



FOURTH ROUND

HOUSING ELEMENT AND FAIR SHARE PLAN

HOLMDEL TOWNSHIP | MONMOUTH COUNTY, NEW JERSEY

June 2025



FOURTH ROUND

HOUSING ELEMENT AND FAIR SHARE PLAN

ADOPTED BY THE PLANNING BOARD: JUNE 26, 2025

ENDORSED BY THE MAYOR & TOWNSHIP COMMITTEE: JUNE 27, 2025

PREPARED BY:

A handwritten signature in black ink, appearing to be 'KE' or 'KELIE', is written above a horizontal line.

KENDRA LELIE, PP, AICP, LLA
NEW JERSEY PROFESSIONAL PLANNER LICENSE #5537

KYLE + McMANUS ASSOCIATES

A SIGNED AND SEALED ORIGINAL IS ON FILE WITH THE TOWNSHIP CLERK



HOLMDEL TOWNSHIP PLANNING BOARD

Scott Silberman, Chairperson
Joyce Ploussas, Vice Chairperson
Mayor Brian Foster
Joseph Romano, Committee Member
Brendan Connolly
Jeff Ackerson
TJ Mann
Ron Emma
Wes Fagan
Tom King
Brian Dors, Alternate #1
James Bell, Alternate #2

Irina Jvarisheishvili-Darrar, Planning Board Secretary
Martin F. Pfleger, Esq., Planning Board Attorney
Edward Herrman, PE, PP, CME, Planning Board Engineer

HOLMDEL TOWNSHIP MAYOR & COMMITTEE

Honorable Brian Foster, Mayor
Kim LaMountain, Deputy Mayor
Rocco Imprevuto, Committee Member
Domenico "DJ" Luccarelli, Committee Member
Joseph Romano, Committee Member

Christopher Cherbini, Township Administrator
Wendy Patrovich, Township Clerk
Edward Herrman, PE, PP, CME, Township Engineer
Michael L. Collins, Esq., Township Attorney



TABLE OF CONTENTS

Introduction & Executive Summary	5
Affordability Requirements	5
Present and Prospective Need Obligation	6
Fair Share Plan	7
Satisfaction of the Affordable Housing Obligation	9
Preservation of Multigenerational Family Continuity	17
State Development and Redevelopment Plan Consistency	17
Affordable Housing Administration & Affirmative Marketing	17
Affordable Housing Trust Fund	18
Monitoring	19
Cost Generation	19

APPENDICES

1. Housing, Demographic & Employment Analysis
2. Mapping
3. Resolutions
4. Redevelopment Plan
5. Draft Spending Plan
6. Rehabilitation Documentation



EXECUTIVE SUMMARY

This Fourth Round Housing Element and Fair Share Plan (HEFSP) has been prepared pursuant to the Amended Fair Housing Act ("FHA" or "Amended FHA") which was signed into law in March 2024. The Township is required to adopt a Fourth Round HEFSP by June 30, 2025 in accordance with the FHA.

This Plan will serve as the foundation for the Township's application to the Affordable Housing Dispute Resolution Program ("Program"), which is the mediation arm of the Court to resolve disputes related to a municipality's obligation and/or Housing Element and Fair Share Plan, and Superior Court for that approval, referred to as a Judgment of Compliance and Order of Repose. Holmdel Township filed a complaint for Declaratory Judgement in Superior Court on January 31, 2025, seeking a declaration of compliance with the Mount Laurel Doctrine and the Amended Fair Share Housing Act of 2024.

There have been two (2) previous rounds of affordable housing in the State, the Prior Round which covered a time period from 1987 to 1999 and a Third Round which covered a time period from 1999-2025. Holmdel Township received a Judgment of Compliance from Superior Court of the Third Round HEFSP on March 14, 2022. The Third Round prospective need (new construction) obligation was 297 units. The Township has 180 affordable housing units that are occupied, and twelve (12) affordable housing units have received site plan approval. The Township also received a total of 74 bonus credits. However, there is a deficit of 43 credits from the Route 35 inclusionary project (Block 59, Lots 6 & 7) including 31 units and 12 bonus credits that were not implemented from the Third Round, in which the Township will address the satisfaction of these units in the Fourth Round HEFSP.

The Fourth Round prospective need obligation, as determined by Superior Court Order, is 106 affordable housing units. The Fourth Round period is a 10-year obligation period running from July 1, 2025 to June 30, 2035. As detailed in the Fourth Round HEFSP, the Township is satisfying the obligation through extension of controls, an age-restricted inclusionary development and a 100% affordable housing project.

INTRODUCTION & BACKGROUND

Since the 1975 New Jersey Supreme Court decision known as "Mount Laurel I", New Jersey municipalities have had a constitutional obligation to provide opportunities for the creation of low and moderate housing units. This 1975 decision led to a body of case law, legislative changes, and rulemaking by a state agency that, collectively, is now referred to as the "Mount Laurel doctrine". Through these actions, New Jersey municipalities have been assigned a specific number of affordable housing units that must be created or planned to "satisfy" their constitutional obligation, commonly referred to as their affordable housing obligation.

Participation in this process and satisfaction of the affordable housing obligation can be achieved voluntarily or involuntarily. However, the affordable housing laws heavily incentivize voluntary compliance. Municipalities that do not voluntarily comply may be vulnerable to “builder’s remedy” litigation. A builder’s remedy is a litigation tool to compel the municipality to include a builder’s site in the Fair Share plan. However, to secure such a remedy, the developer must “succeed in litigation”, provide a “substantial” affordable housing set-aside and the developer’s “proposed project” must not clearly violate “sound land use planning”. The Supreme Court’s desire to ensure that developers who provide affordable housing do so in accordance with sound planning, which is a pillar of the Mount Laurel doctrine.

Holmdel Township seeks to avoid the possibility of builder’s remedy litigation through the adoption of this HEFSP which includes development projects that include the required affordable housing units setaside to be deed restricted for very-low, low- and moderate-income households.

Affordable housing in New Jersey is defined as housing units which are reserved for households with incomes not more than 80% of the regional median income. Each affordable unit, with limited exceptions, must remain reserved for very-low-, low- and moderate-income households for a minimum of 30 years and for rental units, 40 years, and it is typically enforced by a deed restriction. Each affordable unit is eligible for one “credit” against the affordable housing obligation and certain units are eligible for “bonus credits”. In addition to providing the minimum number of credits, municipalities must ensure diversity in the level of affordability – meaning very-low-, low- and moderate-income units – and diversity in the size of affordable units – meaning one-, two- and three-bedroom units.

Fair Housing Act Amendments

The 2024 Fair Housing Act (FHA) was signed into law in March 2024. The amendments made to the 2024 FHA govern how the municipal fair share obligations are established and satisfied. A few of the noteworthy changes include the following:

- The Department of Community Affairs (DCA) using the FHA methodology computed an advisory Fourth Round present (rehabilitation) and prospective need (new construction) obligation.
- The Affordable Housing Dispute Resolution Program (Program) will administer the review, dispute resolution and approval of the Housing Element and Fair Share Plans submitted. However, the Program recently published new administrative rules requiring municipalities to file a Declaratory Judgment action to Superior Court once a municipality adopts their Fourth Round affordable housing obligation. The process for review, dispute resolution and approval moves through a judicial process with a mediation process occurring at the Program level.

- Each municipality was required to adopt a binding resolution committing to a present need, also known as the rehabilitation obligation, and to its Fourth Round prospective need obligation by January 31, 2025.
- The deadline for the submission of a Fourth Round Housing Element and Fair Share Plan to the Program is June 30, 2025. If a municipality does not meet this deadline, the municipality may be open to a builder's remedy lawsuit. The Fourth Round runs from July 1, 2025, to June 30, 2035.
- An overview of the general requirements of the law are as follows:
 - ✓ Third Round Assessment: A municipality shall include an assessment of meeting the Third Round obligation and determining if there is a deficit or surplus that must be addressed.
 - ✓ Unused/Underutilized Property: A municipality must consider converting or redevelopment of this type of property when planning for location of affordable housing.
 - ✓ 25% of affordable units have to be rental housing units and half of those have to be available to families with children.
 - ✓ 50% of the municipality's prospective need (exclusive of any bonus credits) have to be available to families with children.
 - ✓ Transitional Housing: Municipalities can now count affordable housing credits from transitional housing, but towards no more than 10 percent of the municipality's fair share obligation.
 - ✓ Age-Restricted Units: 30% of a municipality's prospective need (exclusive of any bonus credits) can be age restricted.
 - ✓ Extension of Expiring Controls is a permitted mechanism credit if affordability controls are extended for a new term of affordability provided that the minimum extension term may be limited to no less than 20 years as long as the original and extended term, in combination, total at least 60 years. Any 100 percent affordable rental property shall have a right to extinguish a deed restriction regardless of original length, beginning 30 years following the start of the deed restriction, provided a refinancing or rehabilitation, or both, for the purpose of preservation is commenced and that a new deed restriction of at least 30 years is provided.
 - ✓ Adaptability Requirements/Possible Loss of Immunity: If affordable units do not properly comply with adaptability and barrier free requirements, the municipality "shall lose its immunity to builder's remedy lawsuits."
 - ✓ Loss of Immunity and Trust Fund: If a municipality loses immunity, the municipality is prohibited from expending trust funds.
 - ✓ Affordability controls for rental units shall be a minimum of 40 years and for for-sale shall be a minimum of 30 years.
- Bonus credits for affordable housing have been updated as follows:
 - Bonus credits are limited:
 - No more than one type of credit for any unit

- No more than 25% of the obligation shall be bonus credits
- One Full Bonus Credit
 - Supportive and Special Needs Bedrooms
 - 100% Affordable Projects: Units within 100% affordable housing project provided the municipality provide the land or a minimum of 3% of the project costs
 - Market to Affordable Unit which includes municipal site control of the property or an agreement between the municipality and the landowner
- Half Bonus Credit
 - Partnership with a non-profit developer
 - The affordable housing units are within ½ mile of transit (rail, bus)
 - Age restricted units are limited to 10% of the age-restricted units provided the age-restricted unit total is capped at 30% of the obligation
 - Three-bedrooms units above the required three-bedroom distribution (min. 20%)
 - Units constructed on land that is or was previously developed and utilized for retail, office, or commercial space
 - Redevelopment for units on land that is within a redevelopment zone
 - Extension of affordability controls on rental housing only and the municipality funds the cost for the preservation
 - Very Low-Income units above the 13% required

The Housing Element and Fair Share Plan

In accordance with the 2024 Amended Fair Housing Act this Housing Element and Fair Share Plan includes the following:

- a. An inventory of the municipality's housing stock by age, condition, purchase or rental value, occupancy characteristics, and type, including the number of units affordable to low- and moderate-income households and substandard housing capable of being rehabilitated;
- b. A projection of the municipality's housing stock, including the probable future construction of low- and moderate-income housing for the next ten (10) years, taking into account, but not necessarily limited to, construction permits issued, approvals of applications for development, and probable residential development of lands;
- c. An analysis of the municipality's demographic characteristics, including, but not necessarily limited to, household size, income level, and age; and
- d. An analysis of the existing and probable future employment characteristics of the municipality;
- e. A determination of the municipality's present and prospective fair share of low- and moderate-income housing and its capacity to accommodate its present and prospective housing needs, including its fair share of low- and moderate-income housing; and

- f. A consideration of the lands 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 providing low- and moderate-income housing;
- g. An analysis of the extent to which municipal ordinances and other local factors advance or detract from the goal of preserving multigenerational family continuity as expressed in the recommendations of the Multigenerational Family Housing Continuity Commission, adopted pursuant to paragraph (1) of subsection f. of section 1 of P.L.2021, c. 273 (C.52:27D-329.20);
- h. An analysis of consistency with the State Development and Redevelopment Plan, including water, wastewater, stormwater, and multi-modal transportation based on guidance and technical assistance from the State Planning Commission.

Items (a) through (d) are included as an appendix item and items (e) through (h) are included in the body of this Fair Share Plan.

AFFORDABILITY REQUIREMENTS

Affordable housing is defined under New Jersey's FHA as a dwelling, either for sale or rent, which is within the financial means of households of very-low-, low-, or moderate-income, as is measured within each housing region. Holmdel Township is in Region 4, which includes Monmouth, Mercer, Ocean counties. Moderate-income households are those with annual incomes greater than 50%, but less than 80% of the regional median income. Low-income households are those with annual incomes that are 50% or less than the regional median income. Very-low-income households are a subset of "low-income" households and are defined as those with incomes 30% or less than the regional median income.

Uniform Housing Affordability Controls (UHAC) at N.J.A.C. 5:80-26.3, et seq., requires that the maximum rent for a qualified unit be affordable to households with incomes 60% or less than the median income for the region. The average rent must be affordable to households with incomes no greater than 52% of the median income. The maximum sale prices for affordable units must be affordable to households with incomes 70% or less than the median income. The average sale price must be affordable to a household with an income of 55% or less than the median income.

For 2025, New Jersey Housing and Mortgage Finance Agency (NJHMFA) updated income limits for all housing regions in New Jersey. See Table 1 for 2025 income limits for Region 4.

Table 1: 2025 Income Limits for Region 4

Household Income Levels	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5-Person Household
Moderate	\$75,440	\$86,160	\$96,960	\$107,680	\$116,320
Low	\$47,150	\$53,850	\$60,600	\$67,300	\$72,700
Very Low	\$28,290	\$32,310	\$36,360	\$40,380	\$43,620
<i>Source: 2025 NJHMFA Income Requirements</i>					

The following tables provide illustrative sale prices and rents for 2025. The sample rents and sale prices are illustrative and are gross figures, which do not account for the specified utility allowances for rental units or for specific mortgage rates, taxes, etc. for sales units.

Table 2: Illustrative 2025 Affordable Gross Rents for Region 4

Household Income Levels (% of Median Income)	1-Bedroom Unit Rent	2-Bedroom Unit Rent	3-Bedroom Unit Rent
Moderate	\$2,163	\$2,598	\$2,992
Low	\$1,344	\$1,622	\$1,874
Very Low	\$808	\$971	\$1,124

Table 3: Illustrative 2025 Affordable Sales Prices for Region 4

Household Income Levels (% of Median Income)	1 Bedroom Unit Price	2 Bedroom Unit Price	3 Bedroom Unit Price
Moderate	\$196,680	\$237,959	\$276,486
Low	\$137,709	\$167,194	\$194,714

PRESENT AND PROSPECTIVE NEED OBLIGATION

The fair share affordable housing obligation consists of a rehabilitation component (present need) and a new construction component (prospective need). Pursuant to the Amended Fair Housing Act (FHA), the NJ State Department of Community Affairs (DCA) was required to calculate the rehabilitation (present

need) and prospective need obligations for municipalities within the State. The Amended FHA entitled municipalities to adjust the obligation if the information used in the DCA calculation was outdated or in error. After reviewing the DCA methodology for the present and prospective need obligations, the Township determined that the DCA calculation for prospective need (133 units) was incorrect and adopted a recalculated obligation (98 units) by the Township Committee (Resolution 2025-58) on January 30, 2025. The resolution and supporting report were submitted to Superior Court on January 31, 2025.

Two parties filed objections to the Township's adoption of the recalculated obligation, Fair Share Housing Center and the New Jersey Builder's Association. In accordance with the Amended FHA, the Affordable Housing Dispute Resolution Program ("Program") held mediation sessions between the parties and as a result of the mediation process provided by the Program, the parties agreed to a prospective need obligation of 106 units. The Settlement Agreement was executed on March 24, 2025 by the Township and Fair Share Housing Center, recommended by the Program on March 31, 2025 and ordered by the Superior Court Judge on April 14, 2025. The New Jersey Builder's Association did not object to the settlement between the Township and Fair Share Housing Center.

Each component of the obligation is identified below.

- Present Need (Rehabilitation) Obligation: 129 units
The rehabilitation obligation can be defined as an estimate of the number of deteriorated housing units existing in Holmdel Township occupied by low- and moderate-income households.
- Prospective Need (New Construction) Obligation: 106 units
The prospective need obligation can be defined as the cumulative 2025 through 2035 new construction affordable housing obligation.

FAIR SHARE PLAN

Third Round Compliance Status

Pursuant to the Amended FHA, the Fourth Round Fair Share Plan is required to provide an assessment of the degree to which the Third Round fair share obligation has been met as established by prior court approval. The municipality is required to determine to what extent the obligation is unfulfilled or whether the municipality has excess credits.

If the Third Round obligation remains unfulfilled the municipality shall address the Third Round unfulfilled obligation in this Fourth Round Fair Share Plan. Units included as part of the municipality's unfulfilled prior round obligation shall not count towards the cap on units in the municipality's Fourth Round prospective need obligation. In addressing the status of the Third Round projects, the municipality must demonstrate how any sites that were not built in the prior rounds continue to present a realistic opportunity.

The Third Round obligation was 297 units. The following table provides the status of the projects that addressed the Third Round prospective need obligation.

Table 2: Status of Third Round Projects			
Program/Project	Unit Type	Status	Units
Prior Round Surplus	Prior Round Surplus Credits	Completed	4
The Orchards, Gracewood Glen, Palmer Square and Fox Chase developments	Extension of Controls	Completed	100
Stillwell Group Home	Supportive and Special Needs	Completed	15
Meridian Assisted Living	Age-Restricted/Assisted Living	Occupied	11
Middle Road/Walter's Group	Family Rental – Municipally Sponsored/100%	Occupied	50
Palmer Avenue	Inclusionary Family Rental	Site Plan Approved	12
Route 35	Inclusionary Family Rental 31 units	Zoned	-31

The Township anticipates that the Palmer Avenue project that has not started construction will begin in the next 12-18 months and continues to represent realistic opportunities for the construction of affordable housing. The developer of the Route 35 inclusionary residential project has not submitted for site plan approval and therefore the Township is of the opinion that this project is no longer realistic. As such, the Township will satisfy these unfulfilled units in the Fourth Round Fair Share Plan.

SATISFACTION OF THE AFFORDABLE HOUSING OBLIGATION

The Township is addressing its Fourth Round affordable housing obligation through a variety of mechanisms that include a rehabilitation program, extension of controls, and a 100% affordable housing -municipally sponsored project.

Rehabilitation (Present Need) Obligation: 129 adjusted to 1 unit

Holmdel Township's rehabilitation obligation (present need) is 129 units. The rehabilitation obligation is not cumulative but is a recalculation based on the most recent census data. However, the Township may adjust the rehabilitation obligation based upon the findings of a Structural Conditions Survey in accordance with N.J.A.C. 5:93-5.2(a) and Appendix C. The Township Construction Official performed a visual inspection of residential structures to determine the number of homes that are actually in fair or poor condition. The results of the survey, which are included in the Appendix, indicate that four (4) homes are in fair or poor condition. Therefore the rehabilitation obligation is adjusted from 129 to four (4) units.

In addition, the Township has provided funding for the rehabilitation of three (3) units since the 2020 Judgment of Compliance and will apply those rehabilitation credits toward the rehabilitation obligation. Therefore, the rehabilitation obligation is further adjusted to one (1) unit. The Township will continue to run the Township's Rehabilitation Program and participate in the Monmouth County Rehabilitation Program to address the rehabilitation obligation.

All rehabilitated units will comply with the definition of a substandard unit in N.J.A.C. 5:93-5.2(b), which states, "a unit with health and safety code violations that require the repair or replacement of a major system." Major systems include weatherization, roofing, plumbing, heating, electricity, sanitary plumbing, lead paint abatement and/or load bearing structural systems. All rehabilitated units shall meet the applicable construction code. Additionally, all rehabilitated units shall be occupied by very-low, low- or moderate-income households and subject to 10-year affordability controls, which shall be placed on the property in the form of a lien or deed restriction. The average hard cost for the rehabilitation of a major system will be at least \$10,000.

Prospective Need (New Construction) Obligation: 106 Units + 31 Units from Third Round

The Township's proposed compliance mechanisms are summarized in Table 3, Summary of Credits for the Fourth Round, 2025-2035.

Table 3: Summary of Credits for the Fourth Round (2025-2035)					
Project/Program	Unit Type	Status	Units	Bonus Credits	Total Credits
CHA/23 Main Street	Age-Restricted Rental & For-Sale	Zoned	31 of 48	15.5	46.5
Hidden Woods Palmer Square	Extension of Controls	Proposed	17	-	17
Route 35	100% Affordable Municipally Sponsored	Proposed	80	11	91
Total			128	26.5	154.5
Total Obligation					106
Surplus					48.5
Deficit Units from Third Round					-31
Resulting surplus toward future round					17.5
Surplus senior units toward future round					17
Total surplus units toward future round					34.5

The affordable housing rules require municipalities to designate sites that are “suitable, approvable, available and developable”, as defined in N.J.A.C. 5:93-1. These terms are defined as follows:

- **Suitable site** means a site that is adjacent to compatible land uses, has access to appropriate streets and is consistent with the environmental policies delineated in N.J.A.C. 5:93-4.
- **Approvable site** means a site that may be developed for low- and moderate-income housing in a manner consistent with the rules and regulations of all agencies with jurisdiction over the site. A site may be approvable although it is not currently zoned for low- and moderate-income housing.
- **Available site** means a site with clear title, free of encumbrances which preclude development for low- and moderate-income housing.
- **Developable site** means a site that has access to appropriate water and sewer infrastructure and is consistent with the applicable areawide water quality management plan (including the waste management plan) or is included in an amendment to the areawide water quality management plan submitted to and under review by the NJ Department of Environmental Protection.

Fourth Round Project Descriptions

EXTENSION OF CONTROLS– PROPOSED

Hidden Woods: Family For-Sale – 12 units

Palmer Square: Family For-Sale – 5 units

The Hidden Woods development (Lexington Court, Block 58, Lot 53.02) includes sixteen (16) affordable family for-sale units, of which twelve (12) units have affordability controls expiring in 2026, 2027 and 2029. The Palmer Square development (Gettysburg Lane, Block 52, Lot 19.02) has 31 affordable family for-sale units, of which five (5) units have affordability controls expiring in 2029, 2032 and 2033. The Township will provide financial subsidies to the owner of the property to extend the affordability controls on seventeen (17) affordable housing units. The affordability controls will be extended for at least 40 years beyond the original expiration date of the affordability controls providing extensions in accordance with the requirements of UHAC.

INCLUSIONARY DEVELOPMENT – ZONED

CHA/23 Main Street Urban Renewal, LLC: 31 of 48 age-restricted units + 15.5 bonus credits

The CHA/23 Main Street Urban Renewal site is 87.7 acres in area with access to Holmdel Road and Main Street (Block 13, Lot 15). The subject parcel is the site of a vacant office complex that was constructed in 1977 and has been occupied by various tenants including Prudential and Vonage. Since March 2020, the building has been largely vacant, except for a short-term lease to the VNA Health Group that expired in 2024. The Township adopted the Vonage Redevelopment Plan in December 2024 which permits an age-restricted community providing for a total of up to 299 senior units.

The proposed development will consist of 104 senior for-sale units (within the existing office building which will be adaptively reused and rehabilitated), 40 senior rental units in a new building just north of the adaptive reuse building, 65 senior for-sale townhouse units west of the adaptive reuse building and 90 assisted living units in a new building located in the northern portion of the property. The developer will provide forty two (42) deed restricted affordable housing units and six (6) assisted living units for very-low, low- and moderate-income households. In addition, the developer will donate five (5) acres of land along Main Street for emergency service purposes to the Township.

The Township is eligible for 15.5 bonus credits as the FHA permits ½ bonus credit for units created through the redevelopment of existing commercial and office buildings.

The site is suitable. The subject site contains a vacant office building, and the site contains existing access points to Main Street (County Route 520) and Holmdel Road (County Route 4), both of which are appropriate streets to accommodate traffic from the proposed development. The surrounding land uses include farmland and office uses to the west, farmland and small commercial businesses and offices to the south and east and a solar farm to the north of the site. The 2001 Adopted State Plan Map and the proposed new State Plan designates the property as being in Environmentally Constrained Planning Area (PA 5). Among the intentions of the Environmentally Sensitive Planning Area are to protect environmental resources through the protection of large contiguous areas of land; accommodate growth in Centers; protect the character of existing stable communities; confine programmed sewers and public water service to Centers and revitalize cities and towns. The site is mostly developed with a line of wetlands adjacent to the western property boundary that will not be disturbed. The proposed project is consistent with the PA5 goals as the project will revitalize an existing building while providing limited new development and protecting environmentally sensitive resources and preserving large contiguous areas of open space. The site is outside of the Highlands, Pinelands, CAFRA and Meadowlands planning areas.

The site is approvable. The site will be developed consistent with the rules and regulations of all agencies with jurisdiction over the site including the State, Township and County. As indicated, the Township adopted a Redevelopment Plan to permit the proposed development and requires the minimum affordability control deed restrictions on the units in accordance with N.J.A.C. 5:93 et seq. and N.J.A.C. 5:80-26.1. In addition, the project will be compliant with Residential Site Improvement Standards, N.J.A.C. 5:21-1 et seq. There are no Category One streams or known contaminated sites on the property. There is

a small vein of wetlands associated with the East Branch of Willow Brook. However, the development of the property will not disturb the wetlands as the proposed construction will occur a minimum of 330 feet from the edge of the wetlands area.

The site is available. The site has no known legal encumbrances or deed restrictions that would preclude the development of affordable housing, and there are no known historic or architecturally important sites or buildings on the property or in the immediate vicinity that will affect the development of affordable housing.

The site is developable. There is a private sewage treatment package plant (“Plant”) on site that will accommodate the proposed development. In accordance with a proposed redevelopment agreement with the developer, the redeveloper will ensure that the Plant is always operational and licensed for the flow required for the facilities and the project. The Township Engineer is working closely with the developer to assure the Plant has adequate capacity and will oversee the Plant expansion and upgrade if additional capacity is required.

100% AFFORDABLE DEVELOPMENT – PROPOSED

Route 35: 80 family rental units + 11 bonus credits

The Township will work with an experienced affordable housing provider of 100% affordable family rental housing to construct a 100% affordable housing rental complex containing up to 80 family rental units located on Route 35 (Block 59, Lots 6 & 7), which was the site of the Third Round inclusionary project that did not come to fruition because the developer did not apply for site plan approval. The Township is actively pursuing the purchase of the 7.7-acre site. The Township is eligible for 11 bonus credits as the FHA permits a full bonus credit for each unit that is created through a municipally sponsored 100% affordable housing development provided the Township donates the land to the developer or commits to fund a minimum of 3% of the project cost. The Township is currently pursuing the purchase of the property to donate to the chosen non-profit developer.

COAH’s Second Round rules at N.J.A.C. 5:93-1.3 and N.J.A.C. 5:93:5.5 for 100% affordable projects are addressed as follows:

- ✓ Site Control – The Township is actively pursuing purchase of the property.
- ✓ Suitable Site – The site is suitable as defined in COAH’s regulations at N.J.A.C. 5:93-1.3, which indicates that a suitable site is one in which it is adjacent to compatible uses, has access to appropriate streets and is consistent with environmental policies in N.J.A.C. 5:93-4.
 - *The site has a clear title and is free of encumbrances that preclude development of affordable housing.* To our knowledge, the site has a clear title and no legal encumbrances that would preclude its development for affordable family rental housing.
 - *The site is adjacent to compatible land uses and has access to appropriate streets.* Open space and a County park are located to the north, a retail commercial center is located to the east, a small

retail commercial use is located to the west and offices are located to the south. The site has approximately 280 feet of frontage on Route 35, which is a State highway and is an appropriate street to provide access to a 100% affordable housing project.

- *Adequate sewer and water capacity is available.* The site is within the Bayshore Regional Sewer Treatment Plant's sewer service area.
- *The site can be developed in accordance with R.S.I.S.* Development of the site will be consistent with the Residential Site Improvement Standards, N.J.A.C. 5:21-1 et seq.
- *The site is located in a "Smart Growth Planning Area."* The 2001 Adopted State Plan Map and the proposed updated Preliminary State Plan Map, which is currently in the cross acceptance process, designates the property as being in Metropolitan Planning Area (PA 1). Among the intentions of the Metropolitan Planning Area are to provide for much of the state's future redevelopment; promote growth in compact forms; and redesign areas of sprawl. It is a preferred location for affordable housing development.
- *The development is not within the jurisdiction of a Regional Planning Agency or CAFRA.* The site is outside of the Pinelands, Highland, CAFRA and Meadowlands planning areas.
- *The site will comply with all applicable environmental regulations.* There are no Category One streams or known contaminated sites located on the property. There are wetlands along the southeast property line but will not impede the development of affordable housing.
- *The site will not affect any historic or architecturally important sites and districts.* There are no historic or architecturally important sites or buildings on the property or in the immediate vicinity that will affect the development of affordable housing.
- ✓ **Developable Site** – In accordance with N.J.A.C. 5:93-1.3, a developable site has access to appropriate sewer and water infrastructure and is consistent with the area wide water quality management plan. The site in the Bayshore Regional Sewer Treatment Plant's sewer service area and water and sewer mains exist in the vicinity of the site.
- ✓ **Approvable Site** – Pursuant to N.J.A.C. 5:93-1.3, an approvable site may be developed for low- and moderate-income housing in a manner consistent with the rules or regulations of all agencies with jurisdiction over the site. The site is currently zoned for an inclusionary residential development. The zoning regulations will be substantially the same for the 100% family rental affordable housing project providing up to 80 family rental units, except that the permitted use and density requirements will be amended to reflect a 100% family rental affordable housing providing up to 80 family rental units.
- ✓ **Administrative Entity** – The future developer will own and operate the affordable units pursuant to the applicable state regulations. For the proposed Fourth Round affordable units, the developer will

affirmatively market the units, income qualify applicants, place a minimum of 40-year affordability control deed restrictions on the units and provide long-term administration of the units in accordance with COAH's rules at N.J.A.C. 5:93 et seq. and UHAC rules per N.J.A.C. 5:80-26.1, or any successor regulation, with the exception that in lieu of 10% affordable units in rental projects being required to be at 35% of median income, 13% of affordable units in such projects shall be required to be at 30% of median income.

- ✓ Low/Moderate Income Split – At least half of all the affordable units developed at the site will be affordable to low-income households (13% of all affordable units will be very low-income) and an odd number of affordable units will always be split in favor of the low-income unit per N.J.A.C. 5:80-26.1.
- ✓ Affirmative Marketing – The developer will affirmatively market the units in accordance with UHAC per N.J.A.C. 5:80-26.1.
- ✓ Controls on Affordability – The Township's developers agreement and zoning ordinance will require a minimum 40-year affordability control deed restrictions on the units in accordance with N.J.A.C. 5:93 et seq. and N.J.A.C. 5:80-26.1.
- ✓ Bedroom Distribution – The units will be required to be developed in accordance with UHAC bedroom distribution requirements in accordance with N.J.A.C. 5:80-26.3.
- ✓ Funding –The developer will pursue funding from Federal, State, and County agencies, including Low Income Housing Tax Credits from the Housing, Mortgage, Finance Agency for support in the funding of the project. In addition, the municipality will utilize Affordable Housing Trust Funds to aid in a gap in funding.
- ✓ Construction Schedule – The developer will begin construction of the affordable family rental units within two (2) years of the Township receiving a Final Judgment of Compliance from Superior Court. The developer will be responsible for monitoring the construction and overall development activity.

OBLIGATION MICRO-REQUIREMENTS

Per the Amended FHA, the Township must address a variety of minimum or maximum credits in satisfying its Fourth Round fair share obligation. The Township must meet a rental obligation, total family unit obligation, the very low-income obligation and not exceed the maximum senior unit cap.

Maximum Bonus Credits = 26.5 units

.25 (Obligation) = 26.5 units | .25 (106) = 26.5 units

The Township does not exceed the maximum number of bonus credits and is requesting bonus credits for the CHA/23 Main Street Urban Renewal redevelopment of an office use which permits ½ bonus credit per unit (15.5) and the Route 35 100% affordable housing project (11).

Minimum Rental = 27 units

.25 (Obligation) = 27 units | .25 (106) = 26.5, round up to 27 units

This obligation is satisfied with 111 credits associated with CHA/23 Main Street (31) and Route 35 100% affordable housing project (80).

Maximum Senior = 31 units

.30 (Obligation) = 31 units | .30 (106) = 31.8, round down to 31 units

This maximum number of senior units is not exceeded as the Township is limited to 31 of the total 48 senior units associated with CHA/23 Main Street project. The remaining 17 senior units will be credited to a future round of affordable housing.

Minimum Family = 40 units

.50 (Obligation-bonus) = 40 units | .50 (255-63.5) = 39.75, round up to 40 units

This obligation is satisfied with 97 credits associated with the family for-sale extension of controls (17) and the Route 35 100% affordable housing project (80).

Minimum Family Rental: 20 units

.50 (rental obligation) = 20 units | .50 (40) = 20 units

This obligation is satisfied with 80 credits associated with the Route 35 100% affordable housing project.

Minimum Very Low Income = 12 units

.13 (AH units-extensions)= 12 units | .13 (106-17) = 11.57, round up to 12 units

This obligation is satisfied with 24 credits including four (4) credits associated with the CHA/23 Main Street Redevelopment project and eleven (11) from the Route 35 100% affordable housing project.

Consideration of Affordable Housing Options

As part of this Plan, the Township has considered land that is appropriate for the construction of low- and moderate-income housing. To date, there have been no developers that presented residential projects with a set-aside of affordable housing units.

The Township believes that the projects, programs and mechanisms proposed in this document represent the best options for affordable housing in Holmdel Township and the mechanisms satisfy the Township's affordable housing obligation. While the Township recognizes that developers may, in the future, present sites that possess characteristics that could lend themselves to affordable housing development, additional sites are not needed to satisfy the obligation at this time.

PRESERVATION OF MULTIGENERATIONAL FAMILY CONTINUITY

The 2024 FHA requires an analysis of the extent to which municipal ordinances and other local factors advance or detract from the goal of preserving multigenerational family continuity as expressed in the recommendations of the Multigenerational Family Housing Continuity Commission, adopted pursuant to paragraph (1) of subsection f. of section 1 of P.L.2021, c. 273 (C.52:27D-329.20). The Commission has the primary goal of enabling senior citizens to reside at the homes of their extended families, thereby preserving and enhancing multigenerational family continuity. A review of the Township's ordinance indicates that there are no ordinances that would specifically create a detraction from meeting the Commission's goal of enabling senior citizens to reside at the homes of their extended families. In fact, the Township defines a family that is permitted to live in a single family dwelling in such a way that a senior citizen may live in that single family dwelling unit with their extended family which is a permitted use in the residential zoning districts. The Holmdel ordinances advance the multigenerational family continuity goal.

STATE DEVELOPMENT AND REDEVELOPMENT PLAN CONSISTENCY

The Fourth Round Housing Element and Fair Share Plan is consistent with the 2001 State Development and Redevelopment Plan ("SDRP") and the proposed SDRP that is currently in the cross acceptance process as the existing units and proposed project will provide a realistic opportunity for the construction of affordable housing as the projects are located in State Planning area designated as PA1, which is the Metropolitan Planning Area. Pursuant to the SDRP, PA1 is the preferred location for redevelopment for compact growth. The development of affordable housing in PA1 is consistent with the overall State Development and Redevelopment Plan goal to direct redevelopment and growth into PA1 areas as the intentions of the Metropolitan Planning Area are to provide for much of the state's future redevelopment; promote growth in compact forms; and redesign areas of sprawl. The Township's Fourth Round Plan is consistent with the 2001 SDRP and the proposed SDRP.

AFFORDABLE HOUSING ADMINISTRATION & AFFIRMATIVE MARKETING

Holmdel Township adopted an Affordable Housing Ordinance in accordance with COAH's substantive rules and UHAC and will be updated as UHAC regulations as amendments are adopted. The Affordable Housing Ordinance governs the establishment of affordable units in the Township as well as regulating the occupancy of such units. The Township's Affordable Housing Ordinance covers the phasing of affordable units, the low/moderate income split, bedroom distribution, occupancy standards, affordability controls, establishing rents and prices, affirmative marketing, income qualification, etc.

The Township has established the position of the Municipal Housing Liaison and has appointed a staff member to the position. The Township relies on a consultant as the affordable housing administrator to conduct the administration and affirmative marketing of its affordable housing sites. However, the Township will permit developers who demonstrate the appropriate experience and expertise to administer their own units as both are experienced affordable housing administrators. The affirmative marketing plans are designed to attract buyers and/or renters of all majority and minority groups, regardless of race, creed, color, national origin, ancestry, marital or familial status, gender, affectional or sexual orientation, disability, age or number of children to the affordable units located in the Township. Additionally, the affirmative marketing plan is intended to target those potentially eligible persons who are least likely to apply for affordable units and who reside in the Township's housing region, Region 3, consisting of Somerset, Hunterdon and Middlesex counties.

The affirmative marketing plans include regulations for qualification of income eligibility, price and rent restrictions, bedroom distribution, affordability control periods, and unit marketing in accordance with N.J.A.C. 5:80-26.1 et seq. All newly created affordable units will comply with the 30-year affordability control required by UHAC, N.J.A.C. 5:80-26.5 and 5:80-26.11. This plan must be adhered to by all private, non-profit, and municipal developers of affordable housing units and must cover the period of deed restriction or affordability controls on each affordable unit.

AFFORDABLE HOUSING TRUST FUND

A development fee ordinance creating a dedicated revenue source for affordable housing was amended by Holmdel Township in 1997.

The proposed Spending Plan included in the appendix to this Housing Plan, which discusses anticipated revenues, collection of revenues, and the use of revenues, was prepared in accordance with COAH's applicable substantive rules. All collected revenues will be placed in the Township's Affordable Housing Trust fund and may be dispensed for the use of eligible affordable housing activities including, but not limited to:

- Rehabilitation program;
- New construction of affordable housing units and related development costs;
- Extensions or improvements of roads and infrastructure directly serving affordable housing development sites;
- Acquisition and/or improvement of land to be used for affordable housing;
- Purchase of affordable housing units for the purpose of maintaining or implementing affordability controls,
- Maintenance and repair of affordable housing units;

- Repayment of municipal bonds issued to finance low- and moderate-income housing activity; and
- Any other activity as specified in the approved spending plan.

However, the Township is required to fund eligible programs in a Court-approved Housing Element and Fair Share Plan, as well as provide affordability assistance.

At least 30% of collected development fees, excluding expenditures made since July 17, 2008, when affordability assistance became a statutory requirement in the Fair Housing Act, shall be used to provide affordability assistance to low- and moderate-income households in affordable units included in a municipal Fair Share Plan. At least one-third (1/3) of the affordability assistance must be expended on very-low income units. Additionally, no more than 20% of the revenues collected from development fees each year, shall be expended on administration, including, but not limited to, salaries and benefits for municipal employees or consultant fees necessary to prepare or implement a rehabilitation program, a new construction program, a housing element and fair share plan, and/or an affirmative marketing program.

MONITORING

The Township will comply with monitoring provisions consistent with those required by the Fair Housing Act and similar. The monitoring requires regular tracking of progress toward meeting the affordable housing obligation and ensuring the affordable units and affordable housing trust fund are administered properly as follows:

- On or before February 1st of each year, the Township will provide annual reporting of the status of all affordable housing activity within the municipality through posting on the municipal website and on the Department of Community Affairs website.
- Midpoint Review. The Township will post on the municipal website and submit to the Department of Community Affairs website 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 Program and Superior Court, 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.

COST GENERATION

The Holmdel Township's Land Development Ordinance has been reviewed to eliminate unnecessary cost generating standards; it provides for expediting the review of development applications containing affordable housing. Such expedition may consist of, but is not limited to, scheduling of pre-application

conferences and special monthly public hearings. Furthermore, development applications containing affordable housing shall be reviewed for consistency with the Land Development Ordinance, Residential Site Improvement Standards (N.J.A.C. 5:21-1 et seq.) and the mandate of the FHA regarding unnecessary cost generating features. Holmdel Township shall comply with COAH's requirements for unnecessary cost generating requirements, N.J.A.C. 5:93-10.1, procedures for development applications containing affordable housing, N.J.A.C. 5:93-10.4, and requirements for special studies and escrow accounts where an application contains affordable housing.