Line Historic District
- DeBaun Site
- Charles Dey Farm
- Freehold and Jamesburg Agricultural Railroad Historic District
- Holmes- Tallman House
- New Jersey Training School for Boys Historic District

- Pocahontas Snuff and Tobacco Mill Site
- Riverside 3 & 4 Archaeological Sites
- Rue Road Bridge
- Ten Eycks Forge Site
- Thompson Park Historic Site

However, historic status is not generally a major source of development constraint in Monroe.

### **Existing Land Use Designations**

The Township's land use designations have been continually examined and updated through the Master Plan Reexamination process. The last Reexamination Report was adopted on November 2020.

The following districts comprise the Township's **residential** zones:

#### *R-3A - Rural Residential*

The Township has established the R-3A Rural Residential District, which permits single-family dwellings; farms, truck gardens, and other agricultural activities; parks, playground and other recreation facilities operated by Monroe Township; Township municipal offices, library, fire, first aid, municipal utilities, police stations, schools and other buildings.

This zone is located in the northeastern portions of the Township, along Schoolhouse Road, Spotswood Gravel Hill Road, and County Route 613; Along the central portion of the township along Gravel Hill Road, and Union Valley Road; and in the southern portion, along Church road and Applegarth Road.

#### *R-60 – Residential*

The Township has established the R-60 Residential 60 District. Principle permitted uses in this zone include: Single-family dwellings; Farms, truck gardens, and other agricultural activities; Parks, playground and other recreation facilities operated by Monroe Township; Township municipal offices, library, fire, first aid, municipal utilities, police stations, schools and other buildings.

This zone is located in the northern portion along Old Forge Road, Rhode Hall Road; along the eastern portion along Spotswood-Englishtown Road, Spotswood Gravel Hill Road, and finally in the southern portion of the Township along Perrineville Road, Halsey Reed Road, Cranbury Station Road, Applegarth Road, and Disbrow Hill Road.

#### *R-30 and R-20 – Residential*

The Township has established the R-30 and R-20 Residential Zone Districts. These zones have the same principle, accessory, and conditional uses. Principle permitted uses in this zone include: Single-family dwellings; Farms, truck gardens, and other agricultural

activities; Parks, playground and other recreation facilities operated by Monroe Township; Township municipal offices, library, fire, first aid, municipal utilities, police stations, schools and other buildings.

The R-30 zoning is located in the north portion of the Township along Rhode Hall Road, Docks Corner Road, Cranbury South River Road Mott Ave, in a large portion of the northern center of the Township along Buckelew Avenue, Matchpoinx Ave and Perrineville Road. A cluster of this zone is located in the most southern portion of the Township along Disbrow Hill Road, and Applegarth Road.

The R-20 zoning is located in the center of the Township, located along Spotswood Gravel Hill Road, Grace Hill Road, and Buckelew Avenue.

#### *R-10 and R-7.5 – Residential*

The Township has established the R-10 and R-7.5 Residential Zone Districts. These zones have the same principle, accessory, and conditional uses. Principle permitted uses in this zone include: Single-family dwellings; Parks, playgrounds and other recreation facilities operated by Monroe Township; Township municipal offices, library, fire, first aid, municipal utilities, police stations, schools and other buildings.

The R-10 zone is located at the northern most portion of the Township on the southbound side of Spotswood Gravel Hill Road and north of Avenue K.

The R-7.5 zone is also located at the northern most portion of the Township, on both the east and west side of Spotswood Englishtown Road and Monmouth Road.

#### *R-5 – Residential*

The Township has established the R-5 Residential Zone District. Principle permitted uses in this zone include: Single-family dwellings; Parks, playgrounds and other recreation facilities operated by Monroe Township; Township municipal offices, library, fire, first aid, municipal utilities, police stations, schools and other buildings; and Zero lot line dwelling units subject to side yard regulations.

This zone is located within the very center of the Township, along Oakwood Terrace, New Street, and State Street.

#### *RR-FLP - Rural Residential-Farmland Preservation District*

The Township has established the Rural Residential-Farmland Preservation District. Principle permitted uses in this zone include: Single-family dwellings; Farms, truck gardens, and other agricultural activities; Parks, playground and other recreation facilities operated by Monroe Township; Township municipal offices, library, fire, first aid, municipal utilities, police stations, schools and other buildings.

This zone is located in the southern portion of the Township in several large locations. The first is located to the western portion of the Township along Wyckoff Mills Applegarth Road. The second location is located just to the left along Northwind Court. The third site is located along Longstreet Road and Perrineville Road. The fourth site is the largest, and located along Federal Road, Bergens Mills Gravel Hill Road, and Dey Grove Road. The last site is located along Gravel Hill-Spotswood Road.

*PD-SH - Planned Development-Senior Housing*

The Township has established the Planned Development-Senior Housing. Principle permitted uses in this zone include dwellings for owner-occupancy. This zone is located in the eastern portion of the Township, on the northbound side of Buckelew Avenue, north of Spotswood Englishtown Road, and south of Mounts Mills Road.

*PRGC - Planned Residential Golf Community*

The Township has established the Planned Residential Golf Community District. Principle permitted uses in this zone include: Golf course(s), clubhouse facilities, meeting facilities and banquet facilities, pro shop, maintenance building and parking areas; Residential dwellings, including single-family detached, patio homes, town homes and duplex dwellings, any or all of which may be limited to occupancy by individuals over a specified age limit, to the extent permitted by law.

This zone is located in the northwestern portion of the Township, located east of the New Jersey Turnpike, north of Forsgate Drive, and on both sides of Links Drive.

*PRC - Planned Retirement Community District*

The Township has established the Planned Retirement Community District. Principle permitted uses in this zone include: Dwellings for owner-occupancy with the required recreational uses of at least one each; Golf course; Clubhouse, Swimming pool lake, and shuffleboard court; Motels shall not exceed 100 units of occupancy; Retail commercial center, designed as a neighborhood type which does not use more than 5% of the gross area of the overall PRC site; Riding stables and bridle paths subject to any conditions required by the Township of Monroe; Fire station or fire protection facilities; Administration, maintenance and security buildings.

This zone is located in the northwestern portion of the Township, located south of Forsgate Drive, west of Applegarth Road, and north of Prospect Plains Road.

*PRC-2 - Planned Retirement Community-Two*

The Township has established the Planned Retirement Community-Two District. Principle permitted uses in this zone includes: Dwellings for owner-occupancy and the following required recreational uses, at least one of each: Clubhouse, Swimming pool, Lake, Shuffleboard court, Tennis court, and Medical facility.

This zone is located in the north, northwestern, southern and northeastern portions of the Township. The area located to the northern most portion of the Township, is located south of Rhode Hall and to the east of Cranbury south River Road. Northwestern areas are located to the north and south of Half Acre Road, and to the south of Prospect Plains Road, and two of these zones are located on the northbound side of Applegarth Road. The area located in the southern-most portion is south of state Highway 33. The areas located on the northeastern section are located on the southbound portion of Spotswood Englishtown Road.

*PRC-3 - Planned Retirement Community-Three*

The Township has established the Planned Retirement Community-Three District. Principle permitted uses in this zone includes: Dwellings for owner-occupancy; and The following required recreational uses, at least one of each: Clubhouse, Swimming pool Shuffleboard, or bocce court, Tennis court, and A nurses station room.

This zone is located on the western portion of the Township. The first site is located north of Cranbury Station Road. The second site is located north of Halsey Reed Road, and to the west of Applegarth Road.

Certain zones in the Monroe **do not permit residential uses** at all, as summarized below:

*PO/CD - Planned Office Commercial Development*

The Township has established the Planned Office Commercial Development District. Principle permitted uses in this zone include: Professional office and related uses such as: Corporate offices and executive centers, Data processing facilities, Computer centers, Medical offices and clinical laboratories, Retail pharmacies, Banks and other fiduciary institutions, Law and accounting offices, Office-type research; Municipal utilities and services; Restaurants, excluding fast-food take-out facilities and drive-up service windows; Sports and health facilities; Tennis centers; Racquetball centers; and Health spas.

This zone is located on the western portion of the Township, along Applegarth Road between Cranbury Station Road and Forsgate Drive.

*OP - Office Professional*

The Township has established the Office Professional District. Principle permitted uses in this zone includes: Law and accounting; Engineering and other licensed professional; Real estate; Medical; Data processing; Banks and other fiduciary institutions; Insurance; Management and advertising; and Research laboratories.

This zone is located on the western side of the Township in the are between the New Jersey Turnpike and North Half Acre Road.

*CC - Community Commercial District*

The Township has established the Community Commercial District. Principle permitted uses in this zone include: Retail stores serving local and community-wide needs; Personal service establishments, such as barber and beauty shops, tailors, minor repairs of electronics, shoes and similar consumer goods, but excluding tattoo parlors and similar establishments; Outlets and pick-up stations for laundry and dry cleaners; Fully enclosed eating and drinking establishments, excluding fast-food drive-ins and drive-throughs; Banks and lending institutions, excluding check cashing establishments; and Business, professional and medical offices.

This zone is located on the western side of the Township, located on the north bound side of Applegarth Road and south of Federal Road.

*HD - Highway Development*

The Township has established the Highway Development District. Principle permitted uses in this zone include: Business and professional offices, corporate centers including facilities used for business, professional and corporate training, education or other similar services; Theaters and other fully enclosed commercial entertainment establishments; Regional shopping centers; New auto sales and showroom establishments; Fully enclosed establishments for the sale and repair of machinery and equipment; Wholesale, distributive and storage establishments; Data processing and computer centers; Fully enclosed restaurants; Medical offices and clinical laboratories; Banks and other fiduciary institutions; Law and accounting offices; Hotels, motels, convention centers; and Highway development parks.

This zone is located in the southern portion of the Township, mostly north of Route 33, with four(4) areas located to the south of Route 33.

*NC - Neighborhood Commercial*

The Township has established the Neighborhood Commercial District. Principle permitted uses in this zone include: Retail stores of a neighborhood or daily-needs type; Personal service establishments; Outlets and pickup stations for laundry or dry cleaners; Fully enclosed eating and drinking establishments; Banks; Business and professional offices; and Municipal utilities.

This zone is located in clusters along the northern parts of the Township. The first area is located on the northbound side of Bordentown Turnpike. The second area is located to the north and south of Lower Matchpoinx Avenue. The third, fourth and fifth areas are all located on Spotswood Englishtown Road. The last area is located on both the north and southbound side of Englishtown Road, located on the eastern most portion of the town.

*LI – Light Industrial District*

The Township has established the Light Industrial District. Principle permitted uses in this zone include: Assembly and finishing of materials or products; Fully enclosed wholesale,

distributive or storage establishments, but excluding retail sales; Research laboratories subject; Data processing and computer centers; Business and professional offices including facilities used for business, professional and corporate training, education or other similar services; and Agricultural activities.

This zone is located on the western portion of the town. The first area is located on the southbound side of the New Jersey Turnpike, bordering South Brunswick. The second area is located on the northbound side of Applegarth Road, and the southbound side of North Half Acre Road. The last area is located on the southbound side of Applegarth Road.

#### *ASOZ - Airport Safety Overlay Zone*

The Township has established an Airport Safety Overlay Zone. The Airport Safety Overlay Zone is established in conformance with the general requirements and provisions of the Air Safety and Hazardous Zoning Act of 1983 Chapter 62 (N.J.S.A. 27:1-61 et seq.) and in accordance with N.J.A.C. 16:62 (16 N.J.R. 977-83, 17 N.J.R. November 4, 1985, 2673-2674) and N.J.A.C. 16:62 (21 N.J.R. 1378 May 15, 1989). The location of the Old Bridge Airport, adjacent to Monroe Township, requires the establishment of an Airport Safety Zone, including runway subzones, runway end zones and clear zones, pursuant to N.J.A.C. 16:62 et seq. Permitted uses shall be as listed in the existing Neighborhood Commercial District and in conformance with the height regulations. Permitted conditional non-conforming uses include: A preexisting structure or use located in a clear zone and not in conformance with the standards of the chapter shall be classified as nonconforming; Variances. No variance, subdivision or other relief from the standards promulgated by or under N.J.A.C. 16:62-2 within the Airport Safety Overlay Zone may be granted by the Township.

This zone is located on the eastern most portion of the town. This is located to the north and south of Union Hill Road, just southwest of the Old Bridge Airport.

#### **Consistency with the State Plan**

This housing element is consistent with the plans and policies of the New Jersey State Development and Redevelopment Plan (SDRP). The Township is located within four (4) Planning Areas:

- The PA 1 – Metropolitan Planning Area is intended to: provide for much of the state's future growth in compact development and redevelopment; revitalize cities towns and neighborhoods, and in particular overburdened neighborhoods; address existing legacy issues such as air pollution, urban heat islands, lead contamination, Brownfields, urban highways, and combined sewer systems; prevent displacement and gentrification; promote growth that occurs in Centers, other appropriate areas that are pedestrian friendly, and in compact transit-oriented forms; rebalance with natural systems; promote increased biodiversity and habitat restoration; stabilize and enhance older inner ring suburbs; redesign and revitalize auto oriented areas; and protect and enhance the character of existing stable communities.



- The PA 2 -Suburban Planning area is intended to: provide for a portion of the state's future growth in compact development and redevelopment in Centers and other appropriate areas; promote walkability and multi-modal transportation options; protect and enhance the character of existing stable communities; protect and enhance natural resources and promote increased biodiversity, reforestation and habitat restoration; redesign auto-oriented areas and promote traffic calming and other forms of pedestrian counter measures; reverse any further sprawl development, including warehouse sprawl; and revitalize and enhance towns and other traditional settlements.
- The PA 4 – Rural Planning Area is intended to: maintain the Environs as large contiguous areas of farmland, open space, and forested areas; enhance habitats and sensitive lands; accommodate growth in Centers; reverse auto-oriented patterns of development; promote a viable agricultural or forestry industry; revitalize cities, towns, and other traditional settlements; protect, enhance, and diversify the existing character and agricultural economy of stable communities; and confine programmed sewers and public water services to Centers, except where public health is at stake.
- The PA 5 – Environmental Sensitive Planning Area is intended to: protect environmental resources; protect both large and small contiguous areas of land; promote restoring habitats and bio-diversity; accommodate growth only in Centers; confining programmed sewers and public water services to Centers; revitalize cities, towns, and older traditional settlements; and protect, enhance, and diversify the existing character of stable communities.

The Township's Master Plan, Zoning Ordinance, and other planning documents take care to ensure that development is permitted in ways that are consistence with the State Plan and sensitive nature of certain areas located within the Township.

Monroe's planning documents are consistent with the State's goals for Stormwater Management, including the Stormwater Pollution Prevention Plan and a Municipal Stormwater Management Plan. Municipal goals to implement stormwater management within these plans include but are not limited to reducing flood damage, minimizing stormwater runoff, maintaining groundwater recharge, minimizing pollutants in stormwater runoff. The Stormwater Management Plan includes water quality assessment locations, groundwater recharge areas, wetland and water land uses locations, and FEMA Flood map. The Stormwater Management Plan outlines strategies to implement stormwater management including public outreach methods and education programs, new development and redevelopment programs, ordinances, street sweeping, MS4 infrastructure, Municipal Maintenance yards and other similar operations, training, MS4 Mapping, and a Watershed Improvement Plan.



Monroe Township manages a 12-fleet bus service for use by disabled residents and those aged 55 or older for transportation to routine medical appointments as well as designated shopping locations. Additionally, the Township's Transportation Office offers Freehold "Out of Town Shuttle" buses, which transport residents, regardless of age, to various shopping locations. The Transportation services provided by the Township are free to residents.

## FAIR SHARE PLAN

### Fair Share Obligation Summary

The Fourth Round (2025-2035) housing obligation is based upon the figures calculated in the NJ Department of Community Affairs Affordable Housing Obligations for the 2025-2035 (Fourth Round) Methodology. The Township's housing obligation is outlined in Table 23 below:

**TABLE 23: FAIR SHARE OBLIGATION SUMMARY**

Obligation Component	Number of Credits Required
Present Need	76
Prior Round Obligation (1987-1999)	554
Third Round "Gap" and Prospective Need (1999-2025)	1,133
Fourth Round Prospective Need (2025-2035)	460

The following sections outline the Township's plan for complying with its Fair Share Obligation.

### Satisfaction of the Township's Rehabilitation/Present Need Obligation

The Township's 2025-2035 rehabilitation obligation is 76 units. The Monroe Township Housing Board administers the Township's Rehabilitation program, in which up to \$100,000 per unit may be available for improvements to eligible owner and renter occupied units. The Township anticipates rehabilitating seven (7) units each year for the first 10 years of the Fourth Round, and six (6) units for the final year of the Fourth Round. The operating manual for the Township's Rehab Program can be found herein in Appendix B.

### Prior Round Obligation (1987-1999)

The Township had a prior obligation of 554 units, which the Township met through the following mechanisms, resulting in a total of 556 credits, for a two (2) credit surplus to be used in future housing obligations:

**TABLE 24: PRIOR ROUND OBLIGATION SUMMARY**

Affordable Housing Mechanism	Units	Bonus Credits	Total Credits
ARC Prospect Plains-Cranbury Rd Alt. Living	5	5	10
ARC Monmouth Road Alternative Living	3	-	3
ARC Schoolhouse Road Alternative Living	3	-	3
Monroe Manor Inclusionary Development	127	25	152
Stratford at Monroe Inclusionary Develop	205	68	273
RCA with New Brunswick	115	-	115
<b>Total</b>	<b>458</b>	<b>98</b>	<b>556</b>

### Third Round Obligation (1999-2025)

The Township had a Third Round obligation of 1,133 units, which it met through the following mechanisms:

**TABLE 25: THIRD ROUND COMPLIANCE SUMMARY**

<b>Affordable Housing Mechanism</b>	<b>Affordable Family Rental</b>	<b>Affordable Age-Restricted Rental</b>	<b>Rental bonus</b>	<b>Total Credits</b>	<b>Affordable Very-Low Income Rental</b>
Toll Brothers/Monroe Chase Sarlo Conversion Inclusionary Development	-	-	26	52	-
K. Hovnanian Sarlo Conversion Municipally Sponsored/100% Affordable Housing (15% Very Low)	37	-	37	74	6
VC-2 Overlay Zone: Shared Properties I Inclusionary Development	47	-	47	94	6
VC-1 Overlay Zone: JSM Mounts Mills Celebrations Court Settlement Inclusionary Development	-	66	9	66	9
VC-1 Overlay Zone: JSM Mounts Mills Celebrations Court Settlement 100% Affordable (15% Very Low)	100	-	51	151	15
AFMUD/HD Overlay Zone: JSM Route 33 North Court Settlement Inclusionary Development	-	131	-	131	17
AFMUD/HD Overlay Zone: JSM Route 33 North Court Settlement 100% Affordable (15% Very Low)	171	-	51	222	26
PRD-AH-AR Zone to be changed to R-ARAF Zone: Countryside Inclusionary Development	-	53	-	53	7
New HD-R-AH Zone to be created: Monroe 33 Developers Inclusionary Development	56	-	-	56	4
New POCD-AR-AH Zone to be created: JSM Applegarth Inclusionary Development	-	33	-	33	4
New MU-HD-R-AH Zone to be created: JSM Route 33 South Inclusionary Development	113	-	71	184	15
<b>Total</b>	<b>567</b>	<b>283</b>	<b>283</b>	<b>1,133</b>	<b>118</b>

#### *Toll Brothers/Monroe Chase Sarlo Conversion Inclusionary Development*

This development consists of Block 14, Lots 12.01 and 13. The Toll Brother/Monroe Chase project is the result of the Sarlo Act that permitted the conversion of an approved, but not built, age-restricted housing developments. In this case the project was originally known as Southfield Grand. This original project that was converted was the result of a use variance for permitting 130 age-restricted units in the R60 Residential zone. The conversion

development consists of a total of 130 dwelling units of which 26 are affordable family rental units and 104 are market-rate non-age-restricted units.

*K. Hovnanian Sarlo Conversion Municipally Sponsored/100% Affordable Housing Development*

This development consists of Block 25, Lots 1 and 25, Block 41, Lot 14 and Block 40, Lots 2.02, 3, 4.01 and 5.01. The K. Hovnanian at Monroe NJ project was originally a housing development approved for 348 age-restricted dwelling units. The project was approved for a Sarlo conversion to yield 278 non-age-restricted units (146 units restricted to no more than two-bedrooms per unit and 132 unrestricted units) and the dedication of about 25 acres of land for a municipally sponsored 100% affordable housing development and a park. K. Hovnanian agreed to extend public water and sanitary sewers to the affordable housing site, make earthwork improvements to ready the site for future affordable housing development and make certain improvements to create a park.

*Existing VC-2 Village Center 2 Overlay Zone Shared Properties / Inclusionary Development*

The VC-2 Overlay Zone was created for a portion of the HD Highway Development Zone that is located along the eastern side of Applegarth Road and the northern side of Route 33 to the Millstone River to the north. This development consists of Block 4, Lots 9, 13.08, 13.09 and 13.10. A use variance and preliminary and final site plan and subdivision approval was granted for a total of 186 dwelling units of which 47 are affordable family rental units and 139 market-rate units. The use variance was required because the property did not meet the 75 acre minimum required for the overlay zone.

*Existing VC-1 Village Center 1 Overlay Zone JSM Mounts Mills Celebrations Court Settlement Inclusionary Development*

The VC-1 Overlay Zone was created to provide for mixed-use residential and commercial development with affordable housing. This development consists of Block 35, Lot 1, Block 53, Lot 24 and Block 54, Lots 3 and 4. The JSM Mounts Mills Celebrations project received preliminary and final approval following a court settlement to provide for a total of 522 dwelling units of which 66 are affordable age-restricted rental units and 456 are non-age-restricted market-rate units. As the result of further negotiations with JSM, this inclusionary development will become part of a “global” inclusionary development that includes all JSM projects.

*Existing VC-1 Village Center 1 Overlay Zone JSM Mounts Mills Celebrations Court Settlement 100% Affordable Housing*

As part of the court settlement for the JSM project as described above, JSM is required to transfer to Monroe Township 5 acres of buildable land for the development of a 100% affordable housing development consisting of 100 affordable family rental units of which 15 units (15%) will be for very low-income households.

*Existing AFMUD/HD Affordable Housing Mixed Use Development/Highway Development Overlay Zone: JSM Route 33 North Court Settlement Inclusionary Development*

Monroe Township created the AFMUD/HD Overlay Zone to provide for mixed-use development that includes affordable housing in the southern portion of the municipality along Route 33. This development consists of Block 6, Lots 12.06, 13.01, 14.01, 15.01, 16.01, 23.01 and 27.01. As part of a court settlement with JSM a total of 749 dwelling units of which 131 are affordable age restricted rental units and 618 are non-age-restricted market-rate units.

*Existing AFMUD/HD Affordable Housing Mixed Use Development/Highway Development Overlay Zone: JSM Route 33 North Court Settlement 100% Affordable Housing*

As part of the court settlement for the JSM project described above, JSM is required to transfer to Monroe Township 10 acres of buildable land for a 100% affordable housing development. Through negotiations JSM has agreed to construct 171 affordable family rental units, of which 51 26 units (15%) will be for very low-income households, as part of a “global” inclusionary development that includes all JSM projects as well as this one.

*Portion of Existing PRD-AH-AR Planned Residential Development-Affordable Housing-Age Restricted District to be changed to R-ARAF Residential-Age-Restricted Affordable Housing Zone: Countryside Inclusionary Development*

This development consists of Block 36, Lots 1.09, 3, 6, 9.01, 9.02 and 11.01. Of the 53 affordable age-restricted multi-family rental units, 7 (13%) will be provided to very low-income households. The market-rate units will be restricted to no more than two bedrooms per unit with recreational amenities such a bocce ball and pickleball.

*New HD-R-AH Highway Commercial-Residential-Affordable Housing Zone to be created: Monroe 33 Developers Inclusionary Development*

This development consists of Block 1.14, Lot 13.02. This overlay contains about 32.9 acres, from HD Highway Development to one that permits an inclusionary multi-family development. Of the 30 affordable age-restricted multi-family rental units, 4 (13%) will be provided to very low-income households.

*New POCD-AR-AH Planned Office Commercial District-Age-Restricted-Affordable Housing Zone to be created: JSM Applegarth Inclusionary Development*

This development consists of Block 25, Lots 2.10, 2.11, 2.12, 2.13 and 2.14. Of the 33 affordable age-restricted multi-family rental units, 4 (13%) will be provided to very low-income households. Appendix l contains the proposed POCD-AR-AH zone. As indicated in other sub-sections describing JSM participation in providing affordable housing, all JSM projects will become part of a “global” inclusionary development including this one.

*New MU-HD-R-AH Mixed Use-Highway Development-Residential-Affordable Housing Zone to be created: JSM Route 33 South Inclusionary Development*

This development consists of Block 3, Lots 12.01, 13, 14, 26 and 27. Of the 113 affordable multi-family rental units, 15 will be provided to very low-income households. Appendix m contains the proposed MU-HD-R-AH zone. As indicated above all JSM projects will become part of a “global” inclusionary development including this one. The JSM Route 33 South

development sequencing will be linked to the development of the 100% affordable housing development in the AFMUD/HD JSM Route 33 North property

#### **Fourth Round Obligation**

The Township's Fourth Round obligation is 460 units. Monroe proposes to address this obligation through the following compliance mechanisms:

**TABLE 2626: FOURTH ROUND COMPLIANCE SUMMARY**

<b>Affordable Housing Mechanism</b>	<b>Affordable Units</b>	<b>Bonus Credits</b>	<b>Total Credits</b>
<b><i>Existing Units</i></b>			
Monroe Township - Valor Pointe	43	43	86
Cranbury Care Center	70	5	75
Group Homes	37	37	74
Roclene Manor	44		44
Jamesburg Manor	43		43
Waterside Villas	13		13
<b><i>New Development</i></b>			
Monroe Township	30	30	60
JSM	65		65
<b>Total</b>	<b>345</b>	<b>115</b>	<b>460</b>

#### ***Existing Units***

##### *Cranbury Care Center*

Cranbury Care Center is a nursing home located at Block 25, Lot 3.01 on approximately 8 acres. The project is located on the southbound side of Applegarth Road. The Township seeks to take credit for 70 beds, as well as five (5) bonus credits for senior housing.

##### *Valor Pointe*

Valor Pointe is veterans housing, located at Block 41, Lot 14 on approximately 1.5 acres. The project is located on the westbound side of Cranbury-Half Acre Road. During Round Three, there were an additional 43 units the Township did not seek credit for. The Township is now seeking to take credit for those 43 rental units, as well as an additional 43 bonus credits for a 100% affordable project.

##### *Group Homes*

Monroe seeks to take credit for 37 group homes in the Fourth Round, as well as 37 bonus credits for special needs or permanent supportive housing.

##### *Roclene Manor*

Roclene is a residential health facility, located at Block 60, Lot 15.01 on approximately 1.41 acres. The project is located on the southbound side of Buckelew Avenue. The Township seeks to take credit for 44 rental units.

#### *Jamesburg Manor*

Jamesburg Manor is a residential health facility, located at Block 76, Lot 23.04 on approximately 1 acre. The project is located on the southbound side of Spotswood Englishtown Road. The Township seeks to take credit for 43 rental units.

#### *Waterside Villas*

Waterside Villas is located at Block 27, Lot 9.04 on approximately 6.7 acres. The project is located on Waterside Boulevard. The Township seeks to take credit for 13 senior rental units.

### **New Construction**

Two (2) new construction sites will provide additional affordable housing credits for the Township of Monroe:

#### *Monroe Township*

The project is a municipally sponsored 100% affordable housing project located at the former Meadowview Care Center on Spotswood Gravel Hill Road, consisting of Block 62, Lot 3.05. This project will be developed by Project Freedom to construct 30 rentals for seniors with disabilities, with a 25% set aside for wheelchair users. The site is available and developable. The site is located within the sewer service area and has access to public water. The site is available and developable. The Township will also seek an additional 30 bonus credits for a 100% affordable project.

#### *JSM*

This project will consist of a total of 223 units. The 65 affordable units will be located Block 25, Lot 2.16, on the southbound side of Applegarth Road. The site is available and developable. The site is located within the sewer service area and has access to public water. The 158 market rate units will be located off-site, in another location.

### **Bonus Credit**

In the Fourth Round, one for one bonus credits are available for Special Needs/Permanent Supportive Housing. The Township is seeking bonus credits for the Valor Point, Cranbury Care Center, existing Group Homes, and the new Project Freedom project.

Bonus credits can be used for a maximum of 25% of the total obligation, allowing Monroe Township to take credit for 115 bonus credits.

## **APPENDICES**



## **Appendix A. Spending Plan**

**MONROE TOWNSHIP**  
**AFFORDABLE HOUSING TRUST FUND SPENDING PLAN**  
**June 2025**

The Township of Monroe has a history of compliance with its Mount Laurel affordable housing obligation and has previously implemented all necessary ordinances for establishing an affordable housing trust fund financed through the collection of mandatory development fees to assist in accomplishing the provision of affordable housing.

The Township has prepared a Fourth Round Housing Element and Fair Share Plan that advances a comprehensive strategy for meeting its regional share of affordable housing need in accordance with the intent of the Municipal Land Use Law (N.J.S.A. 40:55D-1 et seq.) and the Fair Housing Act (N.J.S.A. 52:27D-301), and in accordance with the procedural and substantive requirements of N.J.A.C. 5:93-1 et seq. and N.J.A.C. 5:91-1 et seq. The Township has actively participated in the Fourth Round compliance process.

The Township's existing development fee ordinance, codified as Chapter 131A of the Township's General Legislation, most recently revised in 2017, will be updated and continue to require and regulate the collection of residential and non-residential development fees as revenue for the Township's affordable housing trust fund. The sections below outline the Township's plan for the administration and use of collected development fee revenues as per the requirements of N.J.A.C. 5:93-5.1(c).

**I. Projected Revenues 2025 through 2035**

A projection of anticipated revenues to be collected during the tenure of the Fourth Round has been calculated based on historical annualized trends in the amount of development fees collected to date.

As of December 31, 2024, the Township had collected \$8,777,885.91 in development fees for the year 2024. The Township of Monroe projects a total of \$7,910,217.89 in revenue and interest to be collected from January 1, 2025, to December 31, 2035. This projected amount, when added to the trust fund balance from December 31, 2024, results in an anticipated total revenue of \$16,688,103.80 available to fund and administer the Township's affordable housing plan and programs. All interest earned on the account shall accrue to the account and be used only for the purposes of affordable housing. See the Projected Revenues Table, appended to the end of this Spending Plan.

**II. Administrative Mechanisms for Collecting and Distributing Revenues**

The Township's Development Fee Ordinance is recorded in Chapter 131A, Subsections 1 through 10 of Monroe's General Ordinance. Procedures for collection, administration, and distribution of development fees as affordable housing trust fund revenues are fully established in this section. The Township's ordinance complies with P.L. 2008, c.46 section

8 (C. 52:27D-329.2) and the Statewide Non-Residential Development Fee Act (C. 40:55D-8.1 through 8.7).

The Development Fee Ordinance covers the following general topics:

1. Determination of residential development fees;
2. Determination of non-residential development fees;
3. Fee collection procedures;
4. Operation of the affordable housing trust fund;
5. Permitted uses of funds;
6. Monitoring; and
7. Ongoing collection of fees as related to affordable housing compliance.

All development fees are deposited in a separate affordable housing trust fund. Per stipulations in the Development Fee Ordinance the account and the record of distribution of funds is maintained by the Township's Chief Financial Officer.

### **III. Anticipated Use of Development Fees**

As per the Township's ordinance, development fees shall be used for the sole purpose of providing low- and moderate-income housing. Funding mechanisms can be set up as a grant or revolving loan program to cover costs associated activities including, but not limited to, the following:

1. Preservation or purchase of housing for maintaining or implementing affordability controls;
2. Rehabilitation grants;
3. New construction of affordable housing units and related costs;
4. Implementing accessory apartment, market to affordable, or regional housing partnership programs;
5. Conversion of existing non-residential buildings to create new affordable units;
6. Green building strategies designed to be cost saving and in accordance with accepted national or State standards;
7. Purchase of land or improvement of land to be used for affordable housing;
8. Extensions or improvements of roads and infrastructure to affordable housing sites;
9. Financial assistance designed to increase affordability; and
10. Administration necessary for implementation of the Housing Element and Fair Share Plan.

#### **(A) Anticipated Rehabilitation and New Projects**

##### ***Rehabilitation***

The Township anticipates dedicating \$7,600,000 to its rehabilitation program. As discussed in the Housing Element and Fair Share Plan, Monroe has a rehabilitation present need obligation of 76 units. To address this need, the Township plans to

provide eligible households with the equivalent grant funding to meet this obligation at an estimated cost of \$100,000 per grant. The Township anticipates rehabilitating an average of 7 units per year for the first ten (10) years of the Fourth Round, and six (6) units in 2035 to satisfy its rehabilitation obligation. See the Projected Expenditures table appended to the end of this spending plan for a yearly breakdown of rehabilitation program expenditures.

#### **(B) Affordability Assistance Requirement**

The Township anticipates dedicating \$5,390,000.00 to its affordability assistance program.

As per the requirements of N.J.A.C. 5:93-8.16, at least thirty (30%) percent of all development fees and interest earned shall be used to provide low- and moderate-income households in affordable units with affordability assistance. One-third of the required affordability assistance shall specifically be used to provide affordability assistance to very low-income households (i.e. those households earning thirty percent or less of regional median income).

The projected minimum affordability assistance requirement through 2035 is calculated as follows:

**Table 1. Minimum Affordability Assistance**

Trust fund balance as of 12/31/24	\$8,777,885.91
Projected development fees plus interest, 2025 - 2035	\$7,910,217.89
<b>PROJECTED TOTAL</b>	<b>\$16,688,103.80</b>
Projected minimum affordability assistance requirement (30%)	\$ 5,006,431.14
Projected minimum required for very low-income households (1/3 of total affordability assistance)	\$ 1,668,810.38

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.

Affordability assistance to households earning thirty (30%) percent or less of median income may further include buying down the cost of low- or moderate-income units in the municipal Fair Share Plan to make them affordable to households earning thirty (30%) percent or less of median income.

### **(C) Administrative Expenses**

Monroe Township may contract with a private or public entity to administer any part of its Housing Element and Fair Share Plan. Also in accordance with N.J.A.C. 5:93-8.16, the Township can use up to twenty (20%) percent of all revenues collected from development fees on administration, including, but not limited to, salaries and benefits for municipal employees or consultant fees necessary to develop or implement a new construction program, rehabilitation program, a Housing Element and Fair Share Plan, an affirmative marketing program, income qualification of households, monitoring the turnover of sale and rental units, and/or compliance with monitoring requirements.

The projected maximum administrative expenditures through 2035 is calculated as follows:

**Table 2. Maximum Administrative Expenditures**

Trust fund balance as of 12/31/24	\$8,777,885.91
Projected development fees plus interest, 2025 - 2035	\$7,910,217.89
<b>PROJECTED TOTAL</b>	<b>\$16,688,103.80</b>
Projected maximum administrative expenditures (20%)	\$ 3,337,620.76

### **IV. Schedule for New or Rehabilitated Housing Units**

The schedule for new or rehabilitated housing units is documented by year in the Projected Expenditures table attached to this Spending Plan.

### **V. Expenditure Schedule**

The schedule for expenditures by year can be found in Table 3 attached to this Spending Plan.

### **VI. Excess of Funds**

In the event that more funds than anticipated are collected, these excess funds will be used to fund additional rehabilitation and/or affordability assistance programs.

### **VII. Barrier Free Escrow**

Collection and distribution of barrier free funds shall be consistent with the Township's Affordable Housing Ordinance in accordance with N.J.A.C. 5:97-8.5. A process describing the collection and distribution procedures for barrier free escrow funds pursuant to N.J.A.C. 5:97-8.5 is detailed within the Affordable Housing Ordinance.

**VIII. In Sum**

Monroe has prepared this Spending Plan in support of the implementation of its Fourth Round Housing Element and Fair Share plan, and in accordance with the administrative requirements of N.J.A.C. 5:93-1 et seq. The Township has a balance of \$8,777,885.91 as of December 31, 2024 and anticipates an additional \$7,910,217.89 in revenues, including interest, by December 31, 2035 for a total of \$16,688,103.80. The Spending Plan represents the Township's intended use of development fee revenues that are collected in its Housing Trust Fund, illustrating how the Township will use these funds to provide for its fair share of regional affordable housing need. This will leave a balance of \$360,603.80, which the Township will reserve in the event that an additional affordable housing project becomes necessary. The Spending Plan represents the Township's intended use of development fee revenues that are collected in its Housing Trust Fund, illustrating how the Township will use these funds to provide for its fair share of regional affordable housing need.



## **Appendix B. Rehab Operating Manual**



# Monroe Township Operating Manual



For the Administration of  
Rehabilitation Units



Prepared by Center State Engineering



481 Spotswood Englishtown Road, Monroe Township, New Jersey 08831  
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## INTRODUCTION

This Rehabilitation Program Operating Manual has been prepared to assist in the administration of the Monroe Township Rehabilitation Program. It will serve as a guide to the program staff and applicants.

This manual describes the basic content and operation of the program, examines program purposes and provides the guidelines for implementing the program. It has been prepared with a flexible format allowing for periodic updates of its sections, when required, due to revisions in regulations and/or procedures.

This manual explains the steps in the rehabilitation process. It describes the eligibility requirements for participation in the program, program criteria, funding terms and conditions, cost estimating, contract payments, record keeping and overall program administration.

The following represents the procedures developed to offer an applicant the opportunity to apply to the program.

### A. Fair Housing and Equal Housing Opportunities



It is unlawful to discriminate against any person making application to participate in the rehabilitation program or rent a unit with regard to race, creed, color, national origin, ancestry, age, marital status, affectional or sexual orientation, familial status, disability, nationality, sex, gender identity or expression or source of lawful income used for mortgage or rental payments.

For more information on discrimination or if anyone feels they are a victim of discrimination, please contact the New Jersey Division on Civil Rights at 1-866-405-3050 or <http://www.state.nj.us/lps/dcr/index.html>.

## SECTION I. ELIGIBLE PARTICIPANTS

### A. Categories of Participants

Both owner-occupied and renter-occupied housing units are eligible to receive funding for rehabilitation provided that the occupants of the units are determined to be low- or moderate-income households and that the units are determined to be substandard. Owners of rental properties do not have to be low- or moderate-income households. If a structure contains two or more units and an owner, who is not income eligible, occupies one unit funding may be provided for the rehabilitation of the rest of the units if income-eligible households occupy those units. Rents must be affordable to low- or moderate-income households.



## **B. Income Limits for Participation**

The occupants of the units must have incomes that fall within the income guidelines established for Middlesex County by the Council on Affordable Housing (COAH). These limits are revised annually as COAH figures become available and can be found in Appendix A.

For owner-occupied units, the carrying costs of the unit (taxes, mortgage, insurance, *[including the rehabilitation repayment mortgage]*) should meet COAH criteria (less than 33% of gross income for families, less than 40% of gross income for seniors).

## **C. Program Area**

This is a municipal-wide program. The rehabilitation property must be located in Monroe Township.

## **D. Certification of Substandard**

The purpose of the program is to bring substandard housing up to code. Substandard units are those units requiring repair or replacement of at least one major system. A major system is any one of the following:

1. Roof
2. Plumbing (including wells)
3. Heating
4. Electrical
5. Sanitary plumbing (including septic systems)
6. Load bearing structural systems
7. Lead paint abatement
8. Weatherization (building insulation for attic, exterior walls and crawl space, siding to improve energy efficiency, replacement storm windows and storm doors and replacement windows and doors)

Code violations will be determined by an inspection conducted by a licensed inspector.

## **SECTION II. AVAILABLE BENEFITS**

### **A. Program Financing**

Up to \$100,000.00 per unit may be available for improvements to eligible owner-occupied and renter-occupied units.

### **B. Program Affordability Controls**

Ten-year controls on affordability on both owner-occupied units and rental units are required.



### **C. Owner-occupied Affordability Controls**

On owner-occupied units, the controls on affordability may be in the form of a lien.

### **D. Renter-occupied Affordability Controls**

For rental units, the controls on affordability shall be in the form of a deed restriction and may also include a lien. If a unit is vacant upon initial rental subsequent to rehabilitation, or if a renter-occupied unit is re-rented prior to the end of controls on affordability, the deed restriction shall require the unit to be rented to a low- or moderate- income household at an affordable price and affirmatively marketed pursuant to the N.J.A.C. 5:94-7. Rents in rehabilitated units may increase annually based on the standards in N.J.A.C. 5:94-7.

## **SECTION III. ELIGIBLE PROPERTY IMPROVEMENTS**

### **A. Eligible Improvements**

Housing rehabilitation funds may be used only for repairs or system replacements necessary to bring a substandard unit into compliance with municipal health, safety and building codes, applicable code violations, as well as any other cosmetic work that is reasonable and deemed necessary or is related to the necessary repairs.

At least one major system must be replaced or included in the repairs, which include one of the following:

- Roof
- Plumbing (including wells)
- Heating
- Electrical
- Sanitary plumbing (including septic systems)
- Load bearing structural systems
- Lead paint abatement
- Weatherization (building insulation for attic, exterior walls and crawl space, siding to improve energy efficiency, replacement storm windows and storm doors and replacement windows and doors)

The related work may include, but not be limited to the following:

- Interior trim work,
- Interior and/or exterior doors
- Interior and/or exterior hardware
- Window treatment
- Interior stair repair



- Exterior step repair or replacement
- Porch repair
- Wall surface repair
- Painting
- Exterior rain carrying system repair

## **B. Ineligible Improvements**

Work not eligible for program funding includes but is not limited to luxury improvements (improvements which are strictly cosmetic), additions, conversions (basement, garage, porch, attic, etc.), repairs to structures separate from the living units (detached garage, shed, barn, etc.), furnishings, pools and landscaping. If determined unsafe, stoves may be replaced. The replacement or repair of other appliances is prohibited. Rehabilitation work performed by property owners shall not be funded under this program.

## **C. Rehabilitation Standards**

Upon rehabilitation, housing deficiencies shall be corrected and the unit shall comply with the New Jersey State Housing Code, N.J.A.C. 5:28. For construction projects that require the issuance of a construction permit pursuant to the Uniform Construction Code, the unit must also comply with the requirements of the Rehabilitation Subcode (N.J.A.C. 5:23-6). In these instances, the more restrictive requirements of the New Jersey State Housing Code or the Rehabilitation Subcode shall apply. For projects that require construction permits, the rehabilitated unit shall be considered complete at the date of final approval pursuant to the Uniform Construction Code.

## **D. Certification of Standard**

All code deficiencies noted in the inspection report must be corrected and rehabilitated units must be in compliance with the standards proscribed in sub-section C above upon issuance of a certificate of completion or occupancy. The licensed inspector must certify any structure repaired in whole or in part with rehabilitation funds to be free of any code violations.

## **E. Emergency Repairs**

A situation relating to a safety and/or health hazard for the occupants would constitute an emergency. A municipal inspector will confirm the need for such work. In emergency cases, the formal solicitation process will not be followed. A minimum of three (3) estimates will be obtained when possible for the "emergency" work. However, eligibility, as stated in Section I, subsection B, must be determined prior to soliciting estimates. Application for additional non-emergency work may be made in accordance with the procedures outlined in this Operating Manual. The funding for the emergency work and any additional rehabilitation may not exceed the program financing provisions in Section II, sub-section A.



## SECTION IV. OVERVIEW OF ADMINISTRATIVE PROCEDURES

### A. Application/Interview

Property owners interested in participating in the housing rehabilitation program may submit preliminary applications to the program staff. Preliminary applications are available at the following locations:

*Monroe Township Municipal Building  
1 Municipal Plaza  
Monroe Township, NJ 08831  
732-521-4400  
Attn: Helga Stoessler*

Upon request, the program staff will mail a preliminary application to an interested property owner.

If after the program staff reviews a preliminary application an owner-occupant appears to be income eligible, an interview will be arranged with the applicant for a formal application to the program. At the time of the interview, the applicant must present required documentation. Applicants for rental rehabilitation funding must provide a list of tenants and the rents paid by each. The program staff will contact the tenants to provide evidence of income eligibility of the occupants of the units.

**Applications will be processed in the order of receipt.** Only emergency situations shall be handled out of the order of receipt.

### B. Income Eligibility and Program Certification

For the households seeking a determination of income eligibility, both owner-occupants and renter-occupants, all wage earners 18 years of age or older in the household must submit appropriate documentation to document the household income, as further described below.

Property owners of both owner-occupied and renter-occupied units must submit the following documentation:

- Copy of the deed to the property.
- Proof that property taxes and water and sewer bills are current.
- Proof of property insurance, including liability, fire and flood insurance where necessary.

If after review of the income documentation submitted an applicant is determined to be ineligible, the applicant will receive a letter delineating the reasons for the determination of ineligibility. An applicant may be determined ineligible if the applicant's or each tenants' income exceeds COAH income limits or, for owner occupied units, if the





carrying costs of the unit (taxes, mortgage, insurance [*including the rehabilitation repayment mortgage*]) exceed COAH's criteria (less than 33% of gross income for families, less than 40% of gross income for seniors).

The program staff will arrange for a title search of all properties entering the program.

After the initial interview and the program staff has substantiated that the occupant is income-eligible, and the title search is favorable, the Eligible Certification Form will be completed and signed.

Upon confirmation of income eligibility of the applicant or the applicant's tenants, the program staff will send a letter, including the Eligible Certification Form, to the applicant certifying the applicant's and or tenant's eligibility. Eligibility will remain valid for six months. If the applicant has not signed a contract for rehabilitation within six months of the date of the letter of certifying eligibility, the applicant will be required to reapply for certification.

### **C. Housing Inspection/Substandard Certification**

Once determined eligible, the program staff will arrange for a qualified, licensed, housing/building code inspector to inspect the entire residential property.

The licensed inspector will inspect the house, take photographs, and certify that at least one major system is substandard. All required repairs would be identified.

### **D. Ineligible Properties**

If after review of the property documentation submitted and the inspection report and/or work write-up an applicant's property is determined to be ineligible, the program staff will send a letter delineating the reasons for the determination of ineligibility. An applicant's property may be determined ineligible for any one of the following reasons:

- Title search is unfavorable.
- Property does not need sufficient repairs to meet eligibility requirements.
- Real estate taxes are in arrears.
- Proof of property insurance not submitted.
- Property is listed for sale.
- Property is in foreclosure.
- Total debt on the property will exceed the value of the property.

The municipality may disqualify properties requiring excessive repairs to meet municipal housing standards. The estimated or bid cost of repairs must exceed [*insert amount, at least 50*] percent of the estimated after-rehabilitation value of the property for the municipality to exclude the property

If after review of the property documentation submitted and the inspection report and/or work write-up an applicant's property is determined to be eligible, the inspector will then



certify that the dwelling is substandard by completing and signing the Certificate of Substandard Form and submitting this to the program staff.

### **E. Cost Estimate**

The program staff will prepare or cause to be prepared a Work Write-up and Cost Estimate. This estimate will include a breakdown of each major work item by category as well as by location in the house. It will contain information as to the scope and specifics on the materials to be used. A Cost Estimate will be computed and included within the program documentation. The program staff will review the Preliminary Work Write-up with the property owner.

Only required repairs to units occupied by income eligible households will be funded through the housing rehabilitation program. If the property owner desires work not fundable through the program, including work on an owner-occupied unit of a rental rehabilitation project, work on a non-eligible rental unit in a multi-unit building or improvements not covered by the program, such work may be added to the work write-up if the property owner provides funds to be deposited in the municipality's Housing Trust Fund prior to the commencement of the rehabilitation of the property equivalent to *(110 percent or a higher percentage)* of the estimated cost of the elective work. Such deposited funds not expended at the time of the issuance of a certificate of completion/occupancy will be returned to the property owner with accrued interest.

### **F. Contractor Bidding Negotiations**

After the unit and the unit occupant have been certified as eligible, the program staff will provide a list of approved, pre-qualified trade contractors for bidding. The property owner reviews this list and selects a minimum of three and a maximum of five contractors from whom to obtain bids. The program staff and property owner will then review these bids. The lowest responsible trade contractor shall then be selected. If the property owner wishes to use a contractor other than the lowest responsible bidder, the property owner shall pay the difference between the lowest bid price and the bid price of the selected contractor.

### **G. Contract Signing/Pre-Construction Conference**

Program staff will meet with the property owner to review all bids by the various trades. This review will include a Final Work Write-up and Cost Estimate. The Contractor Agreement will be prepared by the program staff, as well as the Property Rehabilitation Agreement covering all the required terms and conditions.

The program staff will then call a Pre-Construction Conference. Documents to be executed at the Pre-construction Conference include: Contractors Agreement(s), Right of Entry Document, a Restricted Covenant, Mortgage and Mortgage Note. The property owner, program staff representative, contractor and bank representative will execute the appropriate documents and copies will be provided as appropriate. A staff member will outline project procedures to which property owner must adhere. A Proceed to Work



Order, guaranteeing that the work will commence within fifteen (15) calendar days of the date of the conference and be totally completed within ninety (90) days from the start of work, will be issued to each contractor at this Conference.

## **H. Progress Inspections**

The program staff will make periodic inspections to monitor the progress of property improvements. This is necessary to ensure that the ongoing improvements are in accordance with the scope of work outlined in the work write-up. It is the contractor's responsibility to notify the Building Inspector before closing up walls on plumbing and electrical improvements.

## **I. Change Orders**

If it becomes apparent during the course of construction that additional repairs are necessary or the described repair needs to be amended, the program staff will have the qualified professional(s) inspect the areas in need of repair and prepare a change order describing the work to be done. The applicant and the contractor will review the change order with the program staff and agree on a price. Once all parties approve of the change order and agree on the price, they will sign documents amending the contract agreement to include the change order. Additionally, if the applicant is not funding the additional cost, new financing documents will be executed reflecting the increase.

## **J. Payment Schedule**

The contract will permit three progress payments if the project costs less than \$20,000 or four progress payments if the project costs more than \$20,000. For example: \$24,000 project has four payments, with the first payment of \$10,000 and the remaining payments are divided equally. First payment is made when the project is one-quarter completed. Second payment is made when the project is one-half completed. Third at three quarters completed. Fourth and final payment upon completion.

The contractor will submit a payment request. The applicant will sign a payment approval if both the applicant and housing/building inspector are satisfied with the work performed. The municipality will then release the payment.

Final payment will be released once all final inspections are made, a Certificate of Occupancy is issued (if applicable) and the program staff receives a Property Owner Sign-off letter.

The contractor's performance bond will be released within three (3) months after the final payment is made to the contractor.

## **K. Appeal Process**

If an applicant does not approve a payment that the housing/building inspector has approved, the disputed payment will be appealed to the municipality's Affordable





Housing Board for a hearing. The municipality's Affordable Housing Board will decide if the payment shall be released to the contractor or the contractor must complete additional work or correct work completed before the release of the payment. The municipality's Affordable Housing Board decision will be binding on both the applicant and the contractor

#### **L. Final Inspection**

Upon notification by the contractor that all work is complete and where required a Certificate of Occupancy has been issued, a final inspection shall be conducted and photographs taken. The program staff (or a representative), the property owner, and the necessary contractors shall be present at the final inspection to respond to any final punch list items.

#### **M. Record Restricted Covenant and Mortgage Documentation**

Program staff will file the executed Restricted Covenant and Mortgage with the County Clerk.

#### **N. File Closing**

After the final payment is made, the applicant's file will be closed by the program staff *[Insert if applicable: and submitted to the municipality upon termination of the program]*.

### **SECTION V. PROCEDURE FOR INCOME-ELIGIBILITY CERTIFICATION**

#### **A. Complete a Household Eligibility Determination Form**

The program staff shall require each member of an applicant household who is 18 years of age or older to provide documentation to verify their income, pursuant to the Uniform Housing Affordability Controls at N.J.A.C. 5:80-16.1 et seq. (except for the asset test).<sup>1</sup> Income verification documentation should include, 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

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<sup>1</sup> Asset Test – N.J.A.C. 5:80-26.16(b)3 which provides that if an applicant household owns a primary residence with no mortgage on the property valued at or above the regional asset limit as published annually by COAH, a certificate of eligibility shall be denied by the administrative agent, unless the applicant's existing monthly housing costs ...exceed 38 percent of the household's eligible monthly income.



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 -TANF<sup>2</sup> current award letter
  - Disability - Worker's compensation letter or
  - 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

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<sup>2</sup> TANF – Temporary Assistance for Needy Families



2. Alimony
3. Regularly scheduled overtime
4. Pensions
5. Social security
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 received under low-income energy assistance programs
2. Food stamps
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
9. Lump-sum additions to assets such as inheritances, lottery winnings, gifts, insurance settlements



10. Part-time income of dependents enrolled as full-time students

11. Court ordered payments for alimony or child support paid to another household shall be 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 reported to the IRS as a dependent who is enrolled in a degree seeking program for 12 or more credit hours per semester; and part-time income is income earned on less than a 35-hour workweek.

### ***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 shall be counted as income.

If an applicant owns real estate with mortgage debt, which is not to be used as rental housing, the Administrative Agent should determine the imputed interest from the value of the property. The Administrative Agent should 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.

## **B. Records Documenting 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





C. Certify the income eligibility of low- and moderate-income households by completing the application form. Provide the household with the original and keep a copy in the project files.

#### D. Appeals

Appeals from all decisions of an Administrative Agent shall be made in writing to the Executive Director of the Council on Affordable Housing (COAH), 101 South Broad Street, P.O. Box 813, Trenton, New Jersey 08615. The Executive Director's written decision, which shall be made within 15 days of receipt of an appeal, shall be a final administrative action of COAH.

### SECTION VI. CONTRACTOR RELATED PROCEDURES

#### A. Contractor Selection

Contractors must apply to the program staff to be placed on the pre-approved contractors list. Contractors seeking inclusion on the list must submit references from at least three recent general contracting jobs. Contractors also must submit documentation proving financial stability and the ability to obtain performance bonds, as performance bonds will be required on every rehabilitation project. If it is ever necessary for the municipality or *[insert name of administrative agent]* to access the performance bond in order to complete a project, the contractor will be removed from the pre-approved contractors list. Contractors must carry workmen's compensation coverage and liability insurance of at least \$100,000/\$300,000 for bodily injury or death and \$50,000 for property damage. Only licensed tradesmen will be permitted to perform specialty work such as plumbing, heating and electrical.

#### B. Number of Proposals Required

The property owner will select a minimum of three general contractors from a list of pre-approved contractors. Property owners may not select contractors who do not appear on the list.<sup>3</sup> The approved work write-up will be submitted to the selected contractors by the program staff. Contractors must visit the property and submit bids within *[insert number of days, minimum 14]* days. The contract will be awarded to the lowest bidder<sup>4</sup>, provided that the housing/building inspector or the professional who drafted the work write-up certify that the work can be completed at the price bid and that the bid is reasonably close to the cost estimate. Bids must fall within *[insert percent, maximum of 10]* percent of the cost estimate.

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<sup>3</sup> The program may permit a property owner to seek proposals from non-program participating contractors. However, the municipality must pre-approve the contractor prior to submitting a bid.

<sup>4</sup> If the property owner wishes to use a contractor other than the lowest responsible bidder, the property owner shall pay the difference between the lowest bid price and the bid price of the selected contractor.





### **C. Contractor Requirements**

Upon notification of selection, the contractor shall submit all required insurance certification to the program staff. A contract signing conference will be called by the program staff to be attended by the property owner and contractor. At the time of Agreement execution, the contractor shall sign a Certification of Work Schedule prepared by the program staff.

## **SECTION VII. MAINTENANCE OF RECORDS**

### **A. Files To Be Maintained on Every Applicant**

The program staff will maintain files on every applicant. All files will contain a preliminary application. If an applicant's preliminary application is approved, and the applicant files a formal application, the file will contain at a minimum:

- Application Form
- Tenant Information Form (Rental Units Only)
- Income Verification
- Letter of Certification of Eligibility or Letter of Determination of Ineligibility

### **B. Files of applicants approved for the program will also contain the following additional documentation:**

- Housing Inspection Report
- Photographs - Before
- Certification of Property Eligibility or Determination of Ineligibility
- Proof of Homeowners Insurance
- Copy of Deed to Property

### **C. For properties determined eligible for the program where the applicants choose to continue in the program, the files shall contain the following:**

- Work Write-Up/Cost Estimate
- Copies of Bids
- Applicant/Contractor Contract Agreement
- Recorded Mortgage/Lien Documents
- Copies of All Required Permits
- Contractor Requests for Progress Payments
- Progress Payment Inspection Reports
- Progress Payment Vouchers
- Change Orders (If needed)
- Final Inspection Report
- Photographs - After
- Certification of Completion
- Certification of Release of Contractor's Bond



Individual files will be maintained throughout the process [*insert if applicable: and submitted to the municipality upon termination of the program*].

#### **D. Rehabilitation Log**

A rehabilitation log will be maintained by the program staff that depicts the status of all applications in progress.

#### **E. Monitoring**

For each unit the following information must be retained to be reported annually:

- Street Address
- Block/Lot/Unit Number
- Owner/Renter
- Income: Very Low/Low/Mod
- Final Inspection Date
- Funds expended on Hard Costs
- Development Fees expended
- Funds Recaptured
- Major Systems Repaired
- Unit Below Code & Raised to Code
- Effective date of affordability controls
- Length of Affordability Controls (yrs)
- Date Affordability Controls removed
- Reason for removal of Affordability Controls

### **SECTION VIII. PROGRAM MARKETING**

The municipality will conduct a public meeting announcing the implementation of the housing rehabilitation program. For the term of the program, the municipality will include flyers once a year with the *Township Newsletter* and on the *Township Web Site*. Program information will be available at the municipal building, library, and senior center and on the municipal website. Posters regarding the program will be placed in retail businesses throughout the municipality.

Prior to commencement of the program and periodically thereafter, the municipality will hold informational meetings on the program to all interested contractors. Each contractor will have the opportunity to apply for inclusion of the municipal contractor list.

## **Appendix C. Development Fee Ordinance**

**Chapter 131A****AFFORDABLE HOUSING DEVELOPMENT FEES**

§ 131A-1.	<b>Purpose.</b>	§ 131A-6.	<b>Collection procedures.</b>
§ 131A-2.	<b>Basic requirements.</b>	§ 131A-7.	<b>Affordable Housing Trust Fund.</b>
§ 131A-3.	<b>Definitions.</b>	§ 131A-8.	<b>Use of funds.</b>
§ 131A-4.	<b>Residential development fees.</b>	§ 131A-9.	<b>Monitoring.</b>
§ 131A-5.	<b>Nonresidential development fees.</b>	§ 131A-10.	<b>Ongoing collection of fees.</b>

**[HISTORY: Adopted by the Township Council of the Township of Monroe 2-1-93 by Ord. No. 0-2-93-005; amended in its entirety 6-9-93 by Ord. No. 0-6-93-021. Amended 6-8-05 by Ord. No. O-6-2005-028; 11-30-09 by Ord. No. O-11-2009-038; amended in its entirety 4-3-17 by Ord. No. O-3-2017-006. Additional amendments noted where applicable.]**

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**§ 131A-1. Purpose.**

- A. In *Holmdel Builder's Association v. Holmdel Township*, 121 N.J. 550 (1990), the New Jersey Supreme Court determined that mandatory development fees are authorized by the Fair Housing Act of 1985, N.J.S.A. 52:27D-301 et seq., and the State Constitution, subject to the adoption of Rules by the Council on Affordable Housing (COAH).
- B. Pursuant to the Fair Housing Act, as modified by P.L. 2008, c. 46, Section 8 (C. 52:27D-329.2) and the Statewide Nonresidential Development Fee Act (C. 40:55D-8.1 through 8.7), COAH was authorized to adopt and promulgate regulations necessary for the establishment, implementation, review, monitoring and enforcement of municipal affordable housing trust funds and corresponding spending plans. Municipalities that are under the jurisdiction of COAH or a Court of competent jurisdiction and have an approved Spending Plan may retain development fees collected from both residential and nonresidential developments.
- C. This chapter establishes standards for the collection, maintenance, and expenditure of development fees that are consistent with COAH's regulations and are in accordance P.L. 2008, c. 46, Sections 8 and 32-38. Fees collected pursuant to this chapter shall be used for the sole purpose of providing low- and moderate-income housing. This chapter shall be interpreted within the framework of COAH's rules on development fees, codified at N.J.A.C. 5:94-6.

**§ 131A-2. Basic requirements.**

The Township of Monroe shall spend development fees in accordance with its Spending Plan approved by Order of The Honorable Douglas K. Wolfson on October 5, 2016, as amended and approved by the Superior Court of New Jersey from time to time.

**§ 131A-3. Definitions.**

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

**AFFORDABLE HOUSING DEVELOPMENT** — A development included in the Housing Element and

Fair Share Plan, and includes, but is not limited to, an inclusionary development, a municipal construction project or a 100 percent affordable housing development.

COAH OR THE COUNCIL — The New Jersey Council on Affordable Housing established under the Act which had primary jurisdiction for the administration of housing obligations in accordance with sound regional planning consideration in the State until 2016 when jurisdiction was vested in the Superior Court of New Jersey.

DEVELOPMENT FEE — Money paid by a developer for the improvement of property as permitted at N.J.A.C. 5:94-6.

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

EQUALIZED ASSESSED VALUE — The assessed value of a property divided by the current average ratio of assessed to true value for the municipality in which the property is situated, as determined in accordance with Sections 1, 5, and 6 of P.L. 1973, c.123 (C.54:1-35a through C.54:1-35c).

GREEN BUILDING STRATEGIES — Those strategies that minimize the impact of development on the environment, and enhance the health, safety and well-being of residents by producing durable, low-maintenance, resource-efficient housing while making optimum use of existing infrastructure and community services.

SUBSTANTIVE CERTIFICATION — A determination by an administrative agency responsible for implementing the Fair Housing Act and adopting regulations pursuant thereto for approving a municipality's housing element and fair share plan in accordance with the provisions of the Act or its equivalent when granted by a Court of competent jurisdiction.

#### **§ 131A-4. Residential development fees.**

##### **A. Imposition of fees.**

- (1) Within the Township of Monroe, all residential developers, except for developers of the types of developments specifically exempted below and developers of developments that include affordable housing, shall pay a fee of one percent (1.0%) of the equalized assessed value for all new residential development provided no increased density is permitted. Development fees shall also be imposed and collected when an additional dwelling unit is added to an existing residential structure; in such cases, the fee shall be calculated based on the increase in the equalized assessed value of the property due to the additional dwelling unit.
- (2) When an increase in residential density is permitted pursuant to a "d" variance granted under N.J.S.A. 40:55D-70d(5), developers shall be required to pay a "bonus" development fee of six percent (6%) percent of the equalized assessed value for each additional unit that may be realized, except that this provision shall not be applicable to a development that will include affordable housing. If the zoning on a site has changed during the two-year period preceding the filing of such a variance application, the base density for the purposes of calculating the bonus development fee shall be the highest density permitted by right during the two-year period preceding the filing of the variance application.

##### **B. Eligible exactions, ineligible exactions and exemptions for residential developments.**

- (1) Affordable housing developments and/or developments where the developer has made a payment in lieu of on-site construction of affordable units shall be exempt from the payment of

development fees.

- (2) Improvements or additions to existing one and two-family dwellings on individual lots shall not be required to pay a development fee, but a development fee shall be charged for any new dwelling constructed as a replacement for a previously existing dwelling on the same lot that was or will be demolished, unless the owner resided in the previous dwelling for a period of one year or more prior to obtaining a demolition permit. Where a development fee is charged for a replacement dwelling, the development fee shall be calculated on the increase in the equalized assessed value of the new structure as compared to the previous structure.
- (3) Homes replaced as a result of a natural disaster (such as a fire or flood) shall be exempt from the payment of a development fee.

#### **§ 131A-5. Nonresidential development fees.**

##### **A. Imposition of fees.**

- (1) Within all zoning districts, nonresidential developers, except for developers of the types of developments specifically exempted below, shall pay a fee equal to two and one-half percent (2.5%) of the equalized assessed value of the land and improvements, for all new nonresidential construction on an unimproved lot or lots.
- (2) Within all zoning districts, nonresidential developers, except for developers of the types of developments specifically exempted below, shall also pay a fee equal to two and one-half percent (2.5%) of the increase in equalized assessed value resulting from any additions to existing structures to be used for nonresidential purposes.
- (3) Development fees shall be imposed and collected when an existing structure is demolished and replaced. The development fee of two and one-half percent (2.5%) shall be calculated on the difference between the equalized assessed value of the preexisting 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 the property qualifies for a final certificate of occupancy. If the calculation required under this section results in a negative number, the nonresidential development fee shall be zero.

##### **B. Eligible exactions, ineligible exactions and exemptions for nonresidential development**

- (1) The nonresidential portion of a mixed-use inclusionary or market rate development shall be subject to a two and a half percent (2.5%) development fee, unless otherwise exempted below.
- (2) The two and a half percent (2.5%) development fee shall not apply to an increase in equalized assessed value resulting from alterations, change in use within the existing footprint, reconstruction, renovations and repairs.
- (3) Nonresidential developments shall be exempt from the payment of nonresidential development fees in accordance with the exemptions required pursuant to the Statewide Nonresidential Development Fee Act (N.J.S.A. 40:55D-8.1 through 8.7), as specified in Form N-RDF "State of New Jersey Nonresidential Development Certification/Exemption." Any exemption claimed by a developer shall be substantiated by that developer.
- (4) A developer of a nonresidential development exempted from the nonresidential development fee pursuant to the Statewide Nonresidential 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

nonresidential development fee, in that event, within three years after that event or after the issuance of the final certificate of occupancy for the nonresidential development, whichever is later.

- (5) If a property which was exempted from the collection of a nonresidential 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 nonresidential development fees under these circumstances may be enforceable by the Township of Monroe as a lien against the real property of the owner.

#### **§ 131A-6. Collection procedures.**

- A. Upon the granting of a preliminary, final or other applicable approval for a development, the approving authority or entity shall notify or direct its staff to notify the Construction Official responsible for the issuance of a building permit.
- B. For nonresidential developments only, the developer shall also be provided with a copy of Form N-RDF "State of New Jersey Nonresidential Development Certification/ Exemption" to be completed as per the instructions provided. The developer of a nonresidential development shall complete Form N-RDF as per the instructions provided. The Construction Official shall verify the information submitted by the nonresidential developer as per the instructions provided in the Form N-RDF. The Tax Assessor shall verify exemptions and prepare estimated and final assessments as per the instructions provided in Form N-RDF.
- C. The Construction Official responsible for the issuance of a building permit shall notify the Township Tax Assessor of the issuance of the first building permit for a development which is subject to a development fee.
- D. Within 90 days of receipt of such notification, the Township Tax Assessor shall prepare an estimate of the equalized assessed value of the development based on the plans filed.
- E. The Construction Official responsible for the issuance of a final Certificate of Occupancy shall notify the Township Tax Assessor of any and all requests for the scheduling of a final inspection on a property which is subject to a development fee.
- F. Within 10 business days of a request for the scheduling of a final inspection, the Township 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 Township of Monroe fail to determine or notify the developer of the amount of the development fee within 10 business days of the request for final inspection, the developer may estimate the amount due and pay that estimated amount consistent with the dispute process set forth in Subsection b of Section 37 of P.L. 2008, c.46 (C.40:55D-8.6).
- H. Except as provided in Section 131-5 hereinabove, 25% of the initially calculated development fee shall be collected at the time of issuance of the building permit.
- I. Developers shall pay the remaining fee to the Township of Monroe when their properties qualify for, but prior to, the issuance of certificates of occupancy. When notified that the properties noted above qualify for certificates of occupancy, the Tax Assessor shall calculate the equalized assessed value and the appropriate development fee. The developer shall be responsible for paying the difference



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between the fee calculated at that time and the amount paid at the time the building permit is issued.

- J. The developer shall, within 10 days from receipt of notification from the Township, pay to the Township the difference between the development fees required to be paid by the developer once such final equalized assessed value has been determined and the estimated development fees actually paid by the developer. The failure of the developer to make timely payment of the aforesaid deficiency shall entitle the Township to file, without further notice to the developer, a lien against the subject development. In the event the Township shall file such lien, the Township may add to the aforesaid deficiency amount reasonable attorney fees to file and discharge such lien, together with any and all costs incurred to file and discharge said lien.
- K. Appeal of development fees.
  - (1) A developer may challenge residential development fees imposed by filing a challenge with the County Board of Taxation. Pending a review and determination by the Board, collected fees shall be placed in an interest bearing escrow account by the Township of Monroe. Appeals from a determination of the Board may be made to the tax court in accordance with the provisions of the State Tax Uniform Procedure Law, R.S. 54:48-1, et seq., within 90 days after the date of such determination. Interest earned on amounts escrowed shall be credited to the prevailing party.
  - (2) A developer may challenge nonresidential 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 Township of Monroe. 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.

#### **§ 131A-7. Affordable Housing Trust Fund.**

- A. By Ordinance No. O-5-2012-013 Monroe Township created an Affordable Housing Irrevocable Trust into which it transferred all Development Fee funds on deposit as of December 31, 2011 (the "Irrevocable Trust"). All Development Fees received thereafter are deposited into an interest-bearing Affordable Housing Trust Fund in an official depository of the Township of Monroe created for the purpose of receiving development fees from residential and nonresidential developers. All development fees paid by developers pursuant to this chapter shall be submitted to the Treasurer of the Township for deposit into the Affordable Housing Trust Fund. No money shall be expended from the Irrevocable Trust, or the Affordable Housing Trust Fund, unless the expenditure conforms to the Spending Plan approved by the Superior Court of New Jersey.
- B. The following additional funds shall be deposited in the Affordable Housing Trust Fund and shall at all times be identifiable by source and amount:
  - (1) Payments in lieu of on-site construction of a fraction of an affordable unit;
  - (2) Funds contributed by developers to make 10% of the adaptable entrances in a townhouse or other multistory attached unit development accessible;
  - (3) Rental income from municipally operated units;
  - (4) Repayments from affordable housing program loans;



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- (5) Recapture funds;
  - (6) Proceeds from the sale of affordable units; and
  - (7) Any other funds collected in connection with Monroe's affordable housing program.
- C. Interest accrued in the Affordable Housing Trust Fund shall only be used to fund eligible affordable housing activities approved by the Superior Court of New Jersey.

**§ 131A-8. Use of funds.**

- A. The expenditure of all funds shall conform to the Spending Plan approved by the Superior Court of New Jersey. Funds deposited in the Affordable Housing Trust Fund may be used for any activity approved by the Superior Court of New Jersey to address the Township of Monroe's fair share obligation and may be set up as a grant or revolving loan program. Such activities include, but are not limited to: preservation or purchase of housing for the purpose of maintaining or implementing affordability controls; housing rehabilitation; new construction of affordable housing units and related costs; accessory apartments; a market to affordable program; Regional Housing Partnership programs; conversion of existing nonresidential 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 listed as permitted in COAH's Rules and specified in the Court-approved Spending Plan.
- B. At least 30% of all development fees collected and interest earned on such fees shall be used to provide affordability assistance to low- and moderate-income households in affordable units included in the municipal Fair Share Plan. One-third of the affordability assistance portion of development fees collected shall be used to provide affordability assistance to those households earning 30% or less of the median income for Housing Region 3, in which the Township of Monroe is located.
- (1) Affordability assistance programs may include, but are not limited to, down payment assistance, security deposit assistance, low interest loans, rental assistance, moving expenses not to exceed \$500 per family, assistance with homeowners' association or condominium fees and special assessments, and assistance with emergency repairs.
  - (2) Affordability assistance to households earning 30% or less of median income may include buying down the cost of low- or moderate-income units in the municipal Fair Share Plan to make them affordable to households earning 30% or less of median income. The use of development fees in this manner may entitle the Township of Monroe to bonus credits pursuant to N.J.A.C. 5:97-3.7.
  - (3) Payments in lieu of constructing affordable housing units on site and funds from the sale of units with extinguished controls shall be exempt from the affordability assistance requirement.
  - (4) Monroe Township has adopted the following specific affordability assistance programs:
    - (a) Rent subsidies for low- and moderate- income households based upon size of household and number of bedrooms in apartment.

[1] One-bedroom, low-income unit — \$55.00 per month subsidy.

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- [2] One-bedroom, moderate-income unit — \$100.00 per month subsidy.
  - [3] Two-bedroom, low-income unit — \$100.00 per month subsidy.
  - [4] Two-bedroom, moderate-income unit — \$200.00 per month subsidy.
  - [5] Three-bedroom, low-income unit -- \$150.00 per month subsidy.
  - [6] Three-bedroom, moderate-income units -- \$250.00 per month subsidy.
- (b) The following additional assistance is offered to very low-income households:
- [1] Payment of "moving expenses" based upon verified receipts, in an amount not to exceed One Thousand Five Hundred and 00/100 Dollars (\$1,500.00) per household.
  - [2] Rental security deposit — Deposits paid to landlord to be returned to the Township Affordable Housing Trust Fund upon termination of tenancy.
  - [3] Rent subsidies for very low-income households based upon number of bedrooms in apartment:
    - (a) One-bedroom — \$75.00 per month subsidy.
    - (b) Two-bedroom — \$125.00 per month subsidy.
    - (c) Three-bedroom -- \$175.00 per month subsidy.
- (c) Buyer assistance. The Township may pay the following from the Affordable Housing Trust Fund to, or on behalf of, low- and moderate-income households to assist with the purchase of an affordable unit in which the buyer's household will reside:
- [1] Payment of closing costs: i.e., title work and policy, reasonable attorney's fees for closing of title, preparation of survey, homeowners insurance, recording fees, and other necessary closing expenses to third parties, not to exceed \$1,500 per unit.
  - [2] Payment of lender fees: i.e., mortgage points, application fees, appraisal fees, bank attorney review fees, and necessary mortgage closing expenses, not to exceed \$1,500 per unit.
  - [3] The total buyer assistance per unit shall not exceed \$3,000 for the above referenced assistance grants.
  - [4] Down payment assistance in the form of a repayable loan, to be repaid to the Township of Monroe Affordable Housing Trust Fund upon the resale of the affordable housing unit (said assistance not to exceed 10% of the purchase price). Down payment assistance is subject to approval by the lender.
- (5) A low- or moderate-income household may not be denied affordability assistance unless funding is no longer available from the Affordable Housing Trust Fund.
- C. The Township of Monroe may contract with a private or public entity to administer any part of its Housing Element and Fair Share Plan, including the requirement for affordability assistance, in accordance with N.J.A.C. 5:96-18.
- D. No more than 20% of all revenues collected from development fees, may be expended on

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administration, including, but not limited to, salaries and benefits for municipal employees or consultants' fees necessary to develop or implement a new construction program, prepare a Housing Element and Fair Share Plan, and/or administer an affirmative marketing program.

- (1) In the case of a rehabilitation program, no more than 20% of the revenues collected from development fees shall be expended for such administrative expenses.
- (2) Administrative funds may be used for income qualification of households, monitoring the turnover of sale and rental units, and compliance with the Superior Court of New Jersey's monitoring requirements. Legal or other fees related to litigation opposing affordable housing sites or objecting to the Council's regulations and/or actions are not eligible uses of the Affordable Housing Trust Fund.

#### **§ 131A-9. Monitoring.**

The Township of Monroe shall file such monitoring reports and forms necessary to comply with the Superior Court of New Jersey's monitoring requirements related to the collection of development fees from residential and nonresidential developers, payments in lieu of constructing affordable units on site, funds from the sale of units with extinguished controls, barrier free escrow funds, rental income, repayments from affordable housing program loans, and any other funds collected in connection with Monroe Township's affordable housing program, as well as to the expenditure of revenues and implementation of the Housing Element and Fair Share Plan approved by the Court.

#### **§ 131A-10. Ongoing collection of fees.**

- A. The ability of the Township of Monroe to impose, collect and expend development fees shall expire July 1, 2025, unless prior thereto the Township of Monroe has filed an adopted Housing Element and Fair Share Plan with the Superior Court of New Jersey or with such other State agency having jurisdiction over the adoption and enforcement of Rules in connection with the implementation of the Fair Housing Act and approval of municipal Housing Elements and Fair Share Plans, has petitioned for Substantive Certification or a Judgment of Compliance, and has received approval of its Development Fee Ordinance.
- B. If the Township of Monroe fails to renew its ability to impose and collect development fees prior to July 1, 2025, it may be subject to forfeiture of any or all uncommitted 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).

## **Appendix D. Affordable Housing Ordinance**

**Chapter 131****AFFORDABLE HOUSING**

§ 131-1.	<b>Purpose.</b>	§ 131-8.2.	<b>Control periods for restricted rental units.</b>
§ 131-2.	<b>Definitions.</b>		
§ 131-3.	<b>Affordable Housing Board established.</b>	§ 131-8.3.	<b>Rent restrictions for rental units; leases.</b>
§ 131-4.	<b>Municipal Housing Manager.</b>	§ 131-8.4.	<b>Tenant income eligibility.</b>
§ 131-5.	<b>Duties of the Affordable Housing Board.</b>	§ 131-9.	<b>Local housing rehabilitation program.</b>
§ 131-5.1.	<b>Affirmative Marketing Program.</b>	§ 131-10.	<b>(Reserved)</b>
§ 131-6.	<b>Screening and qualification of prospective purchasers and tenants.</b>	§ 131-11.	<b>Purpose; creation of administrative mechanisms.</b>
§ 131-7.	<b>Price restrictions for restricted ownership units, Homeowner Association fees and resale prices.</b>	§ 131-12.	<b>Municipal Housing Liaison defined.</b>
§ 131-7.1.	<b>Buyer income eligibility and verification.</b>	§ 131-13.	<b>Municipal Housing Liaison.</b>
§ 131-7.2.	<b>Limitations on indebtedness secured by ownership unit; subordination.</b>	§ 131-13.1.	<b>Administrative Agent; duties.</b>
§ 131-8.	<b>Control periods for restricted ownership units and enforcement mechanisms.</b>	§ 131-14.	<b>Applicability.</b>
§ 131-8.1.	<b>Capital improvements to ownership units.</b>	§ 131-15.	<b>Alternative living arrangements.</b>
		§ 131-16.	<b>New construction.</b>
		§ 131-17.	<b>Enforcement of affordable housing regulations.</b>
		§ 131-18.	<b>Appeals</b>
		§ 131-19.	<b>Establishment of annual income limits, resale prices and rent levels.</b>

**[HISTORY: Adopted by the Council of the Township of Monroe 12-5-88 by Ord. No. 12-88-38. Amended in its entirety 8-7-95 by Ord. No. 0-8-95-038; 4-6-98 by Ord. No. 0-4-98-012. Amended 10-4-06 by Ord. No. O-10-2006-034; 8-1-16 by Ord. No. O-7-2016-024; 12-5-16 by Ord. No. O-11-2016-037. Prior ordinances include Ord. Nos. O-5-92-015, O-7-98-026, O-3-2016-010. Further amendments noted where applicable.]**

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**§ 131-1. Purpose.**

- A. The provisions of this chapter shall apply to all affordable housing developments and affordable housing units that currently exist and that are proposed to be created within the Township of Monroe pursuant to the Township's most recently adopted Housing Element and Fair Share Plan.
- B. In addition, any property in the Township of Monroe that is currently zoned for nonresidential uses and that is subsequently rezoned for residential purposes or receives a zoning change or a use variance

to permit residential development, or receives a zoning change or a density variance to permit higher density residential development, and provided such residential development provides a sufficient compensatory benefit in terms of the density of development permitted, shall provide an affordable housing set-aside of 15% if the affordable units will be for rent and 20% if the affordable units will be for sale. The determination of a "sufficient compensatory benefit" shall be made by the reviewing authority based upon prevailing legislation and/or case law.

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

### **§ 131-2. Definitions.**

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

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

ADAPTABLE — Constructed in compliance with the technical design standards of the Barrier Free Sub-Code, N.J.A.C. 5:23-7.

ADMINISTRATIVE AGENT — The entity designated by the Township to administer affordable units in accordance with this Ordinance, N.J.A.C. 5:93, and UHAC (N.J.A.C. 5:80-26).

AFFIRMATIVE MARKETING — A regional marketing strategy designed to attract buyers and/or renters of affordable units pursuant to N.J.A.C. 5:80-26.15.

AFFORDABLE — A sales price or rent level that is within the — of a low- or moderate-income household as defined within N.J.A.C. 5:93-7.4, and, in the case of an ownership unit, that the sales price for the unit conforms to the standards set forth in N.J.A.C. 5:80-26.6, as may be amended and supplemented, and, in the case of a rental unit, that the rent for the unit conforms to the standards set forth in N.J.A.C. 5:80-26.12, as may be amended and supplemented.

AFFORDABLE HOUSING DEVELOPMENT — A development included in or approved pursuant to the Housing Element and Fair Share Plan or otherwise intended to address the Township's fair share obligation, and includes, but is not limited to, an inclusionary development, a municipal construction project or a 100 percent affordable housing development.

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

AFFORDABLE UNIT -- — A housing unit proposed or created pursuant to the Act and approved for crediting by the Court and/or funded through an affordable housing trust fund.

AFFORDABILITY AVERAGE — The average percentage of median income at which new restricted units in an affordable housing development are affordable to low- and moderate-income households.

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

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

**ALTERNATIVE LIVING ARRANGEMENT** — A structure in which households live in distinct bedrooms, yet share kitchen and plumbing facilities, central heat and common areas. Alternative living arrangements include, but are not limited to: transitional facilities for the homeless; Class A, B, C, D and E boarding homes as regulated by the State of New Jersey Department of Community Affairs; residential health care facilities as regulated by the New Jersey Department of Health; group homes for the developmentally disabled and mentally ill as licensed and/or regulated by the New Jersey Department of Human Services; and congregate living arrangements.

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

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

**COAH --** — The Council on Affordable Housing, as established by the New Jersey Fair Housing Act (N.J.S.A. 52:27D-301, et seq.).

**DCA** — The State of New Jersey Department of Community Affairs.

**DEFICIENT HOUSING UNIT** — A housing unit with health and safety code violations that requires the repair or replacement of a major system. A major system includes weatherization, roofing, plumbing (including wells), heating, electricity, sanitary plumbing (including septic systems), lead paint abatement and/or load bearing structural systems.

**DEVELOPER** — Any person, partnership, association, company or corporation that is the legal or beneficial owner or owners of a lot or any land included in a proposed development including the holder of an option to contract to purchase, or other person having an enforceable proprietary interest in such land.

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

**INCLUSIONARY DEVELOPMENT --** — A development containing both affordable units and market rate units. This term includes, but is not limited to: new construction, the conversion of a nonresidential structure to residential use and the creation of new affordable units through the gut rehabilitation or reconstruction of a vacant residential structure.

**LOW-INCOME HOUSEHOLD --** — A household with a total gross annual household income equal to 50 percent or less of the median household income.

**LOW-INCOME UNIT** — A restricted unit that is affordable to a low-income household.

**MAJOR SYSTEM --** — The primary structural, mechanical, plumbing, electrical, fire protection or occupant service components of a building which include but are not limited to, weatherization, roofing, plumbing (including wells), heating, electricity, sanitary plumbing (including septic systems), lead paint abatement and load bearing structural systems.

**MARKET-RATE UNITS** — Housing not restricted to low- and moderate-income households that may sell or rent at any price.

**MEDIAN INCOME --** — The annual determination of median income as published by HUD.**[Amended]**



**3-5-2018 by Ord. No. O-2-2018-002]**

**MODERATE-INCOME HOUSEHOLD** — A household with a total gross annual household income in excess of 50 percent but less than 80 percent of the median household income.

**MODERATE-INCOME UNIT** — A restricted unit that is affordable to a moderate-income household.

**NON-EXEMPT SALE --** — Any sale or transfer of ownership other than the transfer of ownership between husband and wife; the transfer of ownership between former spouses ordered as a result of a judicial decree of divorce or judicial separation, but not including sales to third parties; the transfer of ownership between family members as a result of inheritance; the transfer of ownership through an executor's deed to a class A beneficiary and the transfer of ownership by court order.

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

**REGIONAL ASSET LIMIT** — The limit calculated pursuant to § 131-19A(3).**[Added 3-5-2018 by Ord. No. O-2-2018-002]**

**REGIONAL INCOME LIMIT** — The limit calculated pursuant to § 131-19A(1) and (2).**[Added 3-5-2018 by Ord. No. O-2-2018-002]**

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

**RENT** — The gross monthly cost of a rental unit to the tenant, including the rent paid to the landlord, as well as an allowance for tenant-paid utilities computed in accordance with allowances published by DCA for its Section 8 program. In assisted living residences, rent does not include charges for food and services.

**RESTRICTED UNIT** — A dwelling unit, whether a rental unit or an ownership unit, that is subject to the affordability controls of N.J.A.C. 5:80-26.1, as amended and supplemented, but does not include a market-rate unit financed under UHOP or MONI.

**UHAC** — The Uniform Housing Affordability Controls set forth in N.J.A.C. 5:80-26, et seq.

**VERY LOW-INCOME HOUSEHOLD --** — A household with a total gross annual household income equal to 30 percent or less of the median household income for the applicable housing region.

**VERY LOW-INCOME UNIT** — A restricted unit that is affordable to a very low-income household.

**WEATHERIZATION** — Building insulation (for attic, exterior walls and crawl space), siding to improve energy efficiency, replacement storm windows, replacement storm doors, replacement windows and replacement doors, and is considered a major system for purposes of a rehabilitation program.

**§ 131-3. Affordable Housing Board established.****A. Membership.**

- (1) There is hereby established a Monroe Township Affordable Housing Board, which shall be composed of five members and two alternate members appointed by the Mayor with the advice and consent of the Township Council. The five regular members shall consist of:
  - (a) One municipal employee;
  - (b) One member of the Township Council;



(c) Three citizens of the Township.

The two alternate members shall be citizens of the Township.

Members and alternates shall serve for two year terms, with (2) of the initial appointments, as determined by the Mayor, to be for one year.

- B. The Mayor shall appoint the Chairperson of the Board from among its members. The Board shall organize and conduct its activities under the supervision of the Mayor.
- C. The Municipal Housing Manager and Municipal Housing Liaison appointed pursuant to § 131-13 shall serve as staff to the Board.

#### **§ 131-4. Municipal Housing Manager.**

The Municipal Housing Manager shall be appointed by the Mayor.

#### **§ 131-5. Duties of the Affordable Housing Board.**

- A. The Board shall be the primary administrative mechanism responsible for assuring that low- and moderate-income housing units developed or rehabilitated in the Township remain affordable to low- and moderate-income households, as required by N.J.A.C. 5:93-1, et seq.
- B. The Board shall supervise the implementation of the Township's affirmative marketing program by the designated Administrative Agent for the purposes of marketing the designated low- and moderate-income units to eligible households in Housing Region 3, comprised of Middlesex, Somerset and Hunterdon Counties.
- C. The Board shall assist the Administrative Agent in screening and qualifying prospective purchasers and tenants of designated low- and moderate-income housing.
- D. The Board shall review and comment to the Planning Board on a developer's affordable housing plan submitted with an application for development in any of the Township zoning districts designated and promulgated for the creation of affordable housing.
- E. The Board shall enforce controls on resales and rentals of designated low- and moderate-income housing units.
- F. The Board shall provide an annual written report to the Mayor, Township Council and Planning Board on its activities and the progress and problems in providing affordable housing and assuring the continued affordability of this housing, and on the success of its affirmative marketing efforts. The Board shall also prepare or cause to be prepared, and shall file the following reports as required by the Court:
  - (1) On the first anniversary of the entry of the Order granting Monroe a Final Judgment of Compliance and Repose, and every anniversary thereafter through the end of the Repose period, the Township shall provide annual reporting of its Affordable Housing Trust Fund activity to the New Jersey Department of Community Affairs, Council on Affordable Housing or Local Government Services, or other entity designated by the State of New Jersey, with a copy provided to Fair Share Housing Center and posted on the municipal website, using forms developed for this purpose by the New Jersey Department of Community Affairs, Council on Affordable Housing or Local Government Services. The reporting shall include an accounting of all Affordable Housing Trust Fund activity, including the source and amount of funds

collected and the amount and purpose for which any funds have been expended.

- (2) On the first anniversary of the entry of the Order granting Monroe a Final Judgment of Compliance and Repose, and every anniversary thereafter through the end of the Repose period, the Township shall provide annual reporting of the status of all affordable housing activity within the municipality through posting on the municipal website with a copy of such posting provided to Fair Share Housing Center, using forms previously developed for this purpose by the Council on Affordable Housing or any other forms endorsed by the Court-appointed Special Master and Fair Share Housing Center.
  - (3) For the midpoint realistic opportunity review due on July 1, 2020, as required pursuant to N.J.S.A. 52:27D-313, the Township shall post on its municipal website, with a copy provided to Fair Share Housing Center, a status report as to its implementation of its Plan and an analysis of whether any unbuilt sites or unfulfilled mechanisms continue to present a realistic opportunity. Such posting shall invite any interested party to submit comments to the municipality, with a copy to Fair Share Housing Center, regarding whether any sites no longer present a realistic opportunity and should be replaced. Any interested party may by motion request a hearing before the Court regarding these issues.
  - (4) For the review of very low-income housing requirements required by N.J.S.A. 52:27D-329.1, within 30 days of the third anniversary of the entry of the Order granting Monroe a Final Judgment of Compliance and Repose, and every third year thereafter, the Township will post on its municipal website, with a copy provided to Fair Share Housing Center, a status report as to its satisfaction of its very low-income requirements, including the family very low-income requirements referenced herein. Such posting shall invite any interested party to submit comments to the municipality and Fair Share Housing Center on the issue of whether the municipality has complied with its very low-income housing obligation.
- G. The Board shall meet quarterly and may meet more frequently as needed. The Chairperson of the Board may call special meetings of the Board.
- H. The Board may adopt its own rules and guidelines.

#### **§ 131-5.1. Affirmative Marketing Program.**

The Board shall supervise the implementation of the Township's Affirmative Marketing Program.

#### **§ 131-6. Screening and qualification of prospective purchasers and tenants.**

- A. The Township Affordable Housing Board shall screen and determine whether prospective purchasers and tenants qualify for the new designated low- and moderate-income units built within the Township. Qualification criteria shall include household income, place of residence and place of employment.
- B. The Board shall maintain a registry of income-eligible applicants for purchase or rental of low- and moderate-income housing.
- C. Residency and veteran's preference.
  - (1) An occupancy preference shall be provided to low- and moderate-income households that reside or work in the West Central Housing Region, Region 3, which includes Middlesex, Somerset and Hunterdon Counties, for new low- and moderate-housing units.

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- (2) An occupancy preference shall be provided to low and moderate households that reside within Monroe Township for low- and moderate-income units created as a result of the Township's rehabilitation program.
- (3) An occupancy preference shall be provided to low- and moderate-income households headed by honorably discharged veterans for all units created under the Township's Affordable Housing Plan.
- D. The Board shall recommend eligible prospective purchasers and tenants to the developer(s) of low- and moderate-income housing,
- E. Occupancy standards. In referring certified households to specific restricted units, the Administrative Agent and/or Board shall, to the extent feasible and without causing an undue delay in the occupancy of a unit, strive to:
  - (1) Provide an occupant for each bedroom;
  - (2) Provide children of different sexes with separate bedrooms;
  - (3) Provide separate bedrooms for parents and children; and
  - (4) Prevent more than two persons from occupying a single bedroom.
- F. Municipally sponsored 100% affordable veterans housing. In accordance with the court-approved Housing Element and Fair Share Plan dated June 2016, Monroe Township will undertake a municipally sponsored 100% affordable housing development on Lot 14 in Block 41, consisting of 37 rental units exclusively for veterans and veterans' families, of which six units (15%) will be for very-low-income households. [Added 9-4-2019 by Ord. No. O-8-2019-024]

**§ 131-7. Price restrictions for restricted ownership units, Homeowner Association fees and resale prices.**

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

- A. The initial purchase price for a restricted ownership unit shall be approved 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 foregoing standards.
- C. The master deeds of inclusionary developments shall provide no distinction between the condominium or homeowner association fees and special assessments paid by low- and moderate-income purchasers and those paid by market purchasers.
- D. The owners of restricted ownership units may apply to the Administrative Agent to increase the maximum sales price for the unit on the basis of anticipated capital improvements. Eligible capital improvements shall be those that render the unit suitable for a larger household or the addition of a bathroom.

**§ 131-7.1. Buyer income eligibility and verification.**

- A. Buyer income eligibility for restricted ownership units shall be in accordance with N.J.A.C. 5:80-26.1, as may be amended and supplemented, such that low-income ownership units shall be

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

B. Income verification. In placing households in low and moderate-income units, the Township and its Administrative Agent shall utilize the following verification and certification procedures:

- (1) Every household member 18 years of age or over who will live in the affordable unit and receives income shall be required to provide income documentation as applicable and determined by the reviewer for the Board. This includes income received by adults on behalf of minor children for their benefit. Household members 18 years of age or over not receiving income must produce documentation of current status.
- (2) Verification may include, but is not limited to, the following:
  - (a) Four consecutive pay stubs including overtime, bonuses or tips dated within 120 days of the interview date or a letter from employer stating present annual income figure as projected annually;
  - (b) A copy of regular IRS Form 1040 (tax computation form), 1040A or 1040 EZ as applicable and State Income Tax returns filed for each of the three years prior to the date of interview;
  - (c) A letter or appropriate reporting form verifying benefits such as Social Security, Unemployment, Welfare, Disability or Pension income (monthly or annually);
  - (d) A letter or appropriate reporting form verifying any other sources of income claimed by the applicant, such as alimony and child support;
  - (e) Reports that verify income from assets to be submitted by banks or other financial institutions managing trust funds, money market accounts, certificates of deposit, stocks or bonds;
  - (f) Evidence or reports of income from assets such as real estate or businesses that are directly held by any household member;
  - (g) A notarized statement of explanation in such form as to be satisfactory to the reviewer.
- (3) Generally, sources of annual income shall be based on regular income reported to the IRS and which can be utilized for mortgage approval. Household annual gross income shall be calculated by projecting current gross income over a 12 month period.
- (4) Income includes, but is not limited to, wages, salaries, tips, commissions, alimony, regularly scheduled overtime, pensions, social security, unemployment compensation, AFDC, verified regular child support, disability, net income from business or real estate and funds, stocks and bonds and imputed income from non-income producing assets such as equity in real estate.
- (5) Assets not earning a verifiable income shall have an imputed interest income using a current average savings interest rate. Assets not earning income include present real estate equity. Applicants owning real estate must produce documentation of a market value appraisal and outstanding mortgage debt. The difference will be treated as the monetary value of the asset and the imputed interest added to income.
- (6) Income from assets that have delayed earnings, such as IRAs or annuity programs shall not be included in current income until such payments are being received. However, these assets must

be reported and verified.

- (7) Net rent from real estate is considered income after the monthly mortgage payment, including real estate taxes and insurance, is deducted. Other expenses are not deductible. In addition, the equity in the rented real estate is considered an asset and will have the imputed interest income on the calculated value of equity added to income.
  - (8) Income does not include payments, rebates or credits received under federal or state low-income home energy assistance programs, food stamps, payments received for care of foster children, relocation assistance benefits, income of live-in attendants, scholarships, student loans, personal property such as automobiles, lump-sum additions to family assets such as inheritances, one-time lottery winnings and insurance settlements, except for additional income earned from these additions, and casual, sporadic or irregular gifts and bonuses.
  - (9) Standard credit information services that provide conventional credit and tenants reports may be utilized when certifying a household with required written permission from the household. An unsatisfactory credit history or credit information that demonstrates a disproportionate debt to income ratio may result in a denial of certification. Court-ordered payments for alimony or child support to another household shall be considered a regular monthly debt whether or not it is being paid regularly.
  - (10) At the discretion of the Board and Administrative Agent, households may also be required to produce documentation of household composition for determining the correct unit size and the applicable median income guide.
  - (11) A form for certification shall be prepared and signed by the Board. Only households receiving certification shall be referred to Affordable Housing units.
  - (12) Certified households who reject an opportunity for affordable housing may be replaced on the referral list at their request and may be re-interviewed for certification when their name appears on a listing for a subsequent unit.
  - (13) Certification shall be valid for no more than 120 days unless a valid sales contract or lease has been executed within that time period. In this event, certification shall be valid until such time as the sales contract or lease is ruled invalid and no occupancy has occurred. Certifications may be renewed in writing at the request of a certified household for no more than an additional period of 120 days at the discretion of the Board.
  - (14) Households who are denied certification may make a written request for a redetermination. Households shall be required to produce additional documentation to support their claim. Households who are denied certification a second time may request a hearing by forwarding a written request to the Board within 30 days following the household's receipt of a denial notification. If a written request has not been received within the 30 day time period, the ineligible determination will be final. The hearing decision shall be final.
- C. Notwithstanding the foregoing, however, the Administrative Agent may, upon approval by the Township Council, and subject to the Court's approval, permit moderate-income purchasers to buy low-income units in housing markets if the Administrative Agent determines that there is an insufficient number of eligible low-income purchasers to permit prompt occupancy of the units. All such low-income units to be sold to moderate-income households shall retain the required pricing and pricing restrictions for low-income units.

- D. 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.
- E. The Administrative Agent shall certify a household as eligible for a restricted ownership unit when the household is a low-income household or a moderate-income household, as applicable to the unit, and the estimated monthly housing cost for the particular unit (including principal, interest, taxes, homeowner and private mortgage insurance and condominium or homeowner association fees, as applicable) does not exceed 33% of the household's eligible monthly income.

**§ 131-7.2. Limitations on indebtedness secured by ownership unit; subordination.**

- A. Prior to incurring any indebtedness to be secured by a restricted ownership unit, the owner shall apply to the Administrative Agent for a determination in writing that the proposed indebtedness complies with the provisions of this section, and the Administrative Agent shall issue such determination prior to the owner incurring such indebtedness.
- B. With the exception of First Purchase Money Mortgages, neither an owner nor a lender shall at any time cause or permit the total indebtedness secured by a restricted ownership unit to exceed 95% of the maximum allowable resale price of the unit, as such price is determined by the Administrative Agent in accordance with N.J.A.C. 5:80-26.6(b).

**§ 131-8. Control periods for restricted ownership units and enforcement mechanisms.**

- A. Control periods for restricted ownership units shall be in accordance with N.J.A.C. 5:80-26.5, as may be amended and supplemented, and each restricted ownership unit shall remain subject to the requirements of this Ordinance for a period of at least 50 years, until the Township of Monroe takes action to release the unit from such requirements; prior to such action, a restricted ownership unit must remain subject to the requirements of N.J.A.C. 5:80-26.1, as may be amended and supplemented.
- B. The affordability control period for a restricted ownership unit shall commence on the date the initial certified household takes title to the unit.
- C. Prior to the issuance of the initial certificate of occupancy for a restricted ownership unit and upon each successive sale during the period of restricted ownership, the Administrative Agent shall determine the restricted price for the unit and shall also determine the non-restricted, fair market value of the unit based on either an appraisal or the unit's equalized assessed value without the restrictions in place.
- D. At the time of the initial sale of the unit, the initial purchaser shall execute and deliver to the Administrative Agent a recapture note obligating the purchaser (as well as the purchaser's heirs, successors and assigns) to repay, upon the first non-exempt sale after the unit's release from the restrictions set forth in this Ordinance, an amount equal to the difference between the unit's non-restricted fair market value and its restricted price, and the recapture note shall be secured by a recapture lien evidenced by a duly recorded mortgage on the unit.
- E. The affordability controls set forth in this Ordinance shall remain in effect despite the entry and enforcement of any judgment of foreclosure with respect to restricted ownership units.



- F. A restricted ownership unit shall be required to obtain a Continuing Certificate of Occupancy or a certified statement from the Construction Official stating that the unit meets all Code standards upon the first transfer of title following the removal of the restrictions provided under N.J.A.C. 5:80-26.5(a), as may be amended and supplemented.

**§ 131-8.1. Capital improvements to ownership units.**

- A. The owners of restricted ownership units may apply to the Administrative Agent to increase the maximum sales price for the unit on the basis of capital improvements made since the purchase of the unit. Eligible capital improvements shall be those that render the unit suitable for a larger household or that add an additional bathroom. In no event shall the maximum sales price of an improved housing unit exceed the limits of affordability for the larger household.
- B. Upon the resale of a restricted ownership unit, all items of property that are permanently affixed to the unit or were included when the unit was initially restricted (for example, refrigerator, range, washer, dryer, dishwasher, wall-to-wall carpeting) shall be included in the maximum allowable resale price. Other items may be sold to the purchaser at a reasonable price that has been approved by the Administrative Agent at the time of the signing of the agreement to purchase. The purchase of central air conditioning installed subsequent to the initial sale of the unit and not included in the base price may be made a condition of the unit resale provided the price, which shall be subject to 10-year, straight-line depreciation, has been approved by the Administrative Agent. Unless otherwise approved by the Administrative Agent, the purchase of any property other than central air conditioning shall not be made a condition of the unit resale. The owner and the purchaser must personally certify at the time of closing that no unapproved transfer of funds for the purpose of selling and receiving property has taken place at the time of or as a condition of resale.

**§ 131-8.2. Control periods for restricted rental units.**

- A. Control periods for restricted rental units shall be in accordance with N.J.A.C. 5:80-26.11, as may be amended and supplemented, and each restricted rental unit shall remain subject to the requirements of this Ordinance for a period of at least 50 years, until the Township of Monroe takes action to release the unit from such requirements. Prior to such action, a restricted rental unit must remain subject to the requirements of N.J.A.C. 5:80-26.1, as may be amended and supplemented.
- B. Deeds of all real property that include restricted rental units shall contain deed restriction language. The deed restriction shall have priority over all mortgages on the property, and the deed restriction shall be filed by the developer or seller with the records office of the County of Middlesex. A copy of the filed document shall be provided to the Administrative Agent within 30 days of the receipt of a Certificate of Occupancy.
- C. A restricted rental unit shall remain subject to the affordability controls of this Ordinance despite the occurrence of any of the following events:
- (1) Sublease or assignment of the lease of the unit;
  - (2) Sale or other voluntary transfer of the ownership of the unit; or
  - (3) The entry and enforcement of any judgment of foreclosure on the property containing the unit.

**§ 131-8.3. Rent restrictions for rental units; leases.**

- A. A written lease shall be required for all restricted rental units and tenants shall be responsible for

security deposits and the full amount of the rent as stated on the lease. A copy of the current lease for each restricted rental unit shall be provided to the Administrative Agent.

- B. No additional fees or charges shall be added to the approved rent (except, in the case of units in an assisted living residence, to cover the customary charges for food and services) without the express written approval of the Administrative Agent.
- C. Application fees (including the charge for any credit check) shall not exceed 5% of the monthly rent of the applicable restricted unit and shall be payable to the Administrative Agent to be applied to the costs of administering the controls applicable to the unit as set forth in this Ordinance.
- D. No rent control ordinance or other pricing restriction shall be applicable to either the market units or the affordable units in any development in which at least 15% of the total number of dwelling units are restricted rental units in compliance with this Ordinance.

#### **§ 131-8.4. Tenant income eligibility.**

- A. Tenant income eligibility shall be in accordance with N.J.A.C. 5:80-26.13, as may be amended and supplemented, and shall be determined as follows:
  - (1) Very low-income rental units shall be reserved for households with a gross household income less than or equal to 30% of median income.
  - (2) Low-income rental units shall be reserved for households with a gross household income less than or equal to 50% of median income.
  - (3) Moderate-income rental units shall be reserved for households with a gross household income less than 80% of median income.
- B. The Administrative Agent shall certify a household as eligible for a restricted rental unit when the household is a very low-income household, low-income household or a moderate-income household, as applicable to the unit, and the rent proposed for the unit does not exceed 35% (40% for age-restricted units) of the household's eligible monthly income as determined pursuant to N.J.A.C. 5:80-26.16, as may be amended and supplemented; provided, however, that this limit may be exceeded if one or more of the following circumstances exists:
  - (1) The household currently pays more than 35% (40% for households eligible for age-restricted units) of its gross household income for rent, and the proposed rent will reduce its housing costs;
  - (2) The household has consistently paid more than 35% (40% for households eligible for age-restricted units) of eligible monthly income for rent in the past and has proven its ability to pay;
  - (3) The household is currently in substandard or overcrowded living conditions;
  - (4) The household documents the existence of assets with which the household proposes to supplement the rent payments; or
  - (5) The household documents reliable anticipated third-party assistance from an outside source such as a family member in a form acceptable to the Administrative Agent and the owner of the unit.
- C. The applicant shall file documentation sufficient to establish the existence of the circumstances in A1 through B5 above with the Administrative Agent, who shall counsel the household on budgeting.

#### **§ 131-9. Local housing rehabilitation program.**



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- A. The Township Housing Rehabilitation Program shall be administered by the Monroe Township Affordable Housing Board as follows:
- (1) The Municipal Housing Officer shall be responsible for the Board's duties under the local housing rehabilitation program specified in the Township's adopted 1988 Housing Element and Fair Share Plan and subsequent revisions and amendments thereto.
  - (2) The Board shall identify homeowners and landlords willing to participate in a program of rehabilitating, up to code standard, existing housing affordable to low and moderate-income households.
  - (3) The Board shall provide funding for the program.
  - (4) The Board shall maintain affordability controls for rehabilitated units.
- B. Under the direction of the Monroe Township Affordable Housing Board, the Municipal Housing Officer and staff members shall:
- (1) Screen the income eligibility of prospective participants in the local housing rehabilitation program.
  - (2) Estimate the cost of needed housing improvements.
  - (3) Obtain bids from contractors in a manner that provides choice to homeowners and landlords.
  - (4) Monitor the work of contractors.
  - (5) Inspect and approve the completed rehabilitation work.
- C. Low and moderate income split. To the best extent feasible, at least 50% of all rehabilitated units shall be for low-income households.
- D. Lien requirement. A homeowner or investor-landlord participating in the local rehabilitation program shall execute a lien on the rehabilitated property in favor of the Township of Monroe in consideration for the funds granted for the cost of rehabilitation and for the period of controls on affordability. Prior to execution, the lien shall be reviewed as to form by the Township Attorney.
- (1) Rehabilitated owner-occupied single family housing units that are improved to code standards shall be subjected to affordability controls for at least 10 years. **[Amended 4-3-17 by Ord. No. O-3-2017-007]**
  - (2) Rehabilitated renter-occupied housing units that are improved to code standard shall be subject to affordability controls for at least 10 years.
- E. Fees. **[Added 4-4-16 by Ord. No. O-3-2016-010]**
- (1) All local construction fees, plan review fees and inspection fees shall be exempt from the Rehabilitation Program.

§ 131-10. (Reserved)<sup>1</sup>§ 131-11. Purpose; creation of administrative mechanisms. **[Adopted 10-4-06 as Ord. No.**


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1. Editor's Note: Section 131-10 Management service for sale or rental units was repealed in its entirety by Ord. No. O-7-2016-024.

**O-10-2006-034]**

The purpose of this chapter is to create the administrative mechanisms needed for the execution of Monroe Township's responsibility to assist in the provision of affordable housing pursuant to the Fair Housing Act of 1985.

**§ 131-12. Municipal Housing Liaison defined. [Adopted 10-4-06 as Ord. No. O-10-2006-034]**

As used in this chapter, the following terms shall have the meanings indicated:

**MUNICIPAL HOUSING LIAISON** — The employee charged by the governing body with the responsibility for oversight and administration of the affordable housing program for the Township of Monroe.

**ADMINISTRATIVE AGENT** — The entity responsible for administering the affordability controls of some or all units in the affordable housing program for the Township of Monroe to ensure that the restricted units under administration are affirmatively marketed and sold or rented, as applicable, only to low- and moderate-income households.

**§ 131-13. Municipal Housing Liaison.**

- A. Establishment of position of Municipal Housing Liaison. There is hereby established the position of Municipal Housing Liaison for the Township of Monroe.
- B. The Municipal Housing Liaison shall be appointed by the Mayor with the advice and consent of the Council and may be a full or part time municipal employee. The Municipal Housing Liaison shall be approved by the Court and shall be duly qualified through a training program sponsored by Affordable Housing Professionals of New Jersey before assuming the duties of Municipal Housing Liaison. The Municipal Housing Liaison in Monroe Township is hereby designated to act as liaison between the Township, the Monroe Township Affordable Housing Board, the Administrative Agent, and the Council on Affordable Housing (COAH), the Court or other appropriate supervising agency; and shall provide a monthly report to the Affordable Housing Board concerning action taken by the Administrative Agent.
- C. The Municipal Housing Liaison shall be responsible for oversight and administration of the affordable housing program for the Township of Monroe, including the following responsibilities which may not be contracted out to the Administrative Agent:
  - (1) Serving as the Township of Monroe's primary point of contact for all inquiries from the State, affordable housing providers, Administrative Agents and interested households;
  - (2) Monitoring the status of all restricted units in the Township of Monroe's Fair Share Plan;
  - (3) Compiling, verifying and submitting annual monitoring reports as may be required by the Court;
  - (4) Coordinating meetings with affordable housing providers and Administrative Agents, as needed; and
  - (5) Attending continuing education opportunities on affordability controls, compliance monitoring and affirmative marketing at least annually and more often as needed.
- D. Subject to the approval of the Court, the Township of Monroe shall designate an Administrative Agent to administer newly constructed affordable units in accordance with UHAC. An Operating Manual for each affordable housing program shall be provided by the Administrative Agent to be

adopted by resolution of the governing body and subject to approval of the Court. The Operating Manual(s) shall be available for public inspection in the office of the Township Clerk, in the office of the Municipal Housing Liaison, and in the office of the Administrative Agent. The Municipal Housing Liaison shall supervise the contracting of the Administrative Agent.

- E. Compensation shall be fixed by the governing body at the time of the appointment of the Municipal Housing Liaison.

**§ 131-13.1. Administrative Agent; duties.**

The Administrative Agent shall be an independent entity serving under contract to and reporting to the Affordable Housing Board. The fees of the Administrative Agent shall be paid by the owners of the affordable units for which the services of the Administrative Agent are required. The Administrative Agent shall perform the duties and responsibilities of an Administrative Agent as set forth in UHAC, including those set forth in Sections 5:80-26.14, 16 and 18 thereof, which includes:

A. Affirmative marketing:

- (1) Conducting an outreach process to affirmatively market affordable housing units in accordance with the Affirmative Marketing Plan of the Township of Monroe and the provisions of N.J.A.C. 5:80-26.15; and
- (2) 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.

B. Household certification:

- (1) Soliciting, scheduling, conducting and following up on interviews with interested households;
- (2) 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;
- (3) Providing written notification to each applicant as to the determination of eligibility or non-eligibility;
- (4) Requiring that all certified applicants for restricted units execute a certificate substantially in the form, as applicable, of either the ownership or rental certificates set forth in Appendices J and K of N.J.A.C. 5:80-26.1, et seq.;
- (5) Creating and maintaining a referral list of eligible applicant households living in the housing region and eligible applicant households with members working in the housing region where the units are located; and
- (6) Employing a random selection process as provided in the Affirmative Marketing Plan of the Township of Monroe when referring households for certification to affordable units.

C. Affordability controls:

- (1) Furnishing to attorneys or closing agents forms of deed restrictions and mortgages for recording at the time of conveyance of title of each restricted unit;
- (2) Creating and maintaining a file on each restricted unit for its control period, including the recorded deed with restrictions, recorded mortgage and note, as appropriate;

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- (3) Ensuring that the removal of the deed restrictions and cancellation of the mortgage note are effectuated and properly filed with the Middlesex County Register of Deeds or Middlesex County Clerk's office after the termination of the affordability controls for each restricted unit;
- (4) Communicating with lenders regarding foreclosures; and
- (5) Ensuring the issuance of Continuing Certificates of Occupancy or certifications pursuant to N.J.A.C. 5:80-26.10.

D. Resales and re-rentals:

- (1) Instituting and maintaining an effective means of communicating information between owners and the Administrative Agent regarding the availability of restricted units for resale or re-rental; and
- (2) Instituting and maintaining an effective means of communicating information to low- and moderate-income households regarding the availability of restricted units for resale or re-rental.

E. Processing requests from unit owners:

- (1) Reviewing and approving requests for determination from owners of restricted units who wish to take out home equity loans or refinance during the term of their ownership that the amount of indebtedness to be incurred will not violate the terms of this chapter;
- (2) 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;
- (3) Notifying the municipality of an owner's intent to sell a restricted unit; and
- (4) Making determinations on requests by owners of restricted units for hardship waivers.

F. Enforcement:

- (1) Securing annually from the municipality a list of all affordable housing units for which tax bills are mailed to absentee owners, and notifying all such owners that they must either move back to their unit or sell it;
- (2) 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;
- (3) In the event that the administration of low- and moderate-income housing in an inclusionary development is to be performed by the Administrative Agent, the payment of the Administrative Agent fee shall be the responsibility of the developer/owner of that particular inclusionary development and shall be a condition of Municipal Planning Board Approval.
- (4) All developers/owners of low- and moderate-income housing units shall be required to assist in the marketing of the affordable units in their respective developments. The cost of advertising the low- and moderate-income units shall be the developer's responsibility and this requirement shall be a condition of Municipal Planning Board approval.

- (5) The posting annually in all rental properties, including two-family homes, of a notice as to the maximum permitted rent together with the telephone number of the Administrative Agent where complaints of excess rent or other charges can be made;
- (6) Sending annual mailings to all owners of affordable dwelling units, reminding them of the notices and requirements outlined in N.J.A.C. 5:80-26.18(d)4;
- (7) Establishing a program for diverting unlawful rent payments to the municipality's Affordable Housing Trust Fund; and
- (8) Creating and publishing a written operating manual for each affordable housing program administered by the Administrative Agent, to be approved by the Township Council and the Court, setting forth procedures for administering the affordability controls.

G. Additional Responsibilities:

- (1) The Administrative Agent shall have the authority to take all actions necessary and appropriate to carry out its responsibilities hereunder.
- (2) In the event that the Township of Monroe enters into a contract with the Administrative Agent regarding affordable sales and rental units, all other applicable sections of this chapter shall be enforced by the Administrative Agent on behalf of the Township of Monroe.
- (3) The Administrative Agent shall prepare monitoring reports for submission to the Municipal Housing Liaison in time to meet any monitoring requirements and deadlines imposed by the Court.
- (4) The Administrative Agent shall attend continuing education sessions on affordability controls, compliance monitoring, and affirmative marketing at least annually and more often as needed.

**§ 131-14. Applicability.**

- A. The provisions of this chapter shall apply to all affordable housing developments and affordable housing units that currently exist and that are proposed to be created within the Township of Monroe pursuant to the Township's most recently adopted Housing Element and Fair Share Plan, and all developments that contain low-and moderate-income housing units, including any currently unanticipated future developments that will provide low- and moderate-income housing units.
- B. In addition, any property in the Township of Monroe that is currently zoned for nonresidential uses and that is subsequently rezoned for residential purposes or receives a zoning change or a use variance to permit residential development, or receives a zoning change or a density variance to permit higher density residential development, and provided such residential development provides a sufficient compensatory benefit in terms of the density of development permitted, shall provide an affordable housing set-aside of 20% if the affordable units will be for rent and 20% if the affordable units will be for sale. The determination of a "sufficient compensatory benefit" shall be made by the reviewing authority based upon prevailing legislation and/or case law.

**§ 131-15. Alternative living arrangements.**

- A. The administration of an alternative living arrangement shall be in compliance with N.J.A.C. 5:93-5.8 and UHAC, with the following exceptions:
  - (1) Affirmative marketing (N.J.A.C. 5:80-26.15), provided, however, that the units or bedrooms

may be affirmatively marketed by the provider in accordance with an alternative plan approved by the Court;

- (2) Affordability average and bedroom distribution (N.J.A.C. 5:80-26.3).
- B. 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, alternative living arrangements shall have at least 50 year controls on affordability in accordance with UHAC, unless an alternative commitment is approved by the Court.
- C. The service provider for the alternative living arrangement shall act as the Administrative Agent for the purposes of administering the affirmative marketing and affordability requirements for the alternative living arrangement.

### **§ 131-16. New construction.**

#### **A. Accessibility Requirements.**

- (1) The first floor of all restricted townhouse dwelling units and all restricted units in all other multistory buildings shall be subject to the technical design standards of the Barrier Free Sub-Code, N.J.A.C. 5:23-7 and the following:
- (2) All restricted townhouse dwelling units and all restricted units in other multistory buildings in which a restricted dwelling unit is attached to at least one other dwelling unit shall have the following features:
  - (a) An adaptable toilet and bathing facility on the first floor; and
  - (b) An adaptable kitchen on the first floor; and
  - (c) An interior accessible route of travel on the first floor; and
  - (d) An adaptable room that can be used as a bedroom, with a door or the casing for the installation of a door, on the first floor; and
  - (e) If not all of the foregoing requirements in paragraphs (2) (a) through (d) above can be satisfied, then an interior accessible route of travel must be provided between stories within an individual unit, but if all of the terms of paragraphs (2) (a) through (d) above have been satisfied, then an interior accessible route of travel shall not be required between stories within an individual unit; and
  - (f) An accessible entranceway as set forth at P.L. 2005, c. 350 (N.J.S.A. 52:27D-311a, et seq.) and the Barrier Free Sub-Code, N.J.A.C. 5:23-7, or evidence that the Township of Monroe has collected funds from the developer sufficient to make 10% of the adaptable entrances in the development accessible:
    - [1] Where a unit has been constructed with an adaptable entrance, upon the request of a disabled person who is purchasing or will reside in the dwelling unit, an accessible entrance shall be installed.
    - [2] To this end, the builder of restricted units shall deposit funds within the Township of Monroe's Affordable Housing Trust Fund sufficient to install accessible entrances in 10% of the affordable units that have been constructed with adaptable entrances.



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- [3] The funds deposited under paragraph (f)(2) above shall be used by the Township of Monroe for the sole purpose of making the adaptable entrance of an affordable unit accessible when requested to do so by a person with a disability who occupies or intends to occupy the unit and requires an accessible entrance.
- [4] The developer of the restricted units shall submit a design plan and cost estimate to the Construction Official of the Township of Monroe for the conversion of adaptable to accessible entrances.
- [5] Once the Construction Official has determined that the design plan to convert the unit entrances from adaptable to accessible meet the requirements of the Barrier Free Sub-Code, N.J.A.C. 5:23-7, and that the cost estimate of such conversion is reasonable, payment shall be made to the Township's Affordable Housing Trust Fund in care of the Township Treasurer who shall ensure that the funds are deposited into the Affordable Housing Trust Fund and appropriately earmarked.
- [6] Full compliance with the foregoing provisions shall not be required where an entity can demonstrate that it is "site impracticable" to meet the requirements. Determinations of site impracticability shall be in compliance with the Barrier Free Sub-Code, N.J.A.C. 5:23-7.

## B. Design:

- (1) In inclusionary developments, to the extent possible, low- and moderate-income units shall be integrated with the market units.
- (2) In inclusionary developments, low- and moderate-income units shall have access to all of the same common elements and facilities as the market units.

## C. Distribution of low- and moderate-income units:

- 1. With the exception of inclusionary development constructed pursuant to low-income tax credit regulations, at least half of all units within each inclusionary development shall be affordable to low-income households.
- 2. With the exception of inclusionary developments constructed pursuant to low-income tax credit regulations, at least half of all rental units shall be affordable to low-income households.
- 3. With the exception of inclusionary developments constructed pursuant to low-income tax credit regulations, at least 1/3 of all units in each bedroom distribution, as set forth in N.J.A.C. 5:93-7.3, shall be affordable to low-income households.

## D. Bedroom distribution.

- (1) Inclusionary developments that are not restricted to senior citizens shall be structured in conjunction with realistic market demands so that:
  - (a) The combination of efficiency and one-bedroom units is at least 10% and no greater than 20% of the total low- and moderate-income units.
  - (b) At least 30% of all low- and moderate-income units are two-bedroom units.
  - (c) At least 20% of all low- and moderate-income units are three-bedroom units.

- (2) Low- and moderate-income units restricted to senior citizens may utilize a modified bedroom distribution. At a minimum, the number of bedrooms shall equal the number of senior citizen low- and moderate-income units within the inclusionary development. This standard can be met by creating all one-bedroom units or by creating a two-bedroom unit for each efficiency unit.
- E. Construction phasing of inclusionary units. Inclusionary development shall require low and moderate-income housing units to be built in accordance with the following schedule:

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

F. Utilities:

- (1) Affordable units shall utilize the same type of heating source as market units within an inclusionary development.
- (2) Tenant-paid utilities included in the utility allowance shall be set forth in the lease and shall be consistent with the utility allowance approved by DCA for its Section 8 program.

G. Maximum 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, utilizing the regional income limits established by COAH or a successor entity.
- (2) The maximum rent for restricted rental units within each affordable development shall be affordable to households earning no more than 60% of median income, and the average rent for restricted rental units shall be affordable to households earning no more than 52% of median income.
- (3) 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 very low-income households, earning 30% or less of the regional median income by household size, unless a higher percentage is required in Chapter 108 or has been the subject of a separate agreement with the developer. Very low-income units shall be considered part of the low-income housing obligation.
- (4) The maximum sales price of restricted ownership units within each affordable development shall be affordable to households earning no more than 70% of median income, and each affordable development must achieve an affordability average of 55% for restricted ownership units; in achieving this affordability average, moderate-income ownership units must be



available for at least three different sales prices for each bedroom type, and low-income ownership units must be available for at least two different sales prices for each bedroom type.

- (5) In determining the initial sales prices and rent levels for compliance with the affordability average requirements for restricted units other than assisted living facilities and age-restricted developments, the following standards shall be used:
  - (a) A studio 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.
- (6) In determining the initial sales prices and rents for compliance with the affordability average requirements for restricted units in assisted living facilities and age-restricted developments, the following standards shall be used:
  - (a) A studio 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.
- (7) 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% of the purchase price and the Federal Reserve H.15 rate of interest), taxes, homeowner and private mortgage insurance and condominium or homeowner association fees do not exceed 28% of the eligible monthly income of the appropriate size household as determined under N.J.A.C. 5:80-26.4, as may be amended and supplemented; provided, however, that the price shall be subject to the affordability average requirement of N.J.A.C. 5:80-26.3, as may be amended and supplemented.
- (8) The initial rent for a restricted rental unit shall be calculated so as not to exceed 30% of the eligible monthly income of the appropriate size household, including an allowance for tenant paid utilities, as determined under N.J.A.C. 5:80-26.4, as may be amended and supplemented; provided, however, that the rent shall be subject to the affordability average requirement of N.J.A.C. 5:80-26.3, as may be amended and supplemented.
- (9) The price of owner-occupied low- and moderate-income units may increase annually based on the percentage increase in the regional median income limit for each housing region. In no event shall the maximum resale price established by the Administrative Agent be lower than the last recorded purchase price.
- (10) The rent of low- and moderate-income units may be increased annually based on the permitted percentage increase in the Housing Consumer Price Index for the United States. This increase shall not exceed 9% in any one year. Rents for units constructed pursuant to low- income housing tax credit regulations shall be indexed pursuant to the regulations governing low-income housing tax credits.

**§ 131-17. Enforcement of affordable housing regulations.**

- A. Upon the occurrence of a breach of any of the regulations governing the affordable unit by an Owner, Developer or Tenant, the municipality shall have all remedies provided at law or equity, including but not limited to foreclosure, tenant eviction, a requirement for household recertification, acceleration of all sums due under a mortgage, recuperation of any funds from a sale in violation of the regulations, injunctive relief to prevent further violation of the regulations, entry on the premises, and specific performance.
- B. After providing written notice of a violation to an Owner, Developer or Tenant of a low- or moderate-income unit and advising the Owner, Developer or Tenant of the penalties for such violations, the municipality may take the following action(s) against the Owner, Developer or Tenant for any violation that remains uncured for a period of 60 days after service of the written notice:
  - (1) The municipality may file a court action pursuant to N.J.S.A. 2A:58-11 alleging a violation or violations of the regulations governing the affordable housing unit. If the Owner, Developer or Tenant is adjudged by the Court to have violated any provision of the regulations governing affordable housing units the Owner, Developer or Tenant shall be subject to one or more of the following penalties, at the discretion of the Court:
    - (a) A fine of not more than \$500.00 per day or imprisonment for a period not to exceed 90 days, or both, provided that each and every day that the violation continues or exists shall be considered a separate and specific violation of these provisions and not a continuation of the initial offense;
    - (b) In the case of an Owner who has rented a low- or moderate-income unit in violation of the regulations governing affordable housing units, payment into the Township of Monroe Affordable Housing Trust Fund of the gross amount of rent illegally collected;
    - (c) In the case of an Owner who has rented a low- or moderate-income unit in violation of the regulations governing affordable housing units, payment of an innocent tenant's reasonable relocation costs, as determined by the Court.
  - (2) The municipality may file a court action in the Superior Court seeking a judgment that would result in the termination of the Owner's equity or other interest in the unit, in the nature of a mortgage foreclosure. Any such judgment shall be enforceable as if the same were a judgment of default of the First Purchase Money Mortgage and shall constitute a lien against the low- or moderate-income unit.
    - (a) The judgment shall be enforceable, at the option of the municipality, by means of an execution sale by the Sheriff, at which time the low- and moderate-income unit of the violating Owner shall be sold at a sale price which is not less than the amount necessary to fully satisfy and pay off any First Purchase Money Mortgage and prior liens and the costs of the enforcement proceedings incurred by the municipality, including attorney's fees. The violating Owner shall have his right to possession terminated as well as his 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- and moderate-income unit. The excess, if any, shall be applied to reimburse the municipality for any and all costs and expenses incurred in connection with either the court action resulting in the judgment of violation or the Sheriff's sale. In the event that the proceeds from the Sheriff's sale are insufficient to

reimburse the municipality in full as aforesaid, the violating Owner shall be personally responsible for the full extent of such deficiency, in addition to any and all costs incurred by the municipality in connection with collecting such deficiency. In the event that a surplus remains after satisfying all of the above, such surplus, if any, shall be placed in escrow by the municipality for the Owner and shall be held in such escrow for a maximum period of two years or until such earlier time as the Owner shall make a claim with the municipality for such. Failure of the Owner to claim such balance within the two-year period shall automatically result in a forfeiture of such balance to the municipality. Any interest accrued or earned on such balance while being held in escrow shall belong to and shall be paid to the municipality, whether such balance shall be paid to the Owner or forfeited to the municipality.

- (c) Foreclosure by the municipality due to violation of the regulations governing affordable housing units shall not extinguish the restrictions of the regulations governing affordable housing units as the same apply to the low- and moderate-income unit. Title shall be conveyed to the purchaser at the Sheriff's sale, subject to the restrictions and provisions of the regulations governing the affordable housing 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 low- and moderate-income unit by satisfying the First Purchase Money Mortgage and any prior liens and crediting the violating owner with an amount equal to the difference between the First Purchase Money Mortgage and any prior liens and costs of the enforcement proceedings, including legal fees and the maximum resale price for which the low- and moderate-income unit could have been sold under the terms of the regulations governing affordable housing units. This excess shall be treated in the same manner as the excess which would have been realized from an actual sale as previously described.
- (e) Failure of the low- and moderate-income unit to be either sold at the Sheriff's sale or acquired by the municipality shall obligate the Owner to accept an offer to purchase from any qualified purchaser which may be referred to the Owner by the municipality, with such offer to purchase being equal to the maximum resale price of the low- and moderate-income unit as permitted by the regulations governing affordable housing units.
- (f) The Owner shall remain fully obligated, responsible and liable for complying with the terms and restrictions of governing affordable housing units until such time as title is conveyed from the Owner.

### **§ 131-18. Appeals**

Appeals from all decisions of an Administrative Agent appointed pursuant to this chapter shall be filed in writing with the Court.

### **§ 131-19. Establishment of annual income limits, resale prices and rent levels. [Added 3-5-2018 by Ord. No. O-2-2018-002]**

- A. Income limits for all units that are part of Monroe Township's Housing Element and Fair Share Plan and for which income limits are not already established through a federal program exempted from the Uniform Housing Affordability controls pursuant to N.J.A.C. 5:80-26.1 shall be updated by Monroe

Township annually with 60 days of the publication of determinations of median income by HUD as follows:

- (1) Regional income limits shall be established for the region that Monroe Township is located within, based on the median income by household size, which shall be established by a regional weighted average of the uncapped Section 8 income limits published by HUD. To compute this regional income limit, the HUD determination of median county income for a family of four is multiplied by the estimated households within the county according to the most recent decennial census. The resulting product for each county within the housing region is summed. The sum is divided by the estimated total households from the most recent decennial census in Monroe Township's housing region. This quotient represents the regional weighted average of median income for a household of four. The income limit for a moderate-income unit for a household of four shall be 80 percent of the regional weighted average median income for a family of four. The income limit for a low-income unit for a household of four shall be 50 percent of the HUD determination of the regional weighted average median income for a family of four. The income for a very low-income unit for a household of four shall be 30 percent of the regional weighted average median income for a family of four. These income limits shall be adjusted by household size based on multipliers used by HUD to adjust median income by household size. In no event shall the income limits be less than those for the previous year.
  - (2) The income limits are the result of applying the percentages set forth in Subsection A(1) above to HUD's determination of median income for FY 2016, and shall be utilized until Monroe Township updates the income limits after HUD has published revised determinations of median income for the next fiscal year.
  - (3) The Regional Asset Limited used in determining an applicant's eligibility for affordable housing pursuant to N.J.A.C. 5:80-26.16(b)3 shall be calculated by Monroe Township annually by taking the percentage increase of the income limits calculated pursuant to Subsection A(1) above over the previous year's income limits, and applying the same percentage increase to the Regional Asset Limit from the prior year. In no event shall the Regional Asset Limit be less than that for the previous year.
- B. In establishing sale prices and rents of affordable housing units, the administrative agent shall follow the procedures set forth in UHAC, utilizing the regional income limits established pursuant to the process defined above.
- (1) The resale prices of owner-occupied low- and moderate-income units may increase annually based on the percentage increase in the regional median income limit for each housing region determined pursuant to the process outlined above. In no event shall the maximum resale price established by the administrative agent be lower than the last recorded purchase price.
  - (2) The rent levels of very-low-, low- and moderate-income units may be increased annually based on the percentage increase in the Housing Consumer Price index for the Northeast Urban Area, upon its publication for the prior calendar year. This increase shall not exceed nine percent in any one year. Rents for units constructed pursuant to low-income housing tax credit regulations shall be indexed pursuant to the regulations governing low-income housing tax credits.

## **Appendix E. Draft Ordinance 1**

## **Appendix F. Draft Ordinance 2**