

ORDINANCE 2026-02**AN ORDINANCE OF THE TOWNSHIP OF LACEY,
COUNTY OF OCEAN, STATE OF NEW JERSEY,
AMENDING AND SUPPLEMENTING CHAPTER 335
ENTITLED "ZONING"**

WHEREAS, the Township of Lacey Planning Board adopted a Fourth Round Housing Element and Fair Share Plan on June 9, 2025 pursuant to the Municipal Land Use Law at N.J.S.A. 40:55D-1, et seq. This Ordinance implements and incorporates the adopted and endorsed Fourth Round Housing Element and Fair Share Plan and addresses the requirements of N.J.A.C. 5:93-1, et seq., as amended and supplemented, N.J.A.C. 5:99, et seq., as amended and supplemented, N.J.A.C.5:80-26.1, et seq. as amended and supplemented, and the New Jersey Fair Housing Act of 1985; and

NOW, THEREFORE, BE IT ORDAINED by the Township Committee of the Township of Lacey, County of Ocean, and State of New Jersey, as follows:

SECTION 1. The Township Code of the Township of Lacey is hereby amended and supplemented so as to amend Chapter 335, entitled "Zoning," so as to amend §335-68.2 which is entitled "Multi Family Inclusionary Overlay Zone (MFIZ-I)" so as to amend Section (A)(1) entitled "Applicability" in its entirety so that it shall as follows:

- (1) Applicability. The Multifamily Inclusionary Zone District shall be applied to all properties east of the Garden State Parkway fronting on Lacey Road and some properties along U.S. Route 9, as shown in the map attached hereto as Schedule A. The parcels included in the MFIZ-1 are listed in the schedule attached hereto as Schedule B. The Official Zoning Map of the Township of Lacey is hereby amended in accordance with the foregoing and is incorporated by reference. The Multifamily Inclusionary Zone District shall be permitted to be developed with an inclusionary residential development with a mandatory affordable set-aside of 20% regardless of tenure to qualified low/moderate-income renters. All development of affordable units shall follow the very-low/low/moderate-income split provided for in the Uniform Housing Affordability Controls (N.J.A.C. 5:80-26 et seq.) except that in lieu of the requirement for 10% of affordable units to be at 35% of median income in N.J.A.C. 5:80-26.3(d), 13% of affordable units in such projects shall be required to be at 30% of median income. For the purpose of permitting an inclusionary development, the provisions and requirements of the Multifamily Inclusionary Zone District shall

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supersede the provisions and restrictions of the underlying Office-Commercial (O-C); Marine Commercial (C-100); Highway Business (C-150); Limited Business (C-200); Business Park (M-1); Limited Industrial (M-2); and Industrial (M-6) Zone Districts. In the event of a conflict between the provisions of this section and other sections of the Township development regulations with respect to the development of affordable housing, the provisions of the MFIZ-I District shall govern.

SECTION 2. The Township Code of the Township of Lacey is hereby amended and supplemented so as to amend Chapter 335, entitled “Zoning,” so as to amend §335-68.3 entitled “Inclusionary Zoning Provisions” in its entirety so that it shall as follows:

§335-68.3 Inclusionary Zoning Provisions

A. Introduction & Applicability

This section shall apply to all residential development that consists of five or more dwelling units located within the Township of Lacey to create realistic opportunities for the construction of affordable housing within the Township. The provisions of this section shall not apply to residential expansions, additions, renovations, replacement, or any other type of residential development that does not result in a net increase in the number of dwelling units. Furthermore, these provisions shall not apply to developments containing four or less dwelling units. All subdivision and site plan approvals of qualifying residential developments shall be conditioned upon compliance with the provisions of this section. Where a developer demolishes existing dwelling units and builds new dwelling units on the same site, the provisions of this section shall apply only if the net number of dwelling units is five or more.

B. Municipality-wide Mandatory Set-Aside

- A. A development, other than single-family detached, providing a minimum of five new housing units created through any municipal rezoning or Zoning Board action, use or density variance, redevelopment plan, or rehabilitation plan that provides for densities at or above six units per acre, is required to include an affordable housing set-aside of 20%.
- B. Any affordable units generated through such mandatory set-aside shall be subject to all other provisions of this ordinance.
- C. All such affordable units shall be governed by Chapter 127- Affordable Housing of the Township of Lacey Land Use Ordinance, the controls on affordability, including bedroom distribution, and affirmatively marketed to the housing region in conformance with UHAC at N.J.A.C. 5:80-26.1 et seq., any successor regulation, and all other applicable laws.
- D. No subdivision shall be permitted or approved for the purpose of avoiding compliance with this requirement. Developers cannot, for example, subdivide a project into two lots and then make each of them a number of units just below the threshold.

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- E. The mandatory set-aside requirements of this section do not give any developer the right to any rezoning, variance or other relief, or establish any obligation on the part of the municipality to grant such rezoning, variance or other relief.
- F. This municipality-wide mandatory set-aside requirement does not apply to any sites or specific zones otherwise identified in the HEFSP, for which density and set-aside requirements shall be governed by the specific standards as set forth therein.
- G. In the event that the inclusionary set-aside of 20% of the total number of residential units does not result in a full integer, the developer shall choose one of two options for addressing the fractional unit:
- (1). The developer may round the set-aside upward to construct a whole additional affordable unit; or
 - (2). If the set-aside includes a fractional unit equal to 0.49 or less, the developer may round the set-aside downward and construct the lesser whole number of affordable units and shall also contribute the fractional subsidy payment (“fractional subsidy payment”) to be made to the municipality and deposited in the municipal Affordable Housing Trust Fund. The fractional subsidy payment amount shall be calculated as the fractional unit multiplied by the base subsidy payment amount currently established by the municipality as the average subsidy reflected in financial pro formas for 100% affordable housing or subsidized developments in the municipality or region on file with the municipality. For example, if seven total units are developed at an inclusionary site, a 20% set-aside would require 1.4 affordable units. Per the requirements above:

The developer shall round up the 0.4 unit to one whole affordable unit so as to construct a total of two (2) affordable housing units; or The developer shall round the set-aside downward so as to construct only one affordable unit AND shall pay into the municipal affordable housing trust fund a fractional subsidy payment equal to the dollar amount established by the municipality multiplied by 0.4.

SECTION 3. The Township Code of the Township of Lacey is hereby amended and supplemented so as to amend Chapter 335, entitled “Zoning,” so as to amend §335-68.4 which is entitled “Multi Family Inclusionary Overlay Zone (MFIZ-II)” so as to amend Section (A)(1)(a) entitled “Applicability” in its entirety so that it shall as follows:

(1) Applicability.

- (a) Multifamily Inclusionary Zone District-II shall be applied to certain properties along U.S. Route 9, as shown on the map attached hereto as Schedule A and identified on the schedule attached hereto as Schedule C. The Official Zoning Map of the Township of Lacey is hereby amended in accordance with the foregoing and is incorporated by reference. The

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Multifamily Inclusionary Zone District-II shall be permitted to be developed with an inclusionary residential development with a mandatory affordable set-aside of 20% regardless of tenure provided the first floor is developed with a permitted commercial use, except for development of the rear portion of lots subdivided in accordance with Subsection A(1)(b) below. All development of affordable units shall follow the very-low/low/moderate-income split provided for in the Uniform Housing Affordability Controls (N.J.A.C. 5:80-26 et seq.) except that in lieu of the requirement for 10% of affordable units to be at 35% of median income in N.J.A.C. 5:80-26.3(d), 13% of affordable units in such projects shall be required to be at 30% of median income. For the purpose of permitting the development of an inclusionary development, the provisions and requirements of the Multifamily Inclusionary Zone District shall supersede the provisions and restrictions of the underlying Highway Business (C-150); and Limited Business (C-200) Zone Districts. In the event of a conflict between the provisions of this section and other sections of the Township development regulations with respect to the development of affordable housing, the provisions of the MFIZ-II District shall govern.

SECTION 4. The Township Code of the Township of Lacey is hereby amended and supplemented so as to amend Chapter 335, entitled “Zoning,” so as to add §335-68.5 which shall be entitled “Multi Family Inclusionary Overlay Zone IV (MFIZ-IV)” in its entirety and replace as follows:

§335.68.5 MFIZ-IV Multi Family Overlay Zone IV

- A. Multi Family Inclusionary Overlay Zone (MFIZ-IV) District Overlay. The purpose of the MFIZ-IV Zone is to implement the Township Housing Plan Element and Fair Share Plan by providing for the opportunity to develop inclusionary mixed-use residential developments that incorporate an appropriate affordable housing set-aside to address the unmet need of the Fourth Round obligation of the Township for the period 2025-2035. The MFIZ-IV district provides for the development of affordable housing for low- and moderate-income housing in a suitable location.
- B. Applicability. The MFIZ-IV District shall be applied to those properties identified in the table below as shown in the Township Tax Map. The Official Zoning Map of the Township of Lacey is hereby amended in accordance with the foregoing and is incorporated by reference. For the purpose of permitting the development of an inclusionary development the provisions and requirements of the MFIZ-IV Zone shall supersede the provisions and restrictions of the underlying zone districts, when applied. In the event of a conflict between the provisions of this section and other sections of the Borough development regulations with respect to the development of affordable housing, the provisions of the MFIZ-I Zone shall govern.

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Block	Lots
314	7,8
282	10.01
226	17
331	2-10
409.01	6,13.02
852	5
1617	15-27
1610	1.01
1621	7.01

C. Principal Permitted Use in the AH-I Affordable Housing Overlay Zone shall be inclusionary mixed-use developments with multifamily affordable housing, provided that 20% of the housing units are set aside as dwelling units affordable to very low, low, or moderate income households:

- (1) Retail
- (2) Multi-Family Units (not permitted on ground floor)

D. Accessory Uses. The following shall be permitted:

- (1).Open space area(s);
- (2).Off-street parking facilities including driveways;\
- (3).Fences in accordance with the applicable Township standards;
- (4).Signs in accordance with the standards in the Township Code;
- (5).Sidewalks in accordance the Township Code; and
- (6).Other uses which are customarily incidental and subordinate to the principal use.

E. Maximum density of multifamily affordable housing development shall be twelve dwelling units per gross acre.

F. Bulk, area, and building requirements. The following requirements shall apply for all permitted uses:

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<i>Residential District</i>	<i>Permitted/Required</i>
Minimum Lot Area	45,000 square feet
Minimum Lot Width	150 feet
Minimum Building Setbacks	
Front Yard	12
Side Yard	5/10
Rear Yard	20
Maximum Lot Coverage (Building)	33%
Maximum Impervious Coverage	65%
Maximum Building Height	3 stories / 35 feet

G. Other Requirements

- (1). The proposed development(s) shall be served by public water and sewer. The phasing of utility improvements, if necessary, shall be subject to the review and approval of the Planning Board.
- (2). The residential portion of the proposed development(s) shall be planned and designed to meet the New Jersey Residential Site Improvement Standards (N.J.A.C. 5:21 et seq.).
 - (a) All roadways, parking areas, and landscaped islands shall be private and maintained by a homeowners' association, except that access roads across lands dedicated to and accepted by the Township for public use may be public roads.
 - (b) Parking standards shall conform with the New Jersey Residential Site Improvement Standards for townhouse dwellings (N.J.A.C. 5:21 et seq.).
 - (c) As part of final approval, the development shall provide a municipal services agreement with the Township for the contribution by the Township for maintenance, snow plowing, refuse removal and lighting in accordance with the municipal policies in effect at the time of approval.
- (3). The development(s) shall provide for stormwater management in accordance with all applicable regulations. Stormwater management basins shall be owned and maintained by a homeowners' association to be established by the developer. Stormwater management facilities provided as part of a one-hundred-percent-affordable development shall be maintained by a property management entity. The phasing of stormwater management improvements, if necessary, shall be subject to the review and approval of the Planning Board and shall be completed in a manner that services the development areas as construction progresses.

H. Affordable Housing Obligation:

- (2). 20% of the total number of units shall be affordable units.
- (3). Income Distribution
 - (a) A minimum of 50% of the affordable dwelling units shall be set aside for low-income households earning less than 50% of the area's median income.



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- (b) A maximum of 50% of the affordable dwelling units shall be set aside for moderate- i n c o m e households earning between 50% and 80% of the area’s median income.
- (4). Bedroom Distribution
 - (a) Two-bedroom and/or three-bedroom units must compose 50% of all affordable units.
 - (b) No more than 20% of affordable units may be one-bedroom units.
 - (c) At least 30% of affordable units must be two-bedroom units.
 - (d) At least 20% of affordable units must be three-bedroom units.
 - (e) The remainder of the affordable units may be allocated at the discretion of the developer.
- (5). Affordable Housing Units shall be developed in accordance with the prevailing UHAC requirements.

I. Building Design Standards

- (1).Buildings shall be designed to complement and enhance the context of the surrounding areas.
- (2).Large blank or featureless walls shall be avoided.
- (3).Blank or featureless walls are prohibited. No buildings shall have a wall with an uninterrupted length of more than 30 feet without including any change in the vertical plane of the façade.
- (4).Buildings shall be designed using a color palette that complements the architectural context of the surrounding area.
- (5).Primary exterior building materials shall be a mix of brick or brick veneer, stone, cultured stone, stucco, natural wood, composite wood, metal, glass, vinyl, or similarly durable materials.
- (6).A three-dimensional rendering and a colored elevation rendering shall be submitted as part of site plan application. Rendering shall provide a depiction of the proposed building demonstrating several key features such as architecture, proposed color palette, examples of terrace amenities, etc.
- (7).All mechanical equipment and rooftop appurtenances shall be screened from public view.

SECTION 5. All ordinances or parts of ordinances inconsistent herewith are hereby repealed.



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SECTION 6. If any section, subsection, sentence, clause, phrase or portion of this ordinance is for any reason held to be invalid or unconstitutional by a court of competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision, and such holding shall not affect the validity of the remaining portions hereof.

SECTION 7. This ordinance shall take effect after second reading and publication as required by law.

NOTICE

NOTICE IS HEREBY GIVEN that the foregoing ordinance was introduced and passed by the Township Committee on first reading at a meeting of the Township Committee of the Township of Lacey held on the 11th day of February, 2026, and will be considered for second and final passage at a meeting of the Township Committee to be held on the 26th day of February, 2026, at 6:00 p.m. at the Municipal Building located at 818 West Lacey Road, Forked River, New Jersey, at which time and place any persons desiring to be heard upon the same will be given the opportunity to be so heard.



AMY SHELTON, RMC
Municipal Clerk

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