



2025

# Fourth Round Housing Plan Element and Fair Share Plan



Adopted June 26, 2025  
Endorsed July 3, 2025

Montgomery Township, Somerset County, New Jersey

Prepared by:

**Clarke Caton Hintz** | 100 BARRACK STREET | TRENTON, NJ | 08608



## Fourth Round Housing Plan Element and

### Fair Share Plan

Montgomery Township, Somerset County, New Jersey

Adopted by the Planning Board on June 26, 2025.

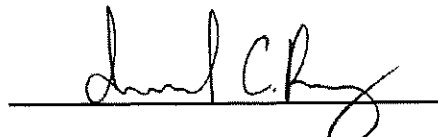
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Prepared for Montgomery Township by:

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*A signed and sealed version is available at the municipal building.*



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## APPENDICES TO THE FOURTH ROUND HOUSING ELEMENT & FAIR SHARE PLAN

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| 1. 2017 Settlement Agreement, 2018 Court Order and 2019 JOR  | 3. Fourth Round Declaratory Judgment Filing and Binding Resolution, and Order Setting Montgomery Township's Fourth Round Obligation |
| 2. 2023 Court Order Granting the Township a Final Judgment of Third Round Compliance and Repose (JOR), and 2022 Amended Settlement Agreement | 4. Planning Board Adoption Resolution   |

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5. Governing Body Endorsement Resolution
6. Rehabilitation Program Documentation
7. Prior Round: McKinley Comm. / Montgomery Hills
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34. Affordable Housing and Development Fee Ordinance
35. Affirmative Marketing Plan
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## EXECUTIVE SUMMARY

This Fourth Round Housing Plan Element and Fair Share Plan (HPE/FSP) has been prepared for the Township of Montgomery ("Township" or "Montgomery"), Somerset County in accordance with the New Jersey Fair Housing Act ("FHA") at N.J.S.A. 52:27D-310 as amended by P.L. 2024 c.2, the Administrative Directive #14-24, and the rules of the New Jersey Council on Affordable Housing (COAH) contained at N.J.A.C. 5:93 et seq. This plan is an update to the Township's Amended Third Round HPE/FSP adopted by the Planning Board on December 7, 2020 and endorsed by the Township Committee on December 17, 2020. This cumulative Fourth Round HPE/FSP will serve as the foundation for the Township's submission to the Superior Court of New Jersey and the Affordable Housing Dispute Resolution Program (Program).

There are four components to a municipality's affordable housing obligation: the Fourth Round Present Need or Rehabilitation Share, the Prior Round obligation, the Third Round obligation, and the Fourth Round Prospective Need obligation. The Township's affordable housing obligations are as follows:

### ***Prior Round/Third Round***

On February 20, 2018, the Superior Court approved the Township's 2017 Settlement Agreement with Fair Share Housing Center (FSHC), which set the Township's Prior Round Prospective Need as previously established by COAH and established the Township's Third Round "Gap"/Prospective Need as follows:

- Prior Round Prospective Need: 307
- Third Round Prospective Need: 616

The Township's Third Round HPE/FSP was approved by the Superior Court in a Final Judgment of Compliance and Repose (JOR), issued on July 24, 2019. As detailed in the 2019 JOR, some projects changed necessitating a revised HPE/FSP. The Township subsequently amended its Third Round HPE/FSP and Settlement Agreement, which addressed conditions set forth in the 2019 JOR. The Township adopted an Amended Third Round HPE/FSP in 2020, and the Township and FSHC executed an amended Settlement Agreement in 2022. After a Compliance Hearing, the Township's Amended Third Round HPE/FSP and the Amended Settlement Agreement were approved by the Superior Court in a final a Final JOR, issued on January 24, 2023.

The Township has satisfied its Prior Round obligation (1987-1999) of 307 units with completed affordable family rental units in an inclusionary housing development, completed affordable family sale units in two inclusionary housing developments, affordable age-restricted sale units in an inclusionary housing development, three completed alternative living arrangement facilities comprised of 14 total units/bedrooms, and eligible Prior Round rental bonuses. Of the total 210 affordable family rental units at the existing inclusionary housing development,



Pike Run, 102 will address the Township's Prior Round obligation. Montgomery previously received COAH approval of these Prior Round compliance mechanisms as part of its Second Round substantive certification issued in 1997.

The Township has satisfied its Third Round obligation (1999-2025) of 616 units with the remaining 108 affordable family rental units at Pike Run inclusionary development, affordable family rental units at three completed inclusionary housing developments, affordable family rental units at an approved inclusionary housing development, affordable family units at six inclusionary developments approved and under construction, affordable age-restricted units at an approved assisted living facility, four group homes, a 100% affordable municipally-sponsored age-restricted development, a family for-sale project, and Third Round rental bonuses.

#### ***Fourth Round***

On January 27, 2025, the Township Committee adopted Resolution #25-1-54, which accepted the determination promulgated by the New Jersey Department of Community Affairs (DCA) of the Township's Fourth Round Present Need/Rehabilitation Obligation and Prospective Need as follows:

- Fourth Round Present Need: 73
- Fourth Round Prospective Need: 260

The Fourth Round Prospective obligation (2025-2035) of 260 units will be addressed with the affordable family rental units at the proposed 23 Orchard inclusionary housing development, affordable family rental units at the proposed Kenvue inclusionary housing development, an additional affordable family rental unit from the approved Village Walk mixed use inclusionary development, affordable age-restricted units through an approved redevelopment plan, and extension of expiring controls.

Regarding rehabilitation, Montgomery Township will establish a local rehabilitation program open to eligible owner-occupied and renter-occupied units. The Township will also provide funding from the affordable housing trust fund necessary to supplement the cost to satisfy its obligation.

The Township is still in the process of analyzing existing water and sewer capacity. Given the short timeline provided by the FHA at N.J.S.A. 52:27D-310 as amended by P.L. 2024 c.2 for adoption and submission of this Fourth Round Housing Element and Fair Share Plan, the Township reserves the right to amend the plan once information regarding water and sewer availability becomes available. In the event that a sewer capacity issue comes to light, the Township reserves the right to amend this plan to take such issues into account.





## **AFFORDABLE HOUSING JUDICIAL & LEGISLATIVE BACKGROUND**

In the 1975 Mount Laurel<sup>1</sup> decision, the New Jersey Supreme Court ruled that developing municipalities have a constitutional obligation to provide diversity and choice in the housing types permitted in the municipality, including housing for low- and moderate-income households. In its 1983 Mount Laurel II decision,<sup>2</sup> the New Jersey Supreme Court extended to all municipalities with any “growth area” as designated in the State Development Guide Plan (now superseded by the State Development and Redevelopment Plan, or SDRP) the obligation to provide their “fair share” of a calculated regional need for affordable units. Mount Laurel II also introduced a “builder’s remedy” if a municipality was not providing its fair share of affordable housing. A builder’s remedy may permit a developer that is successful in litigation the right to develop what is typically a higher density multi-family project on land not zoned to permit such use, so long as a “substantial” percentage of the proposed units would be reserved for low- and moderate-income households.

In 1985, in response to Mount Laurel II, the New Jersey Legislature enacted the Fair Housing Act (“FHA”).<sup>3</sup> The FHA created the Council on Affordable Housing (“COAH”) as an administrative body responsible for oversight of municipalities’ affordable housing efforts, rather than having oversight go through the courts. The Legislature charged COAH with promulgating regulations (i) to establish housing regions; (ii) to estimate low- and moderate-income housing needs; (iii) to set criteria and guidelines for municipalities to use in determining and addressing their fair share obligations, and (iv) to create a process for the review and approval of municipal housing elements and fair share plans.

### **COAH’s First and Second Rounds, 1986-1999**

COAH created the criteria and regulations for municipalities to address their affordable housing obligations. COAH originally established a methodology for determining municipal affordable housing obligations for the six-year period between 1987 and 1993,<sup>4</sup> which period became known as the First Round. This methodology established an existing need to address substandard housing that was being occupied by low- and moderate-income households (variously known as “present need” or “rehabilitation share”), and calculated future demand, to be satisfied typically, but not exclusively, with new construction (“prospective need” or “fair share”).

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<sup>1</sup> Southern Burlington County NAACP v. Township of Mount Laurel, 67 N.J. 151 (1975)

<sup>2</sup> Southern Burlington County NAACP v. Township of Mount Laurel, 92 N.J. 158 (1983)

<sup>3</sup> N.J.S.A. 52:27D-301 *et seq.*

<sup>4</sup> N.J.A.C. 5:92-1 *et seq.*





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

### **COAH's Third Round and Related Judicial and Legislative Activity, 1999-2025**

The FHA had originally required housing rounds to be for a six-year period for the First and Second Rounds. In 2001, the time period increased to a 10-year period consistent with the Municipal Land Use Law ("MLUL"). In order to utilize 2000 census data, which hadn't yet been released, COAH delayed the start of the Third Round from 1999 to 2004, with the Third Round time period initially ending in 2014. In December 2004, COAH's first version of the Third Round rules<sup>6</sup> became effective, and the 15-year Third Round *time period* (1999 – 2014) was condensed into an affordable housing *delivery period* from January 1, 2004, through January 1, 2014.

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

On January 25, 2007, a New Jersey Appellate Court decision<sup>7</sup> invalidated key elements of the first version of the Third Round rules, including the growth share approach, and the Court ordered COAH to propose and adopt amendments to its rules. COAH issued revised rules effective on June 2, 2008 (as well as a further rule revision effective on October 20, 2008), which largely retained the growth share approach.

Just as various parties had challenged COAH's initial Third Round regulations, parties challenged COAH's 2008 revised Third Round rules. On October 8, 2010, the Appellate Division issued its decision on the challenges.<sup>8</sup> The Appellate Division upheld the COAH Prior Round regulations that assigned rehabilitation and Prior Round numbers to each municipality, but invalidated the regulations by which the agency assigned housing obligations in the Third

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<sup>5</sup> N.J.A.C. 5:93-1.1 *et seq.*

<sup>6</sup> N.J.A.C. 5:94-1 and 5:95-1

<sup>7</sup> *In re Adoption of N.J.A.C. 5:94 and 5:95*, 390 N.J. Super. 1 (2007)

<sup>8</sup> *In re Adoption of N.J.A.C. 5:96 and 5:97*, 416 N.J. Super. 462 (2010)



Round, again ruling that COAH could not allocate obligations through a growth share formula. Instead, the Appellate Division directed COAH to use methods similar to those used in the First and Second Rounds.

### ***Third Round Judicial Activity***

After various challenges were filed, on September 26, 2013, the New Jersey Supreme Court upheld the Appellate Court decision<sup>9</sup> and ordered COAH to prepare the necessary rules. COAH failed to adopt new rules, and more challenges ensued.

On March 10, 2015, the New Jersey Supreme Court issued a ruling on Fair Share Housing Center's ("FSHC's") Motion in Aid of Litigant's Rights, which became known as Mount Laurel IV.<sup>10</sup> In this decision, the Court transferred responsibility for reviewing and approving housing elements and fair share plans from COAH to designated Mount Laurel trial judges, declaring COAH "moribund." Municipalities were now to apply to the Courts, instead of COAH, if they wished to be protected from exclusionary zoning lawsuits. The Mount Laurel trial judges, with the assistance of a Court-appointed Special Adjudicator, were tasked with reviewing municipal plans much in the same manner as COAH had done previously. Those towns whose plans were approved by the Court received a Judgment of Compliance and Repose, the court equivalent of COAH's substantive certification.

While the New Jersey Supreme Court's decision set a process in motion for towns to address their Third Round obligation, the decision did not assign those obligations. Instead, that was to be done by the trial courts, although ultimately most towns entered into settlement agreements to set their fair share obligations. The Court stated that municipalities should rely on COAH's Second Round rules (N.J.A.C. 5:93) and those components of COAH's 2008 regulations that were specifically upheld, as well as the FHA, in their preparation of Third Round housing elements and fair share plans.

On January 17, 2017, the New Jersey Supreme Court rendered a decision<sup>11</sup> that found that the period between 1999 and 2015, now known as the "gap period," when no valid affordable housing regulations were in force, generated an affordable housing obligation. This obligation required an expanded definition of the municipal Present Need obligation to include the unaddressed housing needs of low- and moderate-income households that had formed during the gap period. This meant that the Third Round municipal affordable housing obligation would now comprise four components: Present Need (rehabilitation), Prior Round (1987-

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

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

<sup>11</sup> In Re Declaratory Judgment Actions Filed by Various Municipalities, 227 N.J. 508 (2017)



1999, new construction), Third Round Gap Need (1999-2015, new construction), and Third Round Prospective Need (Third Round, 2015 to 2025, new construction).

### ***Third Round Legislative Activity***

In addition, the New Jersey Legislature has amended the FHA several times in recent years.

On July 17, 2008, P.L. 2008 c. 46 (referred to as the Roberts Bill or A500) was enacted, which amended the FHA in a number of ways. Key provisions included the following:

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

In July 2020, the State amended the FHA again to require, beginning in November 2020, that all affordable units that are subject to affirmative marketing requirements also be listed on the state’s Affordable Housing Resource Center website.<sup>13</sup> All affordable housing affirmative marketing plans are now required to include listing on the State Affordable Housing Resource Center website.

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<sup>12</sup> In the Matter of the Adoption of the Monroe Township Housing Element and Fair Share Plan, and Implementing Ordinances (2015)

<sup>13</sup> <https://www.nj.gov/njhrc/>



### The Fourth Round, 2025-2035

On March 20, 2024, the FHA was amended again (as were other statutes). This amendment, P.L. 2024 c.2:

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

In December 2024, the Administrative Office of the Courts issued Administrative Directive #14-24, establishing procedures for implementation of the Program and for municipalities to file their Fourth Round Declaratory Judgment (DJ) filings, etc.

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



## **MONTGOMERY'S AFFORDABLE HOUSING HISTORY**

The New Jersey State Supreme Court decided the "Mt. Laurel II" Supreme Court Decision on January 20, 1983. The decision addressed the responsibilities of municipalities throughout New Jersey to permit the construction of "low" and "moderate" income affordable housing units within their bounds.

Approximately one and one-half (1 ½) years after the "Mt. Laurel II" Supreme Court Decision, and prior to the creation of the COAH, Judge Eugene Serpentelli, as part of his July 16, 1984 Decision regarding "Mt. Laurel" litigation against Warren Township in Somerset County, sanctioned the so-called "consensus methodology". The methodology was the required way in which municipalities were to calculate their "fair share" housing obligation.

In accordance with the "consensus methodology", Montgomery Township's "fair share" housing obligation through December 31, 1993 initially was calculated to be a very high seven hundred thirty-one (731) affordable housing units.

However, Montgomery Township disagreed with certain aspects of the "consensus methodology" and, in the face of imminent litigation, *voluntarily* petitioned Judge Serpentelli's court during March 1985 for a review of its "Mt. Laurel II" "fair share" housing obligation, as well as for approval of the zone plan that the Township proposed to satisfy the obligation.

During the Court proceedings, Montgomery corrected certain of the statistical data from the Department of Labor which were utilized in the "consensus methodology", and the Township also successfully argued certain other aspects of the methodology. As a result of these efforts, the Court entered a Judgment of Compliance on July 31, 1985 which found that Montgomery's "fair share" housing obligation was three hundred twenty-five (325) "low" and "moderate" income units, versus the originally calculated 731 units.

Moreover, the Court found that the Township's zoning provisions for the "APT/TH" Apartment/Townhouse district in the southern portion of the Township and the "PRD" Planned Residential Development option in the northern portion of the Township provided a reasonable opportunity for the construction of the required 325 affordable units.

Montgomery Township was the *first municipality* in the State of New Jersey to *voluntarily* petition for a Judgment of compliance. As a result of the July 31, 1985 "Judgment of Compliance", Montgomery Township was deemed to be in compliance with its "Mt. Laurel II" housing obligation through *voluntary* measures.

The Township petitioned COAH for Second Round substantive certification on April 26, 1995. The Township was eventually granted Second Round substantive certification on March 5, 1997, and extensions on December 4, 2002 and February 9, 2005. The Township's Second Round fair housing obligation was 315 consisting of a rehabilitation obligation of eight (8) and new construction obligation of 307.



The Township petitioned COAH for Third Round substantive certification on December 16, 2005. However, COAH did not conduct a substantive review of the 2005 Housing Element and Fair Share Plan prior to the 2007 Appellate Division decision overturning COAH's 2004 Third Round rules. On November 25, 2008, Montgomery adopted a 2008 Third Round Housing Element and Fair Share Plan consistent with COAH's second iteration of Third Round rules. The Township submitted the 2008 Plan to COAH on December 30, 2008 as part of their second petition for Third Round substantive certification; the petition was deemed complete by COAH on March 27, 2009. The Township's 2008 Plan did not receive substantive certification prior to the 2010 Appellate Division decision invalidating COAH's second iteration of Third Round rules.

To comply with the March 10, 2015 Mount Laurel IV decision, Montgomery filed a declaratory judgment action with the Superior Court on July 7, 2015 for a Third Round Judgment of Compliance and Repose and temporary immunity from builder's remedy suits. FSHC was an interested party in the Township's declaratory judgment action, and in 2017, the Township entered into successful negotiations with FSHC to identify its fair share obligation and preliminarily how that obligation would be satisfied. These negotiations resulted in a Settlement Agreement between the Township and FSHC that was executed by the Township on December 8, 2017 (see Appendix 1 for a copy of this Settlement Agreement).<sup>14</sup> After a Fairness Hearing, the Court issued an Order on February 20, 2018 stating that the Settlement Agreement was fair to the interests of low and moderate income households (see Appendix 1 for a copy of the Court Order). The Court Order established the Township's fair share obligations and also preliminarily found that the manner in which the Township satisfied the obligation was reasonable. The Township's Planning Board adopted a Third Round HPE/FSP on July 2, 2018, endorsed by the Township Committee on July 5, 2018. The 2018 HPE/FSP incorporated and implemented the terms of the 2017 Settlement Agreement between the Township and FSHC and served as the foundation for the Township's application for a Judgment of Compliance and Repose by the Court. However, as identified in the 2019 Court Order, some projects changed, thus necessitating a revised HPE/FSP.

Thereafter, an Amended HPE/FSP was prepared in 2020 to make minor modifications to the preliminary compliance charts in the Settlement Agreement to account for new unit count details. On December 7, 2020, the Township's Planning Board adopted the Amended Third Round HPE/FSP, endorsed by the Township Committee on December 17, 2020.

Subsequent to the Amended HPE/FSP, the Township and FSHC executed an amendment to the 2017 Settlement Agreement to modify the preliminary compliance charts to be consistent

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<sup>14</sup> By the terms of the Agreement, FSHC is now an Intervenor in the Township's DJ action.



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with the record, with the Township's Amended HPE/FSP, and with the Court's 2019 JOR. The amended Agreement was signed on May 27, 2022 by Adam M. Gordon, Esq. for FSHC and executed for the Township on September 1, 2022 by former Mayor Devra Keenan. After a Compliance Hearing, the Court granted a Final JOR on January 24, 2023, approving the Amended 2020 HPE/FSP, approving the Amended 2022 Settlement Agreement, and giving the Township immunity and protection from any Mount Laurel builder's remedy actions through July 8, 2025. The Township's 2023 Final Third Round JOR and Amended Settlement Agreement are included as Appendix 2.

On January 27, 2025, the Township adopted a resolution declaring its Fourth Round Present Need of 73 units and a Fourth Round Prospective Need of 260 units, based on DCA's calculations. On January 29, 2025, Montgomery Township filed its Fourth Round DJ action with the Program/Superior Court, pursuant to the requirements of the amended FHA and the Administrative Directive #14-2024. The Township's Fourth Round Present Need/Prospective Need resolution was uncontested. Thereafter, on March 26, 2025, the Superior Court issued an Order which accepted the Township's Fourth Round Present Need/Prospective Need. The Township's Fourth Round DJ Filing and the April 8, 2025 Order are included as Appendix 3.





**AFFORDABILITY REQUIREMENTS**

Affordable housing is defined under the amended FHA as a dwelling, either for sale or rent, that is within the financial means of households of very low, low, or moderate income as income is measured within each housing region. Montgomery is in Region 3, which includes the Counties of Hunterdon, Somerset, and Middlesex. Moderate-income households are those earning more than 50% but less than 80% of the regional median income. Low-income households are those with annual incomes that are between 30% and 50% of the regional median income. Very low-income households are those with annual incomes of 30% or less of the regional median income.

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

The regional median income is now defined in the amended FHA and continues to utilize HUD income limits on a regional basis. In the spring of each year HUD releases updated income limits, which COAH would reallocate to its regions. It is from these income limits that the rents and sale prices for affordable units are derived. See Table 1 for 2024 income limits for Region 3.

TABLE 1. 2024 INCOME LIMITS FOR REGION 3					
Household Income Levels	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5-Person Household
Moderate	\$81,872	\$93,568	\$105,264	\$116,960	\$126,317
Low	\$51,170	\$58,480	\$65,790	\$73,100	\$78,948
Very Low	\$30,702	\$35,088	\$39,474	\$43,860	\$47,369
Source: Affordable Housing Professionals of New Jersey 2024 Affordable Housing Regional Income Limits					

TABLE 2. ILLUSTRATIVE 2024 AFFORDABLE GROSS RENTS FOR REGION 3			
Household Income Levels (% of Median Income)	1-Bedroom Unit Rent	2-Bedroom Unit Rent	3-Bedroom Unit Rent
Moderate (60%)	\$1,645	\$1,974	\$2,281
Low (50%)	\$1,371	\$1,645	\$1,901
Very Low (30%)	\$822	\$987	\$1,140
Source: Affordable Housing Professionals of NJ / FSHC Affordable Housing Regional Income Limits and Rental Calculator			



TABLE 3. ILLUSTRATIVE 2024 AFFORDABLE SALES PRICES FOR REGION 3			
Household Income Levels (% of Median Income)	1 Bedroom Unit Price	2 Bedroom Unit Price	3 Bedroom Unit Price
Moderate (70%)	\$154,088	\$187,267	\$218,234
Low (50%)	\$106,689	\$130,389	\$152,508
Very Low (30%)	\$59,291	\$73,510	\$86,782
Source: Affordable Housing Professionals of NJ / FSHC Affordable Housing Regional Income Limits and Sales Calculator			

## HOUSING ELEMENT & FAIR SHARE PLAN REQUIREMENTS

In accordance with the Municipal Land Use Law (N.J.S.A. 40:55D-1, *et seq.*), a municipal Master Plan must include a Housing Plan Element as the foundation for the municipal zoning ordinance (see N.J.S.A. 40:55D-28b(3) and -62). Pursuant to the FHA (N.J.S.A. 52:27D-301 *et seq.*), a municipality's Housing Plan Element must be designed to provide access to affordable housing to meet present and prospective housing needs, with particular attention to low- and moderate-income housing. Specifically, N.J.S.A. 52:27D-310 requires that the Housing Plan Element contain at least the following:

- 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 next ten years, taking into account, but not necessarily limited to, construction permits issued, approvals of applications for development, and probable residential development trends;
- 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 of low- and moderate-income housing and its capacity to accommodate its present and prospective housing needs, including its fair share of low- and moderate-income housing as established pursuant to section 3 of P.L. 2024, c.2 (C.52:27D-304.1);
- 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 provide low- and moderate-income housing;
- An analysis of the extent to which municipal ordinances and other local factors advance or detract from the goal of preserving multigenerational family continuity as expressed in the



recommendations of the Multigenerational Family Housing Continuity Commission, adopted pursuant to paragraph (1) of subsection f. of 23 section 1 of P.L.2021, c.273 (C.52:27D-329.20); and

- **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.

In addition to FHA requirements, the following requirements set forth by Administrative Directive #14-24, issued by the Administrative Office of the Courts on December 13, 2024 have been issued:

1. One of the requirements for a final HPE/FSP is the inclusion of detailed site suitability analyses, based on the best available data, for each of the unbuilt inclusionary or 100% affordable housing sites in the plan as well as an identification of each of the sites that were proposed for such development and rejected, along with the reasons for such rejection.
2. The concept plan for the development of each of the selected sites should be overlaid on the most up to date environmental constraints map for that site as part of its analysis. When the detailed analyses are completed, the municipality can see what changes will be needed (either to the selected sites or to their zoning) to ensure that all of the units required by the settlement agreement will actually be produced. If it becomes apparent that one (or more) of the sites in the plan does not have the capacity to accommodate all of the development proposed for it, the burden will be on the municipality either to adjust its zoning regulations (height, setbacks, etc.) so that the site will be able to yield the number of units and affordable units anticipated by the settlement agreement or to find other mechanisms or other sites as needed to address the likelihood of a shortfall.
3. The final HPE/FSP must fully document the creditworthiness of all of the existing affordable housing units in its HPE/FSP and to demonstrate that it has followed all of the applicable requirements for extending expiring controls, including confirmation that all of the units on which the controls have been extended are code-compliant or have been rehabilitated to code-compliance, and that all extended controls cover a full 30-year period beginning with the end of the original control period. Documentation as to the start dates and lengths of affordability controls applicable to these units and applicable Affordable Housing Agreements and/or deed restrictions is also required. Additionally, the income and bedroom distributions and continued creditworthiness of all other existing affordable units in the HPE/FSP must be provided.
4. The HPE/FSP must include an analysis of how the HPE/FSP complies with or will comply with all of the terms of the executed settlement agreement. Once the HPE/FSP has been prepared, it must be reviewed by Fair Share Housing Center and the Program's Special Adjudicator for compliance with the terms of the executed



settlement agreement, the FHA and UHAC regulations. The HPE/FSP must be adopted by the Planning Board and the implementation components of the HPE/FSP must be adopted by the governing body.

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

1. All zoning amendments (or redevelopment plans, if applicable).
2. An Affordable Housing Ordinance that includes, among other required regulations, its applicability to 100 percent affordable and tax credit projects, the monitoring and any reporting requirements set forth in the settlement agreement, requirements regarding very low income housing and very low income affordability consistent with the FHA and the settlement agreement, provisions for calculating annual increases in income levels and sales prices and rent levels, and a clarification regarding the minimum length of the affordability controls (at least 30 years, until the municipality takes action to release the controls).
3. The adoption of the mandatory set aside ordinance, if any, and the repeal of the existing growth share provisions of the code.
4. An executed and updated Development Fee Ordinance that reflects the court's jurisdiction.
5. An Affirmative Marketing Plan adopted by resolution that contains specific directive to be followed by the Administrative Agent in affirmatively marketing affordable housing units, with an updated COAH form appended to the Affirmative Marketing Plan, and with both documents specifically reflecting the direct notification requirements set forth in the settlement agreement.
6. An updated and adopted Spending Plan indicating how the municipality intends to allocate development fees and other funds, and detailing (in mini manuals) how the municipality proposes to expend funds for affordability assistance, especially those funds earmarked for very low income affordability assistance.
7. A resolution of intent to fund any shortfall in the costs of the municipality's municipally sponsored affordable housing developments as well as its rehabilitation program, including by bonding if necessary.
8. Copies of the resolution(s) and/or contract(s) appointing one or more Administrative Agent(s) and of the adopted ordinance creating the position of, and resolution appointing, the Municipal Affordable Housing Liaison.
9. A resolution from the Planning Board adopting the HPE/FSP, and, if a final Judgment is sought before all of the implementing ordinances and resolutions can be adopted, a resolution of the governing body endorsing the HPE/FSP.



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

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

This Fourth Round Housing Plan Element has been prepared to satisfy all of the above requirements.



HOUSING, DEMOGRAPHIC & EMPLOYMENT ANALYSIS

Housing Characteristics

The 2019-2023 American Community Survey (ACS)<sup>15</sup> indicates that Montgomery has approximately 8,582 housing units, of which 214, or 2.5%, are vacant. The Township’s housing stock predominantly consists of single-family detached units (71.0%) and single-family attached units (16.6%). The Township’s percentage of single-family detached units is 18.3% higher than that of the State (52.7%) and approximately 12% higher than that of Somerset County (58.8 %). The renter population represents approximately 14.7% of all occupied units in Montgomery (with 85.3% owner-occupied), which is 10.8% less than the renter population in the County (25.5%) and 21.6% less than the renter population in the State as a whole (36.3%). See Table 4, Housing Units by Number of Units in Structure, 2023, for a detailed explanation of the housing units in 2023.

TABLE 4. HOUSING UNITS BY NUMBER OF UNITS IN STRUCTURE, 2023							
Number of Units	Total Units	% Total	Owner Occupied	% Total	Rentals	% Total	Vacant
1, Detached	6,097	71.0%	5,783	67.4%	223	2.6%	91
1, Attached	1,423	16.6%	1,206	14.1%	144	1.7%	73
2	52	0.6%	11	0.1%	41	0.5%	0
3 or 4	98	1.1%	18	0.2%	80	0.9%	0
5 to 9	333	3.9%	29	0.3%	304	3.5%	0
10 or more	579	6.7%	92	1.1%	437	5.1%	50
Other	0	0.0%	0	0.0%	0	0.0%	0
Total	8,582	100%	7,139	83.2%	1,229	14.3%	214
Source: Tables B25032, DP04, 2019-2023 American Community Survey Five-Year Estimate							

Table 5, Housing Units by Year Built, 2023, illustrates the age of the Township’s housing stock. Only 7.3% of Montgomery’s housing stock was constructed prior to 1949. The majority of the Township’s housing stock was constructed between 1980 and 2009 (68.4%), including 1,138 multi-family renter-occupied units, and construction slowed with the Great Recession (see Table 20 below for information on building permits since 2013). The median year homes were

<sup>15</sup> The American Community Survey replaced the long-form Census as the source for much of the housing data necessary to complete this section. The Census is a one-time count of the population while this ACS is an estimate taken over five years through sampling. As such, data in the ACS is subject to a margin of error.



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built in the Township (1993) is more recent than both the State's median (1969) and the County's (1982).

TABLE 5. HOUSING UNITS BY YEAR BUILT, 2023					
Year Built	Total Units	Percent	Owner	Renter	Vacant
2020 or later	15	0.2%	15	0	0
2010 to 2018	674	7.9%	661	13	0
2000 to 2009	1987	23.2%	1402	535	50
1990 to 1999	2434	28.4%	2022	339	73
1980 to 1989	1446	16.8%	1329	117	0
1970 to 1979	391	4.6%	352	39	0
1960 to 1969	750	8.7%	692	12	46
1950 to 1959	259	3.0%	235	24	0
1940 to 1949	12	0.1%	6	6	0
1939 or earlier	614	7.2%	425	144	45
<b>Totals</b>	<b>8,582</b>	<b>100%</b>	<b>7,139</b>	<b>1,229</b>	<b>214</b>
<b>Median Year Built:</b>	<b>1993</b>		<b>1993</b>	<b>1998</b>	
Source: 2019-2023 American Community Survey 5-Year Estimate (DP04, B25036, B25037)					

Table 6, Number of Bedrooms per Housing Unit, 2023 shows that housing in Montgomery is generally larger than comparable housing across the County and the State, as evidenced by the number of bedrooms per housing unit. Housing units with three or more bedrooms comprise 76.1% of all housing units in Montgomery Township, compared to 57.4% and 62.2% in New Jersey and Middlesex County respectively.

TABLE 6. NUMBER OF BEDROOMS PER HOUSING UNIT, 2023		
Bedrooms	Number of Units	Percent
Efficiency	44	0.5%
1	559	6.5%
2	1,451	16.9%
3	2,058	24.0%
4	3,360	39.2%
5+	1,110	12.9%
<b>Total</b>	<b>8,582</b>	<b>100%</b>
Source: Table DP04, 2019-2023 American Community Survey Five-Year Estimate		



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Table 7, Owner-Occupied Housing Values, 2013 and 2023, shows that the median housing value in Montgomery Township increased 25.9% between 2013 and 2023, a lower percentage increase than values across Somerset County overall (31.4%). Montgomery Township had dramatically higher median home values (\$739,400) compared to the county (\$523,900) and state in 2023 (\$461,000).

Based on the 2024 illustrative sales prices provided in Table 3 and the estimated value of owner-occupied homes in 2023 as provided in Table 7, approximately 87 housing units, or 1.2% of owner-occupied units, in Montgomery may be affordable to very low-income households (depending on the number of bedrooms in the unit). Approximately 82 housing units, or 0.1%, (exclusive of units that may be affordable to very low-income households) may be affordable to low-income households, and approximately 21 units (0.3%) may be affordable to moderate-income households (excluding those units affordable to low- or very low income-households). In total, 189 owner-occupied units, or 2.6% of owner-occupied units in the Township, may be affordable to low- or moderate-income households.

TABLE 7. OWNER-OCCUPIED HOUSING VALUES, 2013 and 2023				
Housing Unit Value	2013 Units	Percent	2023 Units	Percent
Less than \$50,000	30	0.5%	31	0.4%
\$50,000-\$99,999	20	0.3%	56	0.8%
\$100,000-\$149,999	14	0.2%	81	1.1%
\$150,000-\$199,999	41	0.7%	21	0.3%
\$200,000-\$299,999	230	3.7%	90	1.3%
\$300,000-\$499,999	1,936	31.0%	1,135	15.9%
\$500,000-\$999,999	3,427	54.9%	4,427	62.0%
\$1,000,000 or more	543	8.7%	1,298	18.2%
Total	6,241	100%	7,139	100%
Median	\$587,400		\$739,400	
Sources: Table DP04, 2009-2013 and 2019-2023 American Community Survey Five-Year Estimates				

The median rent in Montgomery in 2023 was \$2,169, compared to \$1,921 across Somerset County. Based on the 2024 illustrative rents provided in Table 2, approximately 75 renter-occupied units, or 6.1%, may be affordable to very low-income renters, depending on the number of bedrooms being rented. Similarly, approximately 235 rental units (exclusive of units that may be affordable to very low-income households), or 19.1%, may be affordable to low-income renters and approximately 324 rental units (excluding units that may be affordable to low-income households), or 26.4%, may be affordable to moderate-income renters. In total, approximately 634 rental units, or 51.6% of all renter-occupied housing units, may be

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affordable to low- or moderate-income households depending on the number of bedrooms being rented. See Table 8, Montgomery and Somerset County, Gross Rent.

TABLE 8. MONTGOMERY AND SOMERSET COUNTY GROSS RENT, 2023				
Gross Rent	Montgomery		Somerset County	
	Units	Percent	Units	Percent
Less than \$500	57	4.6%	635	1.9%
\$500 to \$999	26	2.1%	1,475	4.5%
\$1,000 to \$1,499	30	2.4%	4,752	14.4%
\$1,500 to \$1,999	413	33.6%	10,799	32.7%
\$2,000 to \$2,499	96	7.8%	7,672	23.2%
\$2,500 to \$2,999	296	24.1%	3,770	11.4%
\$3,000 or more	199	16.2%	2,798	8.5%
No cash rent	112	9.1%	1,144	3.5%
Total	1,229	100%	33,045	100%
Median Rent	\$2,169		\$1,921	
Source: Table DPo4, 2019-2023 American Community Survey Five-Year Estimate				

Housing is generally considered to be affordable if rents, mortgages, and other essential costs consume 28% or less of an owner-household's income or 30% or less of a renter-household's income. This percentage is lower for homeowners to account for the additional home maintenance costs associated with ownership. In Montgomery, 25.7% of all households in occupied units are expending more than 30% of their incomes on housing costs. The percent of renter-occupied households expending more than 30% of their incomes on housing (40.6%) is higher than the percent of owner-occupied households (23.9%), which suggests that some of Montgomery's existing rental housing may be unaffordable to the population.

TABLE 9: HOUSING AFFORDABILITY, 2023						
Monthly Housing Cost as % of Income	Owner-Occupied	% of Total	Renter	% of Total	All Occupied	% of Total
Less than 20 Percent	4,108	57.9%	324	29.0%	4,432	53.0%
20 to 29 Percent	1,300	18.3%	340	30.4%	1,640	19.6%
30 Percent or More	1,697	23.9%	453	40.6%	2,150	25.7%
<b>Total</b>	<b>7,105*</b>	<b>85.3%</b>	<b>1,117**</b>	<b>14.7%</b>	<b>8,222</b>	<b>100%</b>
Source: Table DPo4, 2019-2023 American Community Survey Five-Year Estimate						
* Includes only households with a mortgage						
** Excludes 234 households labeled as "Not Computed"						

In 2023, there were an estimated 38 units that had incomplete kitchen facilities and 0 units with incomplete plumbing facilities. There were also an estimated six (6) overcrowded housing units (defined as more than one (1) occupant per room) built before 1950. It should be noted that overcrowding is often associated with substandard housing due to overuse of facilities and



is often occupied by lower-income households who share space to save on housing costs. Historically, the conditions mentioned in this paragraph have been indicators of housing deficiency, which are used to determine the number of units requiring rehabilitation.

TABLE 10. INDICATORS OF HOUSING DEFICIENCY, 2023			
Indicator	Incomplete Plumbing	Incomplete Kitchen	Crowded or Overcrowded, and Built Pre-1950
Number of Units	0*	38*	6*
Source: Tables B25050, DP04, 2019-2023 American Community Survey Five-Year Estimate			
*The margin of error for this information exceeds the estimated counts, and thus the estimates may be unreliable			

Population Characteristics

The population of Montgomery grew nearly 33.5% from 2000 to 2020. The Township’s rate of population growth between 2000 and 2020 is more than double the growth rate of the County (16.1%). The County’s growth rate has moderately decreased from 27.3% from 2000 to 2010, to just 6.5% from 2010 to 2020. See Table 11, Population Growth.

TABLE 11. POPULATION GROWTH, 2000 – 2020						
	2000	2010	'00 – '10 Change	2020	'10 – '20 Change	'00 – '20 Change
Montgomery	17,481	22,254	27.3%	23,690	6.5%	33.5%
Somerset County	297,490	323,444	8.7%	345,361	6.8%	16.1%
New Jersey	8,414,350	8,791,894	4.5%	9,288,994	5.7%	10.4%
Sources: 2000, 2010, and 2020 U.S. Census						

Between 2013 and 2023, there were large increases in most of Montgomery’s adult age cohorts, especially in the senior population. The highest rate of growth was in the age 85 and older cohort, which grew more than 80.3% between 2013 and 2023. The only adult age cohort to decline in population was the 45 to 54 cohort, with a decline of just -4.6%. The youth population of those 19 and under in Montgomery declined -15.1% from 2013 to 2023. The growth in older age cohorts and decline of children 19 and under contributed to Montgomery’s increase in the median age from 39.5 to 42.9 years. See Table 12, Montgomery Age Distribution 2013 - 2023, for additional detail.

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TABLE 12. MONTGOMERY AGE DISTRIBUTION, 2013 – 2023					
Age Group	2013	Percent	2023	Percent	Percent Change
Under 5	1182	5.3%	886	3.7%	-25.0%
5-9	1755	7.9%	1491	6.3%	-15.0%
10-14	2537	11.4%	2242	9.5%	-11.6%
15-19	2006	9.0%	1730	7.3%	-13.8%
20-24	841	3.8%	1251	5.3%	48.8%
25-34	1,450	6.5%	1,586	6.7%	9.4%
35-44	3,387	15.2%	3,447	14.6%	1.8%
45-54	4,432	19.8%	4,230	17.9%	-4.6%
55-59	1,332	6.0%	1923	8.1%	44.4%
60-64	941	4.2%	1681	7.1%	78.6%
65-74	1,449	6.5%	1,517	6.4%	4.7%
75-84	728	3.3%	1138	4.8%	56.3%
85+	289	1.3%	521	2.2%	80.3%
Total	22,329	100%	23,643	100%	5.9%
Median Age:	39.5		42.9		
Source: Table DP05, U.S. Census Bureau, 2009-2013 American Community Survey Five-Year Estimates; Table DP05, U.S. Census Bureau, 2019-2023 American Community Survey Five-Year Estimates					

## Household Characteristics

The U.S. Census Bureau defines a household as those persons who occupy a single room or group of rooms constituting a housing unit; however, these persons may or may not be related. Table 13, Household Size, 2013 and 2023, shows that the distribution of households by size in the Township has remained relatively similar between 2013 and 2023.

TABLE 13. HOUSEHOLD SIZE, 2013 and 2023				
Household Size	2013		2023	
	Households	Percent	Households	Percent
1 Person	1,072	14.7%	1,379	16.5%
2 People	2,040	28.0%	2,322	27.7%
3 People	1509	20.7%	2019	24.1%
4 or More People	2,659	36.5%	2,648	31.6%
<b>Total Households</b>	<b>7,280</b>	<b>100%</b>	<b>8,368</b>	<b>100%</b>
Sources: Table S2501, 2009-2013 and 2019-2023 American Community Survey Five-Year Estimates				

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In 2023, there were 8,368 households in the Township, with an average of 2.81 persons per household and an average of 3.16 persons per family. Approximately 73.6% of the households are comprised of married couples with or without children. Approximately 18% of the Township's households are non-family households, which include individuals living alone. See Table 14, Household Composition.

TABLE 14. HOUSEHOLD COMPOSITION, 2023		
Household Type	Households	Percent
<b>Family households</b>	<b>6,858</b>	<b>82.0%</b>
Married-couple family	6,156	73.6%
With Children	3,296	39.4%
Male householder, no spouse present	177	2.1%
With Own Children Under 18	132	1.6%
Female householder, no spouse present	525	6.3%
With Own Children Under 18	181	2.2%
<b>Nonfamily households</b>	<b>1,510</b>	<b>18.0%</b>
Householder living alone	1,379	16.5%
<b>Total Households</b>	<b>8,368</b>	<b>100%</b>
<i>Source: Table S1101, 2019-2023 American Community Survey Five-Year Estimate</i>		

When the number of bedrooms in a unit (from Table 6, above) is considered vs. the size of households in Montgomery (from Table 13, above), there may be some mismatch: There are over twice as many one- and two-person households (44.2% of all households) than there are efficiency and one-bedroom units (14.0% of all units). This comparative shortage of smaller homes may be leading some empty nesters and young adults without children to consider other locations when seeking smaller-sized housing, or to occupy housing that is larger than their needs, and perhaps more costly than their means. Table 15, Unit Size vs. Household Size, 2023, provides more detail.

TABLE 15. UNIT SIZE vs. HOUSEHOLD SIZE, 2023					
Unit Size	Number of Units	Percent of Total Units	Household Size	Number of Households	Percent of Total Households
<b>0 or 1 bedroom</b>	<b>603</b>	<b>7.0%</b>	<b>1 Person</b>	<b>1,379</b>	<b>16.5%</b>
<b>2 bedroom</b>	<b>1,451</b>	<b>7.0%</b>	<b>2 People</b>	<b>2,322</b>	<b>27.7%</b>
<b>3 bedrooms</b>	<b>2,058</b>	<b>24.0%</b>	<b>3 People</b>	<b>2,019</b>	<b>24.1%</b>
<b>4 or more bedrooms</b>	<b>4,470</b>	<b>52.1%</b>	<b>4+ persons</b>	<b>2,648</b>	<b>31.6%</b>
<b>Total</b>	<b>8,582</b>	<b>100%</b>		<b>8,368</b>	<b>100%</b>





Income Characteristics

In 2023, the median income in Montgomery was \$223,409 for households and \$249,106 for families. Comparable figures for the County were \$135,960 for households and \$167,353 for families. Table 15, Household Income by Income Brackets, 2023, further illustrates these findings by noting the number of households in each of the income brackets. The Township’s poverty rate for individuals (3.1%) is less than that of the County (5.5%) as well as its poverty rate for families, 2.7% compared to the County’s rate (4.4%). See Table 17, Individual and Family Poverty Rates, 2023, for the comparison.

TABLE 16. HOUSEHOLD INCOME BY INCOME BRACKET, 2023		
Income Bracket	Households	Percent
Less than \$10,000	151	1.8%
\$10,000-\$14,999	67	0.8%
\$15,000-\$34,999	301	3.6%
\$35,000-\$49,999	184	2.2%
\$50,000-\$74,999	435	5.2%
\$75,000-\$99,999	561	6.7%
\$100,000-\$149,999	1,121	13.4%
\$150,000 or more	5,548	66.3%
Total:	8,368	100%
Median Income:	\$223,409	
Source: Tables S1901 and DP03, 2019-2023 American Community Survey Five-Year Estimate		

TABLE 17. INDIVIDUAL AND FAMILY POVERTY RATES, 2023		
Location	Individuals	Families
Montgomery Township	3.1%	2.7%
Somerset County	5.5%	4.4%
Source: 2019-2023 American Community Survey 5-Year Estimate (DP03)		

Employment Characteristics

Table 18, Covered Employment by Sector, 2022, shows the distribution of employment by industry sector for those employed in Montgomery Township. The four (4) industries representing the largest concentrations of employment in Montgomery in 2022 were Health Care and Social Assistance with 17.3% of employed residents; Information with 16.0%;



Educational Services with 12.9%; and Professional, Scientific, and Technical Services with 12.6%.

TABLE 18. COVERED EMPLOYMENT BY SECTOR, 2022		
Private Sector Category	County	Percent
Agriculture	24	0.2%
Mining	39	0.4%
Utilities	1	0.0%
Construction	138	1.3%
Manufacturing	868	8.5%
Wholesale Trade	294	2.9%
Retail Trade	553	5.4%
Transportation and Warehousing	91	0.9%
Information	1,642	16.0%
Finance and Insurance	259	2.5%
Real Estate	77	0.8%
Professional, Scientific, and Technical Services	1,293	12.6%
Management of Enterprises	186	1.8%
Administration & Support, Waste Management and Remediation	604	5.9%
Educational Services	1,319	12.9%
Health Care and Social Assistance	1,775	17.3%
Arts, Entertainment, and Recreation	319	3.1%
Accommodation and Food Services	327	3.2%
Other	267	2.6%
<b>Private Sector Total</b>	<b>10,076</b>	<b>98.5%</b>
Public Administration	158	1.5%
<b>Total Covered Employment</b>	<b>10,234</b>	<b>100.0%</b>
<i>Source: OnTheMap, Center for Economic Studies, U.S. Census Bureau, 2022.</i>		

### ***Jobs-Housing Ratio***

A municipality's jobs-housing ratio is a rough indicator of the degree to which the municipality has been able to generate sufficient housing to accommodate its workers. A ratio of between 0.75 and 1.5 is generally considered to indicate a healthy balance between the number of jobs





in a municipality and the municipality's ability to house all its workers who wish to live there.<sup>16</sup> The ability to house workers locally enables them to spend less time commuting, reduces traffic congestion, and reduces the greenhouse gas emissions associated with commuting by automobile.

Based on Tables 4 and 18 above, Montgomery has a jobs-housing ratio of 1.17, within the range considered healthy. If additional jobs in the Township become available, the Township may need to examine whether it needs to take steps to encourage additional housing.

### Population and Housing Projections

The New Jersey Transportation Authority (NJTPA), the Metropolitan Planning Organization (MPO) that contains Montgomery as well as the remainder of Somerset County, published population and employment projections for the year 2050. The NJTPA projects that the Township's population and employment will increase by 8.0% and 11.6%, respectively, from 2015 to 2050. As Table 19, Population and Employment Projections, 2015 – 2050 shows, these rates are lower than for the County as a whole.

TABLE 19. POPULATION AND EMPLOYMENT PROJECTIONS, 2015 – 2050						
	Montgomery Township			Somerset County		
	2015	2050	% Change	2015	2050	% Change
<b>Population</b>	22,804	24,631	8.0%	330,604	363,486	9.9%
<b>Employment</b>	12,578	14,031	11.6%	185,400	211,386	14.0%
<i>Sources: NJTPA Regional Transportation Plan. Forecasts adopted 9/13/2021</i>						

The Fair Housing Act requires that housing plans include a 10-year projection of new housing units based on the number of building permits, development applications approved, and probable developments, as well as other indicators deemed appropriate (N.J.S.A. 52:27D-310.b). Building permit issuance for residential new construction in Montgomery Township during the years 2014 through 2023 averaged approximately 123.8 units per year. When demolition permits are included in the calculations, the average number of net new units constructed just drops to approximately 121.7 new units per year. If this rate were to remain constant, Montgomery Township would see approximately 1,217 net new dwelling units by 2033. Table 20, Housing Projections to 2033,

<sup>16</sup> <https://enviroatlas.epa.gov/enviroatlas/datafactsheets/pdf/supplemental/employmenthousingratio.pdf>



provides an estimate of anticipated residential growth based on the extrapolation of prior housing activity and anticipated redevelopment.

TABLE 20. HOUSING PROJECTIONS TO 2033			
Year	Building Permits Issued	Demolition Permits Issued	Net New Units
2014	74	5	69
2015	143	3	140
2016	50	0	50
2017	108	0	94
2018	45	3	42
2019	128	4	124
2020	163	1	162
2021	165	3	162
2022	297	0	297
2023	65	2	63
Total 2014 to 2023	1,238	21	1,217
10-Year Average	123.8	2.1	121.7
10-Year Projection (2024 to 2033)	1,238	21	1,217
Source: New Jersey DCA Construction Reporter			

### Development Trends and Projections

Between 2014 and 2023, Montgomery Township issued on average 123.8 new residential building permits per year. This activity was associated with several residential developments addressing the Township's Third Round obligation, including inclusionary developments at the Grove at Montgomery, the Willows at Orchard Road, and Hillside at Montgomery, the 100% affordable housing development at Apartments at Montgomery Crossing, and the Community Options group homes. During the Fourth Round, the Township expects a 34-unit single-family development part of the approved Montgomery Promenade development, as well as residential development as part of the proposed Fourth Round inclusionary sites included as compliance mechanisms in this plan.

Montgomery Township anticipates potential nonresidential growth during the Fourth Round through 2035. Based on approved or pending development projects, the Township expects approximately 359,587 square feet of additional nonresidential development through 2035, including but not limited to, Montgomery Promenade, a PSE&G electric substation, and the remaining commercial portion of Village Walk at Montgomery to be constructed.



## **CONSIDERATION OF LANDS APPROPRIATE FOR AFFORDABLE HOUSING**

As part of this Plan, Montgomery Township has considered land that is within proximity to public sewer and water and is appropriate for the construction of very-low-, low- and moderate-income housing. Although Montgomery has known contaminated sites and many environmental constraints, including wetlands, floodplains and steep slopes, these environmentally sensitive lands and contaminated sites will not preclude the Township from addressing its affordable housing obligation.

Consistent with smart growth planning principles, the Township has and will continue to integrate affordable housing with inclusionary developments in proximity to regional thoroughfares, jobs and business centers. Furthermore, the focus on redevelopment, rather than greenfield development is evident in the planned mechanisms to create affordable dwellings. These areas of the Township provide the greatest number of employment opportunities and services, as well as proximity to regional bus service. NJ Transit Bus Route 605 connects to bus routes 600, 603, 609, and 613 at the Quaker Bridge Mall and to the Princeton Dinky Station rail line.

The Township believes that the sites and mechanisms proposed in this document represent the best and most appropriate options for affordable housing development. These mechanisms entirely satisfy the Township's cumulative affordable housing obligation as established through the Township's Court-approved 2017/2022 Amended Settlement Agreement with FSHC and as calculated by DCA according to the methodology described in its October 2024 report and agreed to by the Township in its January 2025 Fourth Round DJ filing.



## **FAIR SHARE PLAN**

### **MONTGOMERY'S AFFORDABLE HOUSING OBLIGATION**

There are four components to a municipality's affordable housing obligation: the Fourth Round Present Need obligation, also known as the "Rehabilitation Share," the Prior Round obligation, the Third Round obligation, and the Fourth Round Prospective Need obligation. The terms "Present Need" and "Rehabilitation Share" are used interchangeably. Present Need resets with each round of affordable housing based on census data as to the number of deficient housing units existing at the beginning of that round that potentially are occupied by low- and moderate-income households. The obligation in the Prior Round, Third Round, and Fourth Round is also known as "Prospective Need" which refers to the provisions of affordable housing including through new construction necessary to address the demand for housing based on regional population growth. Lastly, given the convoluted history of the Third Round from 1999-2025, the Third Round obligation includes both the 'Gap' Need obligation (1999-2015) and the Third Round Prospective Need obligation (2015-2025).

#### **Rehabilitation Obligation (Fourth Round Present Need)**

The FHA, as amended by P.L. 2024, c.2, defines *present need* as "the number of substandard existing deficient housing units currently occupied by low- and moderate-income (LMI) households" and *deficient housing unit* as "housing that (1) is over fifty years old and overcrowded, (2) lacks complete plumbing, or (3) lacks complete kitchen facilities." The Township's Fourth Round Present Need of 72 units was calculated by DCA according to the methodology described in the report titled *Affordable Housing Obligations for 2025-2035 (Fourth Round) Methodology and Background* and released in October 2024. As part of its Fourth Round DJ filing, the Township adopted a resolution in January 2025 adopting the DCA Present Need of 73 units.

#### **Prior Round Obligation**

The Prior Round obligation is the cumulative prospective need obligation also known as the 'new construction' obligation for the First and Second Rounds (1987 to 1999). Montgomery Township's Prior Round obligation is 307 units as calculated by COAH per N.J.A.C. 5:93 and is reflected in the Township's Court-approved 2017 Third Round settlement agreement with FSHC.

#### **Third Round Obligation**

The Third Round obligation includes the "gap" portion of the Third Round (1999-2015) when no valid affordable housing regulations were in force and the Third Round Prospective Need (2015-2025), which included a projection 10 years into the future starting in July 2015. As

Fourth Round Housing Plan Element and Fair Share Plan  
Montgomery Township

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established by the Township's Court-approved 2017/2022 Amended FSHC Agreement, Montgomery Township has a Third Round obligation of 616 units.

#### **Fourth Round Prospective Need Obligation**

The amended FHA defines *prospective need* as "a projection of housing needs based on development and growth which is reasonably likely to occur in a region or municipality..." The Township's Fourth Round Prospective Need of 260 units was also calculated by DCA according to the methodology described in its October 2024 report and agreed to by the Township in its January 2025 Fourth Round DJ filing.



# MONTGOMERY’S AFFORDABLE HOUSING PLAN

## Means of Addressing the Present Need Obligation

N.J.A.C. 5:93-1.3, defines a dwelling needing rehabilitation as, “...a housing unit with health and safety code violations that require the repair or replacement of a major system”. Per N.J.A.C. 5:97, “Major systems” include weatherization, exterior cladding, window and door replacement, roofing, plumbing (water supply and sanitary), heating, electricity, lead paint abatement and load bearing structural systems.

Montgomery Township will address its 73-unit Rehabilitation Share through the establishment of a local rehabilitation program open for eligible owner-occupied and renter-occupied units. The program will be managed by Community Grants Planning & Housing Inc. (“CGP&H”). The Township will work with CGP&H to go under contract and participate in the rehabilitation program.

## Satisfaction of the Prior Round Obligation

Montgomery Township’s Prior Round obligation from 1987 through 1999 is 307 units as earlier established by COAH and more recently approved by the Court. In addressing the obligation of the Prior Round, COAH’s Second Round rules, as upheld by P.L. 2024, c.2, require that the Township establish the maximum number of age-restricted affordable units and the minimum number of affordable rental units.

In addition to satisfying the total obligation, the Township must also adhere to a minimum rental obligation and maximum number of age-restricted units.

As demonstrated in the Summary Tables at the end of this section, the Township has satisfied its Prior Round obligation with inclusionary development, alternative living arrangements, and rental bonus credits. The rental obligation is satisfied with the alternative living arrangements, the McKinley Comm./Montgomery Hills project and the Pike Run (Bellemead) project.

### Prior Round Rental Obligation = 77 units

0.25 (Prior Round – Prior Cycle credits)  
= 0.25 (307 – 0)  
= 76.75, round up

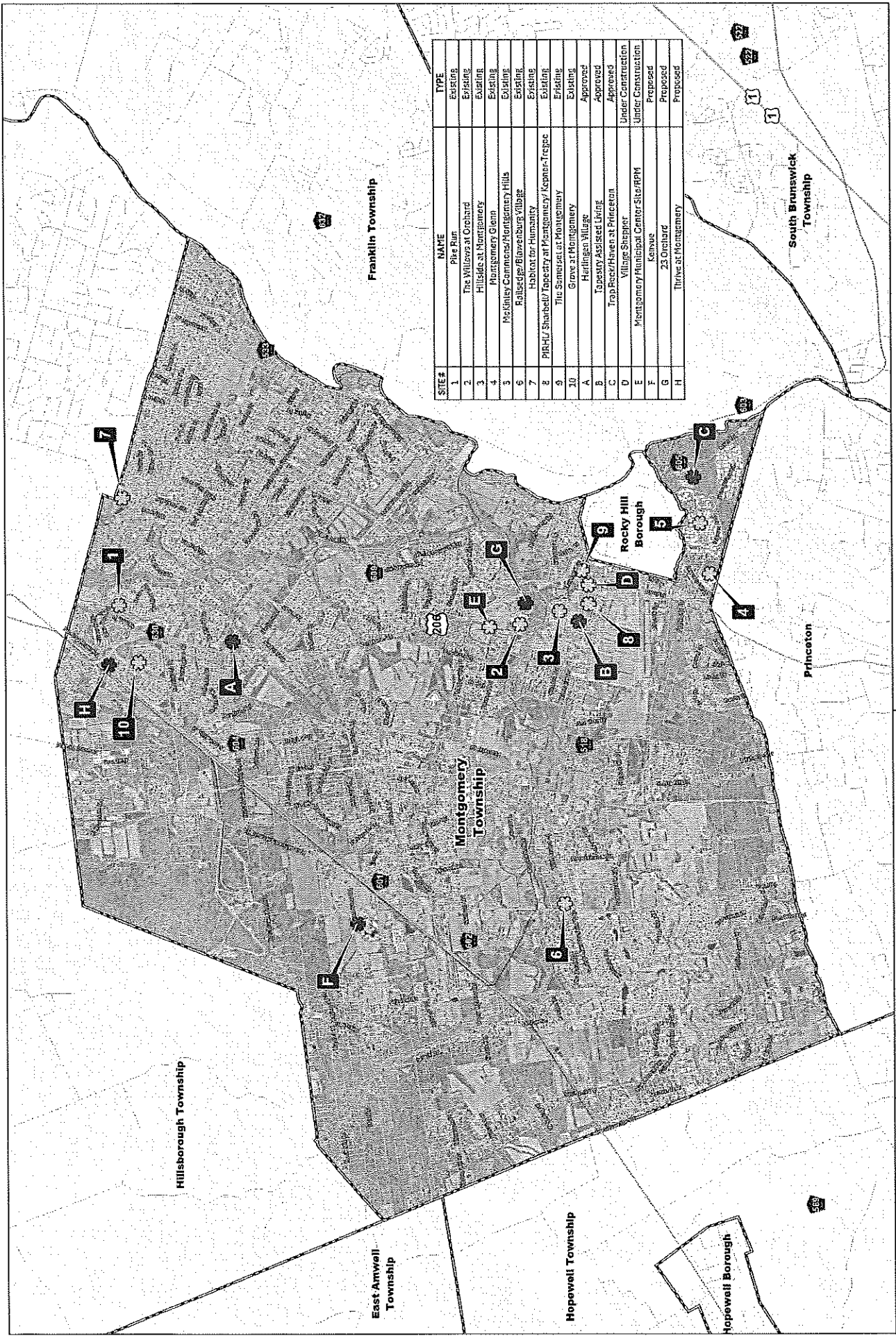
### Prior Round Maximum Age-Restricted = 76 units

0.25 (Prior Round – Prior Cycle credits)  
= 0.25 (307 – 0)  
= 76.75, round down

### Prior Round Rental Bonus Credits

- A rental unit available to the general public receives one rental bonus;
- An age-restricted unit receives a 0.33 rental bonus, but no more than 50% of the rental obligation shall receive a bonus for age-restricted units; and
- No rental bonus is granted in excess of the rental obligation.





SITE #	NAME	TYPE
1	Pine Run	Existing
2	The Willows at Orchard	Existing
3	Hillside at Montgomery	Existing
4	Montgomery Glen	Existing
5	McKinley Commons/Montgomery Hills	Existing
6	Raisedges/Blenzbourg Village	Existing
7	Habitat for Humanity	Existing
8	PIRHL Sharbel/Tapestry at Montgomery/Kopner-Tregoe	Existing
9	Thru Spaces at Montgomery	Existing
10	Grove at Montgomery	Existing
A	Hartington Village	Approved
B	Tapestry Assisted Living	Approved
C	Top Rock/Haven at Princeton	Approved
D	Village Shoppes	Under Construction
E	Montgomery Municipal Center Site RPH	Under Construction
F	Kenisee	Proposed
G	23 Orchard	Proposed
H	Thrive at Montgomery	Proposed

Montgomery Township Fourth Round  
Housing Element & Fair Share Plan  
**Affordable Housing Sites**

DATE: June 2025  
LOCATION: Montgomery Township, Somerset County, NJ

- Legend**
- Affordable Housing Sites (Existing/ Complete)
  - Affordable Housing Sites (Approved)
  - Affordable Housing Sites (Under Construction)
  - Affordable Housing Sites (Proposed)

0 6,000 Feet

Clarke Caton Hintz  
Architecture

Planning  
Landscape Architecture



## INCLUSIONARY DEVELOPMENT

### ***McKinley Comm./Montgomery Hills***

McKinley Commons, also known as Montgomery Hills (formerly Scribner Village) is an existing inclusionary zoning project located along McKinley Court and Jackson Avenue on Block 37001, Lot 6 and Block 37002, Lot 5, which have been since subdivided. Previously approved as part of the Township's Second Round JOR, the McKinley Commons development has a total of 441 units, including 346 market-rate units, 35 affordable for-sale units and 60 affordable age-restricted rentals. The age-restricted units are located at Block 37003, Lots 6.840 through 6.929, and the family for-sale units are located at Block 37003, Lots 6.780 through 6.837. The last Certificate of Occupancy for this project was issued on May 2, 2003. The affordable family rental and family for-sale units at McKinley Commons/Montgomery Hills are administered by CGP&H, an experienced affordable housing administrator. All of the for-sale units have at least 30-year affordability controls and the rental units have 30-year controls (see Appendix 7 for a copy of the Deed Restrictions). As seen in Table 21, the project contains 30 two-bedroom, low-income age-restricted rentals and 30 two-bedroom, moderate-income age-restricted rentals. As seen in Table 22, the affordable family for-sale units consist of 17 low-income units and 18 moderate-income units. There are four one-bedroom units, 23 two-bedroom units, and eight three-bedroom units.

### **Inclusionary Development**

A development containing low- and moderate-income units among market rate units. Affordable housing set-asides are often 15% or 20%.

Inclusionary development may also be a non-residential development (i.e. a shopping center) with affordable units built-in.

**TABLE 21. INCOME/BEDROOM DISTRIBUTION, MONTGOMERY HILLS  
AGE-RESTRICTED**

	1-bedroom	2-bedroom	3-bedroom	TOTAL	Percent of Total
<b>Very-Low Income</b>	-	-	-	0	0.00%
<b>Low-Income</b>	-	30	-	30	50.00%
<b>Moderate-Income</b>	-	30	-	30	50.00%
<b>Total</b>	0	60	0	60	100.00%
<b>Percent of Total</b>	0.00%	100.00%	0.00%	100.00%	





TABLE 22. INCOME/BEDROOM DISTRIBUTION, MONTGOMERY HILLS FAMILY FOR-SALE					
	1-bedroom	2-bedroom	3-bedroom	TOTAL	Percent of Total
Very-Low Income	-	-	-	0	0.00%
Low-Income	2	11	4	17	48.57%
Moderate-Income	2	12	4	18	51.43%
Total	4	23	8	35	100.00%
Percent of Total	11.43%	65.71%	22.86%	100.00%	

All 35 affordable for-sale units and 60 affordable age-restricted rental units address the Township's Prior Round obligation.

#### Montgomery Glen

Montgomery Glen, also known as Montgomery Walk, is an existing inclusionary residential development located along Princeton Avenue and Blue Spring Road on Block 37002, Lots 7.01 and 8.43 and Blocks 37005 through 37006, which have been since subdivided. The project has a total of 95 units, 19 of which are affordable family for-sale units. The 19 affordable family for-sale units are located at Block 37006, Lots 20.01 through 20.20, and the entire development is located within the APT/TH Apartment Townhouse Multi-Family Residential Zoning District. The project was completed in 2002, and Certificates of Occupancy were issued on the third, ninth, and twenty-ninth days of October, 2002. The affordable family for-sale units are administered by CGP&H. Additionally, the project has at least 30-year affordability controls (see Appendix 8 for a copy of the Deed Restriction). As seen in Table 23, the project contains ten low-income units and nine moderate-income units. There are four one-bedroom units, 11 two-bedroom units, and four three-bedroom units.

TABLE 23. INCOME/BEDROOM DISTRIBUTION, MONTGOMERY GLEN					
	1-bedroom	2-bedroom	3-bedroom	TOTAL	Percent of Total
Very-Low Income	-	-	-	0	0.00%
Low-Income	2	6	2	10	52.63%
Moderate-Income	2	5	2	9	47.37%
Total	4	11	4	19	100.00%
Percent of Total	21.05%	57.89%	21.05%	100.00%	



All 19 affordable family for-sale units address the Township's Prior Round obligation.

### ***Pike Run (Bellemead)***

Pike Run (Bellemead) is an existing inclusionary development resulting from the Township's First Round voluntary declaratory judgment action in July 1985. The 267-acre site, located at Block 5001, Lot 1, has a total of 1,288 units including 210 affordable family rentals. The last Certificate of Occupancy for this project was issued on June 6, 2001. The affordable family rental units are administered by Piazza & Associates (Piazza), an experienced affordable housing administrator. All of the units have 30-year affordability controls (see Appendix 9 for a copy of the Deed Restriction). As seen in Table 24, the project contains 114 low-income units and 96 moderate-income units. There are 122 one-bedroom units, 54 two-bedroom units, and 34 three-bedroom units.

TABLE 24. INCOME/BEDROOM DISTRIBUTION, PIKE RUN					
	1-bedroom	2-bedroom	3-bedroom	TOTAL	Percent of Total
Very-Low Income	-	-	-	0	0.00%
Low-Income	70	27	17	114	54.29%
Moderate-Income	52	27	17	96	45.71%
Total	122	54	34	210	100.00%
Percent of Total	58.10%	25.71%	16.19%	100.00%	

Of the 210 total affordable family rental units, 102 units address the Township's Prior Round Obligation. Additionally, the Township is eligible for a total of 77 bonus credits (capped) for this project towards the Prior Round.

## **ALTERNATIVE LIVING ARRANGEMENTS**

### ***Crawford Transitional Housing***

This alternative living arrangement, located at Block 15001, Lot 6, was licensed by the NJ Department of Human Services, Division of Mental Health Services in December of 2005. It has seven (7) bedrooms. The facility received its Certificate of Occupancy in February of 2005. However, the facility closed in January 2021. Pursuant to N.J.A.C. 5:93-5.8(d), alternative living arrangements shall remain in effect for at least ten years. Given that the group home existed for more than ten years, from 2005 to 2021, the facility is eligible for seven credits (credit by the bedroom) to address the Township's Prior Round obligation. See crediting documents in Appendix 10.



### ***Devereux Group Home***

Located at 797 Route 601, known as Block 15024, Lot 4, in the Township, the Devereux Corporation is a NJ Department of Human Services, Division of Developmental Disabilities (“DDD”) licensed Group home with four bedrooms, and the residents receive Supplemental Security Disability Income (“SSDI”) from the federal government, which is their only source of income. All four of the bedrooms are for very low-income people. It received a certificate of occupancy in April of 2000. The facility is eligible for four credits (credit by the bedroom) to address the Township’s Prior Round obligation. See Appendix 11 for a copy of the Supportive/Special Needs Survey.

### ***Delta Comm. Support Group Home***

Located at 174 Opossum Road (Block 19001, Lot 21) in the Township, Delta Community Support (“Delta”, f.k.a. The Developmental Residential Corporation) provides services to individuals with developmental disabilities and is fully funded by DDD. The group home is licensed by the Department of Human Services as a group home for developmentally disabled persons. The Delta group home has three bedrooms in Montgomery Township, and the residents receive SSDI from the federal government, which is their only source of income. All three (3) of the bedrooms are for very low-income people. The home received a certificate of occupancy in June of 1997. It was granted Capital Funding from the DDD in May of 1997 for acquisition and renovation of the house, and received a Certificate of Approval in October 1997. The facility is eligible for three credits (credit by the bedroom) to address the Township’s Prior Round obligation. See Appendix 12 for a copy of the Supportive/Special Needs Survey and State License.

### **Alternative Living Arrangement / Supportive & Special Needs Housing**

A structure in which households live in distinct bedrooms, but share kitchen and plumbing facilities, central heat and common areas.

They may be restricted to special needs groups, such as persons with developmental disabilities, veterans and their families, and victims of domestic abuse.

COAH’s regulations at N.J.A.C. 5:93-5.8 provides alternative living arrangements with credit by the bedroom.

Also, alternative living arrangements may receive credit for 10-year controls/existence per N.J.A.C. 5:93-5.8.

### **Prior Round Summary**

The Township has met its 307-unit Prior Round obligation with inclusionary housing, alternative living arrangements, and rental bonus credits.



**SATISFACTION OF THE THIRD ROUND + GAP OBLIGATION**

As previously indicated, the Township’s Third Round+Gap obligation (1999-2025) is 616 units.

In addition to satisfying the total obligation, the Township must also adhere to a minimum rental obligation, minimum family rental obligation, a maximum number of age-restricted units, a minimum very low-income requirement, and a minimum number of family very-low income units.

As demonstrated in the Summary Tables at the end of this section, the Township has satisfied its Third Round obligation with completed, approved and proposed inclusionary developments, proposed alternative living arrangements, a proposed assisted living facility, a proposed 100% affordable housing development, and rental bonus credits.

**Third Round Rental Bonus Credits**

- A rental unit available to the general public receives one rental bonus;
- An age-restricted unit receives a 0.33 rental bonus, but no more than 50% of the rental obligation shall receive a bonus for age-restricted units; and
- No rental bonus is granted in excess of the rental obligation.

**Third Round Minimum Family units = 231 units**

0.50(Third Round obligation - bonuses)  
= .50(616 - 154)  
= 231

**Third Round Rental Obligation = 154 units**

0.25 (Third Round obligation)  
= .25 (616)  
= 154

**Third Round Family Rental Obligation = 77 units**

0.5 (Third Round rental obligation)  
= .5 (154)  
= 77

**Third Round Maximum Age-Restricted = 154 units**

0.25 (Third Round obligation)  
= .25 (616)  
= 154

**Third Round Minimum Very Low Income = 38 units**

0.13(units approved and created after 7/17/2008)  
= .13(290)  
= 37.7, round up

**Third Round Minimum Low Income (includes very-low income) = 231 units**

0.50(Third Round obligation - bonuses)  
= .50(616 - 154)  
= 231





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## INCLUSIONARY DEVELOPMENTS

### ***Pike Run (Bellemead)***

Montgomery Township addressed its Prior Round obligation with 102 of the 210 affordable family rental units in the Pike Run (Bellemead) inclusionary family rental development. The remaining 108 units will be used to satisfy Montgomery Township's Third Round obligation. All of the units have 30-year affordability controls, which will be in effect throughout the entirety of the Third Round (see Appendix 9 for a copy of the Deed Restriction). Additional details on the inclusionary family rental units are referenced in the Prior Round section of this Plan.

#### **Inclusionary Development**

A development containing low- and moderate-income units among market rate units. Affordable housing set-asides are typically 15% or 20%.

Inclusionary development may also be a non-residential development (i.e. a shopping center) with affordable units built-in.

### ***The Willows at Orchard Road (JER Herring Orchard)***

The subject property is situated at the southwestern corner of the Route 206/Orchard Road intersection and contains an existing inclusionary development on Block 28001, Lots 5.04 and 5.05. The lots were subdivided from a larger 70.194-acre lot that included the adjacent office development to the east in order to construct the inclusionary affordable housing development. In May of 2010, the Township entered into an Affordable Housing Agreement with JER Herring Orchard, LLC, and on May 6, 2013 the Township Planning Board adopted a resolution granting preliminary and final subdivision and site plan approvals for construction of the project.

The Township committed to dedicate up to \$306,000 to provide infrastructure assistance. A copy of the funding assistance agreement is provided in Appendix 13.

The development, now known as The Willows at Orchard Road, has a total of 152 units, including 112 market-rate family townhouse units for sale and 40 affordable family apartment units for rent. As seen in Table 25, 26 of the affordable family units are for moderate-income households, six are for low-income households, and eight are for very low-income households. There are eight one-bedroom units, 25 two-bedroom units, and seven three-bedroom units.



TABLE 25. INCOME/BEDROOM DISTRIBUTION, THE WILLOWS AT ORCHARD					
	1-bedroom	2-bedroom	3-bedroom	TOTAL	Percent of Total
Very-Low Income	3	5	-	8	20.00%
Low-Income	1	4	1	6	15.00%
Moderate-Income	4	16	6	26	65.00%
Total	8	25	7	40	100.00%
Percent of Total	20.00%	62.50%	17.50%	100.00%	

The project received 4% Low Income Housing Tax Credits ("LIHTCs"). Affordability controls were set for a period of 30 years (see Appendix 13 for a copy of the Deed Restriction). Certificates of Occupancy were issued for the 40 affordable units in two separate buildings on October 30, 2015 and January 28, 2016. The affordable rental units are owned and administered by the Ingerman Group, an experienced affordable housing administrator. The project is fully completed, with the last Certificate of Occupancy for the market-rate family townhouse issued in the beginning of 2017. All of the affordable family rental units are occupied. The Township is seeking credit for 40 units and 40 rental bonuses (for a total of 80 credits) to satisfy Montgomery Township's Third Round obligation.

#### ***Hillside at Montgomery (Sharbell-Hillside)***

Sharbell-Hillside, also known as Hillside at Montgomery, is an existing inclusionary development located along Hartwick Drive on Block 28003, Lot 161. The developer (Sharbell Plainsboro, Inc.) requested that Phase II of its "Tapestry" age-restricted development be converted to non-age-restricted dwelling units in accordance with P.L. 2009, Chapter 82, the so-called "conversion law", which became effective on July 2, 2009. On June 4, 2012, Sharbell received Planning Board approval for the conversion of 112 age-restricted units to 89 market-rate non age-restricted units and 23 affordable non age-restricted units. The development is completed and the developer is currently leasing the affordable family rental units. Piazza and Associates, an experienced affordable housing administrative agent, administers the 23 affordable family rental units. See Appendix 14 for a copy of the Deed Restriction. As seen in Table 26, the project contains three very-low income units, nine low-income units and 11 moderate-income units. There are four one-bedroom units, 14 two-bedroom units, and five three-bedroom units.



**TABLE 26. INCOME/BEDROOM DISTRIBUTION, HILLSIDE AT MONTGOMERY**

	1-bedroom	2-bedroom	3-bedroom	TOTAL	Percent of Total
<b>Very-Low Income</b>	-	3	-	3	13.04%
<b>Low-Income</b>	2	4	3	9	39.13%
<b>Moderate-Income</b>	2	7	2	11	47.83%
<b>Total</b>	4	14	5	23	100.00%
<b>Percent of Total</b>	17.39%	60.87%	21.74%	100.00%	

The project received a Certificate of Occupancy on October 28, 2014 for the entire affordable housing multi-family apartment building. The Township is seeking credit for 23 units and 6 rental bonuses (capped), for a total of 29 credits, to satisfy its Third Round obligation.

***Railsedge/Blawenburg Village***

The Railsedge Enterprises mixed use development (Block 26001, Lot 23) includes three (3) one-bedroom rental residential flats affordable to moderate-income households which are located above three (3) retail/office uses on the first floor of a building located in the "NC" Neighborhood Commercial District at 1143 County Route 601 (Belle Mead-Blawenburg Road). The three affordable family units for rent were included in the Township's Third Round plan, and are the result of a "use" variance approval by the Township's Zoning Board of Adjustment on April 18, 2000. The units were issued Certificates of Occupancy on March 6, 2007 and have 30-year affordability controls through March 6, 2037 (see Appendix 15 for a copy of the Deed Restriction). The units are administered by CGP&H, an experienced affordable housing administrative agent. The Township is seeking credit for three units to satisfy its Third Round obligation.

**TABLE 27. INCOME/BEDROOM DISTRIBUTION, RAILSEDGE BLAWENBURG VILLAGE**

	1-bedroom	2-bedroom	3-bedroom	TOTAL	Percent of Total
<b>Very-Low Income</b>	-	-	-	0	0.00%
<b>Low-Income</b>	-	-	-	0	0.00%
<b>Moderate-Income</b>	3	-	-	3	100.00%
<b>Total</b>	3	0	0	3	100.00%
<b>Percent of Total</b>	100.00%	0.00%	0.00%	100.00%	



### ***Grove at Montgomery (Country Club Meadows)***

This inclusionary project is the result of a settlement agreement (dated June 24, 2014) between the Township, Country Club Meadows, LLC, and Pike Run, LLC, et al., stemming from litigation over a sewer agreement first executed in 1985. It received general development plan ("GDP") approval in 2014 for Block 4001, Lots 33 and 33.01; Block 4071, Lot 1; Block 5002, Lots 4, 5 and 6; Block 5003, Lot 1; Block 5023, Lot 2; Block 6001, Lot 1; and, the former Route 206 Bypass Right-of-Way. The GDP was prepared in October 2014 consistent with a July 9, 2014 "Land Use Plan Amendment Specific to Lands Owned by Country Club Meadows in the Belle Mead Portion of Montgomery Township." The plan comprises an area of over 190 acres, and proposes a Planned Unit Development ("PUD") containing a mixture of uses including commercial space, 148 single family homes, 27 apartments over retail, and 318 continuing care units. The GDP describes four distinct areas within the 190+ acres, including a 153.5-acre area consisting of the 148 market rate single-family homes and 27 affordable family rental units above first-story retail. On November 2, 2015, the Township Planning Board granted preliminary major subdivision, preliminary major site plan, bulk variances and other approvals for Phase I of the PUD, which includes the 27 affordable family units. All 27 units are completed and were issued Certificates of Occupancy on November 13, 2019. As seen in Table 28, the project contains four very-low income units, 10 low-income units and 13 moderate-income units. There are five one-bedroom units, 16 two-bedroom units, and six three-bedroom units.

<b>TABLE 28. INCOME/BEDROOM DISTRIBUTION, GROVE AT MONTGOMERY</b>					
	<b>1-bedroom</b>	<b>2-bedroom</b>	<b>3-bedroom</b>	<b>TOTAL</b>	<b>Percent of Total</b>
<b>Very-Low Income</b>	1	2	1	4	14.81%
<b>Low-Income</b>	2	6	2	10	37.04%
<b>Moderate-Income</b>	2	8	3	13	48.15%
<b>Total</b>	5	16	6	27	100.00%
<b>Percent of Total</b>	18.52%	59.26%	22.22%	100.00%	

All units have 30-year affordability controls (see Appendix 16 for a copy of the Deed Restriction). The Township is seeking credit for the 27 units to satisfy its Third Round obligation.

### ***Trap Rock / Haven at Princeton***

The Trap Rock site (now referred to as the Haven at Princeton), consisting of 72.8 acres located on Block 37003, Lot 7, is within the APT/TH Apartment Townhouse Multi-Family Residential Zoning District. On September 20, 2021, the Planning Board granted the applicant



preliminary and final major site plan and subdivision approval for an inclusionary residential development containing 154 units yielding 32 affordable family rental units (a 20.78% affordable housing set-aside).

Additionally, as seen in Table 29, the development meets the income and bedroom distribution requirement under COAH's Second Round rules at N.J.A.C. 5:93-7.3 and UHAC at N.J.A.C. 5:80-26.1 as follows: The 32 affordable family rental units will include six (6) one-bedroom units, 18 two-bedroom units, and eight three-bedroom units. Five units will be very low-income units, 11 units will be low-income units, and 16 units will be moderate-income units.

TABLE 29. INCOME/BEDROOM DISTRIBUTION, THE HAVEN AT PRINCETON					
	1-bedroom	2-bedroom	3-bedroom	TOTAL	Percent of Total
Very-Low Income	1	3	1	5	15.63%
Low-Income	2	6	3	11	34.38%
Moderate-Income	3	9	4	16	50.00%
Total	6	18	8	32	100.00%
Percent of Total	18.75%	56.25%	25.00%	100.00%	

The developer will be required to retain the services of either the Township's Administrative Agent or an experienced Administrative Agent acceptable to the Township to affirmatively market and administer the affordable units pursuant to COAH's regulations. The Administrative Agent will income-qualify applicants, place affordability controls of at least 30 years 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 per N.J.A.C. 5:80-26.1, or any successor regulation. The resolution of approval may be found in Appendix 17.

The Township is seeking credit for the 32 units to satisfy its Third Round obligation.

#### ***Apartments at Montgomery Crossing ("PIRHL")***

The PIRHL development, now known as Apartments at Montgomery Crossing, contains an existing 86-unit 100% affordable family rental apartment project on Block 28004 Lot 7. The 4.09-acre site is part of the Kepner-Tregoe redevelopment area, and the site received site plan approval in July 2, 2018. The project was awarded New Jersey Housing and Mortgage Finance agency tax credit financing in November 2018. All 86 family rental units are completed and were issued Certificates of Occupancy on July 1, 2021. As seen in Table 30, the project contains 14 very-low income units, 29 low-income units and 43 moderate-income units. There are 17



one-bedroom units, 47 two-bedroom units, and 22 three-bedroom units. Of the 14 very low-income units, four are special needs units and three are for individuals at risk of homelessness.

TABLE 30. INCOME/BEDROOM DISTRIBUTION, APARTMENTS AT MONTGOMERY CROSSING					
	1-bedroom	2-bedroom	3-bedroom	TOTAL	Percent of Total
Very-Low Income	7	4	3	14	16.28%
Low-Income	2	19	8	29	33.72%
Moderate-Income	8	24	11	43	50.00%
Total	17	47	22	86	100.00%
Percent of Total	19.77%	54.65%	25.58%	100.00%	

The units are administered by Conifer Realty, LLC, an experienced affordable housing administrative agent.<sup>17</sup> All units have 30-year affordability controls (see Appendix 19 for a copy of the Deed Restriction). The Township is seeking credit for the 86 affordable family rental units to satisfy its Third Round obligation.

***The Somerset at Montgomery (DeVan / VanCleeff)***

The project now known as The Somerset at Montgomery, is an existing inclusionary development on a five-acre tract known as Block 29002, Lot 45 on U.S. Route 206 North. This inclusionary housing project contains 115-unit multi-family apartment units with a 20% set-aside, or 23 affordable family rental units. The units issued Certificates of Occupancy October 21, 2024 (see crediting documents in Appendix 18). As seen in Table 31, the project contains three very low-income units, nine low-income units, and 11 moderate-income units. There are four one-bedroom units, 14 two-bedroom units, and five three-bedroom units.

<sup>17</sup> Conifer Realty, LLC acquired PIRHL Acquisitions, LLC, the previous affordable housing administrative agent for the project.





TABLE 31. INCOME/BEDROOM DISTRIBUTION, THE SOMERSET AT MONTGOMERY					
	1-bedroom	2-bedroom	3-bedroom	TOTAL	Percent of Total
Very-Low Income	1	1	1	3	13.04%
Low-Income	1	6	2	9	39.13%
Moderate-Income	2	7	2	11	47.83%
Total	4	14	5	23	100.00%
Percent of Total	17.39%	60.87%	21.74%	100.00%	

The units are administered CGP&H, and all units have 30-year affordability controls (see Appendix 18 for a copy of the Deed Restriction). The Township is seeking credit for the 23 affordable family rental units to satisfy its Third Round obligation.

#### ***Harlingen Village***

The project is an approved inclusionary housing site known as Block 6001, Lots 33, 34, 34.01, 35, and 36, located on U.S. Route 206. The property is a 22.18-acre tract owned by Harlingen Associates, LLC ("Harlingen"), which is an affiliated entity of DeVan/Van Cleef, mentioned above. Harlingen received Planning Board preliminary and final major site plan and subdivision approval on November 13, 2023, memorialized on January 8, 2024, to construct a 54-unit inclusionary project with a 20% set-aside. The approved project consists of 18 apartments located in three two-story buildings and 36 townhomes. Of the 18 apartment units, 7 will be market rate units and 11 will be affordable units. Additionally, as seen in Table 32, the development meets the income and bedroom distribution requirement under COAH's Second Round rules at N.J.A.C. 5:93-7.3 and UHAC at N.J.A.C. 5:80-26.1 as follows: two of the affordable units will consist of one bedroom, six units will consist of two bedrooms, and three will consist of three (3) bedrooms. The project will contain two very low-income units, four low-income units, and five moderate-income units.

TABLE 32. INCOME/BEDROOM DISTRIBUTION, HARLINGEN VILLAGE					
	1-bedroom	2-bedroom	3-bedroom	TOTAL	Percent of Total
Very-Low Income	-	1	1	2	18.18%
Low-Income	1	2	1	4	36.36%
Moderate-Income	1	3	1	5	45.45%
Total	2	6	3	11	100.00%
Percent of Total	18.18%	54.55%	27.27%	100.00%	



CGP&H must administer the family affordable rental units including the affirmative marketing in accordance with UHAC at N.J.A.C. 5:80-26.1. The affordable family rental units will remain affordable units for a period of at least 30 years from the date of their initial occupancy. See Appendix 20 for a copy of the Planning Board Resolution of Approval.

The Township is seeking credit for the 11 affordable family rental units to satisfy its Third Round obligation.

#### ***Montgomery Five***

The subject property is situated along the west side of Route 206 south of Applegate Road. Identified as Block 34001, Lot 60.01 in the Township Tax Maps, the property contains approximately 1.692 acres. On September 18, 2017, the Montgomery Township Planning Board adopted a Redevelopment Plan for the subject property that requires the redeveloper to provide a payment in lieu of construction that would fund the creation of a four (4) bedroom group home. Later, a January 22, 2018 Planning Board resolution granted site plan approval for the development, and the site is now developed with an automobile dealership, an associated service center, and other site improvements. Pursuant to the Affordable Housing Agreement the redeveloper provided a \$200,000 payment in lieu of construction to the Township's Housing Trust Fund (see Appendix 21 for a copy of the Affordable Housing Agreement). As discussed in more detail under "Alternative Living Arrangements," the Township had a contract with Community Options, Inc. (COI) to acquire property for the purposes of renovating, creating and operating a group home for very-low income qualified individuals with developmental disabilities. The Township committed to and has funded three (3) group home projects for COI, one of which was funded through the Montgomery Five payment in lieu of construction. The four-bedroom group home funded through Montgomery Five is complete and thus eligible for four credits towards the Third Round (credit by the bedroom). Additional details on the completed group home are discussed under "Alternative Living Arrangements."

#### ***Village Walk at Montgomery (Village Shopper)***

The Village Shopper site, currently referred to as Village Walk at Montgomery or "Village Walk," is known as Block 28007, Lots 1 through 4, and, located along US Highway 206. The site is located within the Planned Mixed Use Development (PMUD) optional development alternative, which allows for mixed-use commercial development and inclusionary multi-family development. The applicant (Village Shoppes at Montgomery, LLC) received preliminary and final major subdivision and site plan approval on December 17, 2018 as well as amended approval in June 13, 2022 to construct a mixed use inclusionary development. The approved mixed use development consists of five buildings, one of which is a 3-story mixed use building containing commercial and retail space on the first floor, and a total of 52 apartments on the upper stories, including 11 family affordable rental apartments at a 20% set-



aside. The developer agreed to provide a 20% affordable housing set aside regardless of the total unit count. See Appendix 22 for a copy of the Planning Board Resolution of Approval.

More recently, the Township Committee, pursuant to Resolution #24-12-421, directed the Planning Board to complete a study for certain properties that are partially located within the existing Kepner-Tregoe Redevelopment Area and are part of the Village Walk development. These properties, which consist of Block 28007, Lot 1 and 2, were planned to be developed in concert with the existing redevelopment area, as they share common infrastructure and community design elements that are critical to the successful completion of improvements within the existing redevelopment area. On March 24, 2025, the Kepner-Tregoe Redevelopment Area was amended to include Block 28007, Lots 1 and 2, and a Redevelopment Plan was drafted. On April 17, 2025, the Township passed Ordinance #25-1757 adopting a Redevelopment Plan for the site. The Redevelopment Plan for the site includes provisions related to the affordable housing requirements for the Village Walk development. Specifically,

*"The Redeveloper shall be responsible for the provision of affordable housing. The required affordable housing shall be detailed further within an Agreement with the Township. The number of affordable dwellings to be developed shall be no less than 12 multifamily rental units. The original Village Walk approval includes 11 affordable housing units, subject to the required and approved breakdown between low- and moderate-income units. The 12th affordable housing unit may be a one-bedroom, moderate-income unit." (page 2 of the Redevelopment Plan).*

Additionally, as seen in Table 33, the development meets the income and bedroom distribution requirement under COAH's Second Round rules at N.J.A.C. 5:93-7.3 and UHAC at N.J.A.C. 5:80-26.1 as follows: The project will contain two very low-income units, four low-income units, and six moderate-income units. There will be three one-bedroom units, six two-bedroom units, and three three-bedroom units. CGP&H must administer the family affordable rental units including the affirmative marketing in accordance with UHAC at N.J.A.C. 5:80-26.1. The affordable family rental units will remain affordable units for a period of at least 30 years from the date of their initial occupancy.



TABLE 33. INCOME/BEDROOM DISTRIBUTION, VILLAGE WALK					
	1-bedroom	2-bedroom	3-bedroom	TOTAL	Percent of Total
Very-Low Income	1	1	-	2	16.67%
Low-Income	-	2	2	4	33.33%
Moderate-Income	2	3	1	6	50.00%
Total	3	6	3	12	100.00%
Percent of Total	25.00%	50.00%	25.00%	100.00%	

The project is currently under construction, and an additional affordable housing unit will be provided as part of the Village Walk development, as required by the Redevelopment Plan. The first 11 rental units have at least 30-year affordability controls. See Appendix 22 for a copy of the Redevelopment Plan and the deed restriction. The Township is seeking credit for the 11 affordable family rental units to satisfy its Third Round obligation. The remaining 12<sup>th</sup> unit will be used to satisfy Montgomery Township's Fourth Round obligation.

#### ***Blawenburg Village Square – removed***

During preparation of the 2020 Third Round Plan, the Township had reviewed a proposal from the current site owner to modify an existing mixed use development at the existing Railsedge/Blawenburg Village site mentioned above, to include one additional affordable family rental unit. The existing facilities would need to be expanded to accommodate the additional units.

The unimproved portion of the site was previously approved for a bank; however, the site owner, Blawenburg Associates, LLC, could not find a bank tenant. After some time, Blawenburg Associates, LLC approached the Township Master Plan Committee about modifying the zoning to permit a fourth mixed-use building on-site. As a result, the Township adopted the Site Specific Inclusionary Zone 3 (SSIZ-3) zoning regulations to permit a fourth mixed-use building containing approximately 3,000 square feet of retail and three family rental apartments, including one family affordable rental. While a site plan application was pending for this site in 2020, the application was withdrawn, and development on the site has not progressed. After further reexamination, the site is being removed from the Township's compliance plan. This change reduces the Township's Third Round surplus credits from two credits to one credit. As such, the Township still satisfies its Third Round obligation.



## ALTERNATIVE LIVING ARRANGEMENTS

### ***Allies, Inc. Group Home***

Burnt Hill Road Group Home, Inc. received variance approval from the Township Zoning Board on August 27, 2024 to construct a six-bedroom special needs group home on a one acre site located on Burnt Hill Road, known as Block 26001, Lot 1.07. The six bedrooms will be affordable to very low-income residents. See Appendix 23 for a copy of the resolution of approval. The project is currently under construction.

Upon completion, Allies, Inc. will administer the units in accordance with COAH's rules on group homes including affirmative marketing, and place at least 30-year controls on affordability.

The Township has committed to dedicating up to \$55,895.64 to provide infrastructure assistance and the replacement and installation of the HVAC system and copper piping. Copies of the funding assistance agreements are provided in Appendix 23.

Pursuant to a March 4, 2020 letter from the Division of Developmental Disabilities ("DDD"), the New Jersey Department of Human Services ("DHS") commits to support the construction of a six-bedroom dwelling to serve individuals with medical needs. DHS has also committed up to \$30,000 for the installation of a fire alarm and sprinkler system.

### ***Community Options Inc. ("COI") Group Homes***

Community Options, Inc. ("COI"), is a non-profit housing developer that specializes in creating housing for individuals with intellectual and developmental disabilities. COI buys, builds, renovates, and furnishes homes and provides 24/7 direct support care from highly trained staff who understand the individual's Habitation or Support Plan. The Township committed to and has funded three group home projects for COI; one of which was funded through the Montgomery Five payment in lieu of construction. Each group home is a four (4) bedroom home, with an aggregate of 12 bedrooms. The Township provided \$50,000 per bedroom, with an aggregate total of \$600,000. COI is responsible for the acquisition,

### **Alternative Living Arrangement / Supportive & Special Needs Housing**

A structure in which households live in distinct bedrooms, but share kitchen and plumbing facilities, central heat and common areas.

They may be restricted to special needs groups, such as persons with developmental disabilities, veterans and their families, and victims of domestic abuse.

COAH's regulations at N.J.A.C. 5:93-5.8 provides alternative living arrangements with credit by the bedroom.

Also, alternative living arrangements may receive credit for 10-year controls/existence per N.J.A.C. 5:93-5.8.





renovation and operation of the group homes for very-low income qualified individuals with developmental disabilities. Additional details for the three (3) group homes is provided below.

**COI – Willow Run Lane**

COI owns and operates a four-bedroom special needs group home at Block 7003, Lot 1 located along Willow Run Lane. The facility is for very low-income residents and has been in operation since 2020. The group home received a total contribution of \$200,000 from Montgomery Township's Trust Fund, and it has a 20-year control period from 2019 to 2039. The unit addresses COAH's regulations for alternative living arrangement credit at N.J.A.C. 5:93-5.8. The Township is seeking four credits (credit by the bedroom) to satisfy its Third Round obligation. See crediting documents provided in Appendix 24.

**COI – Heather Lane**

COI owns and operates a four-bedroom special needs group home at Block 4066, Lot 7 located along Heather Lane. The facility is for very low-income residents and has been in operation since 2021. The group home received a total contribution of \$200,000 from Montgomery Township's Trust Fund, and it has a 30-year control period from 2021 to 2051. The unit addresses COAH's regulations for alternative living arrangement credit at N.J.A.C. 5:93-5.8. The Township is seeking four credits (credit by the bedroom) to satisfy its Third Round obligation. See crediting documents provided in Appendix 24.

**COI – Belle-Mead Griggstown Road**

COI owns and operates a four-bedroom special needs group home at Block 6001, Lot 8.04 located along Belle-Mead Griggstown Road. The facility is for very low-income residents and has been in operation since 2024. The group home received a total contribution of \$200,000 from the Township, which was provided through the Montgomery Five payment in lieu of construction as required in the Redevelopment Plan for the Montgomery Five property. The facility has a 30-year control period from 2021 to 2051. The unit addresses COAH's regulations for alternative living arrangement credit at N.J.A.C. 5:93-5.8. The Township is seeking four credits (credit by the bedroom) to satisfy its Third Round obligation. See crediting documents provided in Appendix 24.





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## ASSISTED LIVING

### ***Tapestry Assisted Living***

Sharbell Plainsboro, Inc. received preliminary and final major site plan approval from the Township Planning Board on July 10, 2023 to construct an Assisted Living Residence of up to 80 units with capacity for 91 beds. The development will be located on a 4.45-acre lot contiguous to the existing Sharbell-Hillside property, known as Block 28003, Lot 211 (see Appendix 25 for a copy of the Resolution of Approval). The site has imposed on it a 10% mandatory State-wide set-aside for the acceptance of Medicaid waivers by Assisted Living facilities created after 2001 that create ten affordable assisted living units. The ten units will consist of one-bedroom, moderate-income units, and they will address COAH's regulations at N.J.A.C. 5:93-5.16.

### **Assisted Living**

A development which is a facility licensed by the New Jersey Department of Health and Senior Services to provide apartment-style housing and congregate dining and to assure that assisted living services are available when needed. These units are considered age-restricted housing.

According to the Township Construction Office, building permits were applied for in 2024. The conformance items were completed recently, and construction is expected to commence soon.

Although the area's zoning standards allow up to 120 units, the approved project has been limited to 80 units with capacity for 91 beds. While the mandatory set-aside of 10% is provided, the lower number of approved units results in a lower set-aside number of 10 affordable assisted living units, rather than 12 units. Thus, the Township is seeking ten credits (credit by the bedroom) for the assisted living units to satisfy its Third Round obligation. See crediting documents confirming the number of beds provided in Appendix 25.

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## 100% AFFORDABLE HOUSING PROJECTS

### ***Habitat for Humanity***

Habitat for Humanity, a recognized leader in providing affordable single-family housing to New Jersey residents, constructed a three-bedroom moderate-income single-family home located at Block 7002, Lot 5. The unit was sold to an income-qualified buyer, and a Certificate of Occupancy was issued on June 27, 2022 (provided in Appendix 26).

### **100% Affordable Development**

A development in which all units are affordable to very-low-, low- and moderate-income households.



The Habitat for Humanity unit is administered through Raritan Valley Habitat for Humanity and the dwelling has a 30-year affordability control established in February 2022. A copy of the deed restriction is provided in Appendix 26. The Township is seeking one credit for the home to satisfy its Third Round obligation

#### ***Montgomery Municipal Center Site / RPM***

In accordance with the 2017 Settlement Agreement, the Township is sponsoring a 100% affordable housing project at the new Montgomery Municipal Center Site (formerly referred to as the ConvaTec, Inc. / RPM Site). The Township selected to sponsor the Municipal Building/RPM site in lieu of the 1860 House site, and a 100% affordable senior /special needs housing development will be located on the northwestern portion of the property known as Block 20001, Lot 10.05.

On December 17, 2020, the Township passed Ordinance #20-1648 adopting a Redevelopment Plan after previously designating the subject property as an Area in Need of Redevelopment pursuant to the Local Redevelopment and Housing Law at N.J.S.A. 40A:12A-1. The Redevelopment Plan specifically provides affordable housing requirements for the construction of a 100% affordable housing development and establishes a new Municipal Center Redevelopment Zone (MCRZ).

On June 28, 2021, the Township and the experienced affordable housing developer of the site ("RPM Development, LLC" or "RPM") entered into a developer's agreement for the conveyance of a subdivided portion of the Redevelopment Area for the construction of the affordable senior site. The Township and RPM subsequently entered into an amended settlement agreement on June 24, 2024. See Appendix 27 for a copy of the settlement agreements.

On August 16, 2021, RPM received preliminary major site plan and preliminary subdivision approval from the Township Planning Board to construct an age-restricted 100% affordable rental development consisting of 70 age restricted 100% affordable income rental apartment units and one manager unit. RPM pursued 9% Low Income Housing Tax credit ("LIHTC") financing for the site from HMFA, and on December 17, 2021, they received the tax credit award for the 71-unit 100% affordable, age-restricted housing development. See Appendix 27 for the LIHTC award.

On July 10, 2023, RPM received amended preliminary and final major site plan and preliminary and final major subdivision approval for the development, and subsequently received second amended preliminary and final major site plan and preliminary and final major subdivision approval on April 8, 2024. The entire future municipal complex consists of approximately 45.052 acres, 4.21 acres of which will contain the approved 100% affordable senior apartment building. See Appendix 27 for a copy of the resolutions of approval. The site is currently under construction.

According to the Tax Credit Rent Qualification Chart, all units will have one bedroom. Of the 70 age restricted 100% affordable rental apartment units, 10 will be very low-income units, five



(5) of which will be non-age restricted special needs housing units, 25 will be low-income units, and 35 will be moderate-income units. RPM Development Group, an experienced affordable housing developer and administrative agent, will administer the 100% affordable senior/special needs housing rental units. Documentation confirming the income and bedroom distribution breakdown of the units is provided in Appendix 27.

The Township is seeking 70 credits for the units at this 100% affordable housing project to satisfy its Third Round obligation.

***1860 House Site – removed***

The 1860 House site is located on a municipally-owned 16.19-acre plot of land, known as Block 23001, p/o Lot 13, along Montgomery Road adjacent to the "Stonebridge" continuing care retirement community owned and operated by Springpoint (f/k/a Presbyterian Homes). The 1860 House, which is occupied by the 124 Club as a support group facility, is located toward the front of the property, near Montgomery Road. In accordance with the 2017 Settlement Agreement, the Township selected to sponsor a 100% affordable housing project at the new Montgomery Municipal Center Site Municipal Building/RPM site in lieu of the 1860 House site. After further reexamination, the site is no longer being considering for future affordable housing development and is being removed from the Township's compliance plan. This change does not impact the Township's Third Round obligation, as the site was one of two options for the Township to pursue for future affordable housing development. As such, the Township still satisfies its Third Round obligation.



SATISFACTION OF THE FOURTH ROUND OBLIGATION

On January 27, 2025, Montgomery Township filed a resolution with its DJ action declaring a Fourth Round Present Need of 73 units and a Fourth Round Prospective Need of 260 units, as calculated by DCA according to the methodology described in the 2024 DCA report titled *Affordable Housing Obligations for 2025-2035 (Fourth Round) Methodology and Background*.

In addition to satisfying the total obligation, the Township must also adhere to a minimum rental obligation, minimum family rental obligation, a maximum number of age-restricted units, a minimum very low-income requirement, a minimum number of family units, minimum number of very low-income family units, and a maximum number of bonuses.

As demonstrated in the Summary Tables at the end of this section, the Township has satisfied its Fourth Round obligation with approved and proposed inclusionary developments, extensions of expiring controls, and bonus credits.

Fourth Round Rental  
Obligation = 49 units

$0.25$  (Fourth Round obligation - bonuses)  
 $= .25 (260 - 65)$   
 $= 48.75$ , round up

Fourth Round Family Rental  
Obligation = 25 units

$0.5$  (Fourth Round rental obligation)  
 $= .5 (49)$   
 $= 24.5$ , round up

Fourth Round Maximum  
Age-Restricted = 58 units

$0.30$  (Fourth Round obligation - bonuses)  
 $= .30 (260 - 65)$   
 $= 58.5$ , round down

Fourth Round Maximum  
Bonuses = 65

$0.25$  (Fourth Round obligation)  
 $= .25 (260)$   
 $= 65$

Fourth Round Minimum  
Family units = 98 units

$0.50$  (Fourth Round obligation - bonuses)  
 $= .50 (260 - 65)$   
 $= 97.5$ , round up



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## EXTENSIONS OF CONTROLS

COAH acknowledged through its rules that the preservation of affordable housing is as important as the creation of new affordable units. This viewpoint was specifically upheld by the New Jersey Supreme Court In re Adoption of N.J.A.C. 5:96 & 5:97 by N.J. Council on Affordable Housing<sup>18</sup> concerning credit for the extension of controls (i.e., recorded covenants) restricting the units to the affordable housing market. The concept is to maintain units that would otherwise be lost to the regular housing market by the re-imposition of controls on affordability for a period of at least 30 years.

### ***McKinley Commons***

As previously discussed, McKinley Commons, also known as Montgomery Hills, is an existing inclusionary development with 35 affordable for-sale units and 60 affordable age-restricted rentals. The age-restricted units are located at Block 37003, Lots 6.840 through 6.929, and the family for-sale units are located at Block 37003, Lots 6.780 through 6.837. The entire development is within the APT/TH Apartment Townhouse Multi-Family Residential Zoning District. The affordability controls (deed restrictions) on the existing affordable units at McKinley Commons will expire between 2032 and 2034, close to the end of the Fourth Round in 2035 (see Appendix 7). In accordance with N.J.A.C. 5:97-6.14, the Township will apply credits from the extension of controls on 38 of the 60 age-restricted affordable rental units and on the 35 family for-sale units towards its 260-unit Fourth Round obligation. As the units approach the expiration date of the existing extensions of controls, the Township will reach out to the owner of the properties to obtain the necessary documentation at that time, such as deed restrictions and financing agreements. Such documentation will be included as Appendix 31.

Pursuant to the amended FHA, the Township and the owner of the properties will execute an agreement for extensions of controls on the 60 age-restricted affordable rental units and the 35 family affordable for-sale units whose controls are due to expire, in return for an estimated payment of \$1,750,000 to the property owner from the Township's affordable housing trust fund. The estimated payment is calculated as follows:

- 60 age-restricted affordable rental units x \$17,500/unit = \$1,050,000
- 35 family affordable for-sale units x \$20,000/unit = \$700,000

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<sup>18</sup> - 221 N.J. 1 (2015)





As explained further under “Inclusionary Developments,” EKhan Development (“EKhan”), the developer of the Kenvue site, will provide a payment to the Township to fund the 35 extensions of controls for the family for-sale units as part of a non-contiguous cluster zone.

Although there are 60 age-restricted rentals at this site, only a maximum of 58 senior units can be counted towards the Fourth Round. As such, the Township is only claiming credits for 38 of the 60 senior units towards the Fourth Round, since the Township is also seeking credit for 20 age-restricted assisted living units from the Thrive at Montgomery redevelopment at Country Club Meadows as discussed below under “Inclusionary Developments.”

Because part of these extensions of controls are for rental units, the amended FHA permits the Township to claim 0.5 bonuses per unit, for a total of 19 bonuses (38 senior affordable rental units  $\times$  0.5 = 19). Of those 19 bonuses, 16.5 will be applied towards the Fourth Round to not exceed the 65 maximum Fourth Round bonuses permitted.

This leaves 22 surplus senior rental extensions for the future round. However, since the Township will extend affordability controls on all 60 senior rental units, the cost of all 60 extensions of controls is accounted for in the Fourth Round spending plan. The Township will execute the deed restrictions on the sites.

#### ***Extension of Expiring Controls Criteria***

The following criteria were established by COAH for their extension of expiring controls program (N.J.A.C. 5:97-6.14(a)-(c)). Each rule appears in italics, followed by the response. These criteria remain in place and will be met with the extensions of expiring controls proposed for the Fourth Round:

1. *The unit meets the criteria for prior-cycle or post-1986 credits set forth in N.J.A.C. 5:97-4.2 or -4.3.*
2. *The affordability controls for the unit are scheduled to expire during the time period in which credit is sought.*
3. *The municipality shall obtain a continuing certificate of occupancy or a certified statement from the municipal building inspector stating that the restricted unit meets all code standards.*
4. *If a unit requires repair and/or rehabilitation work in order to receive a continuing certificate of occupancy or certified statement from the municipal building inspector, the municipality shall fund and complete the work. A municipality may utilize its affordable housing trust fund to purchase the unit and/or complete the necessary repair and/or rehabilitation work.*

Fourth Round Housing Plan Element and Fair Share Plan  
Montgomery Township

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5. *Information regarding the development and specific units, on forms provided by the Council.* Though COAH no longer exists, information on each unit is maintained in the records of the municipality.
6. *A written commitment from the owner to extend controls, or evidence that the controls have been extended, in accordance with UHAC.* Montgomery Township and the owner of the properties will execute an appropriate agreement for the extension of affordability controls for an additional 30 years starting on the date that the previous affordability controls expired. As for the for-sale units, pursuant to N.J.A.C. 5:93-9, the Township also has the option to extend the controls on the 35 affordable units via a municipal resolution. These units are 95/5 units, where the owner is required to pay the Township 95% of the profits above and beyond the affordable sales price after the deed restriction has ceased. The Township will extend the controls on each of the 35 affordable for-sale units for an additional 30 years.
7. *The proposed or filed deed restriction for the extended control period.*
8. *A pro forma for any proposed acquisition and/or rehabilitation costs.* No rehabilitation to code for the units is anticipated based on the annual fire inspections conducted by the Township.
9. *Documentation demonstrating the source(s) of funding.* The Township will use funds from its affordable housing trust fund as indicated in its Spending Plan (see Appendix 33).
10. *A municipal resolution appropriating funds or a resolution of intent to bond in the event of a shortfall of funds.*
11. *A draft or adopted operating manual that includes a description of the program procedures and administration in accordance with UHAC.*
12. *An affirmative marketing plan in accordance with UHAC.* Since the units were and continue to be occupied by low- and moderate-income households that were originally informed of units for occupancy in accordance with the Township's affirmative marketing regulations, no affirmative marketing plan for the extensions of controls is necessary.
13. *Designation of an experienced administrative agent, including a statement of his or her qualifications, in accordance with N.J.A.C. 5:96-18.* McKinley Commons already employs CGP&H, an experienced affordable housing administrative agent that meets the qualifications of N.J.A.C. 5:96-18.



### **Montgomery Glen**

As previously discussed, Montgomery Glen, also known as Montgomery Walk, is an existing inclusionary residential development within the APT/TH Apartment Townhouse Multi-Family Residential Zoning District. The development contains 19 affordable family for-sale units at Block 37006, Lots 20.01 through 20.20. The project contains ten low-income units and nine moderate-income units. The affordability controls (deed restrictions) on the existing affordable units at Montgomery Glen will expire in 2032, close to the end of the Fourth Round in 2035 (see Appendix 8). In accordance with N.J.A.C. 5:97-6.14, the Township will apply credits from the extension of controls on the 19 family for-sale units towards its 260-unit Fourth Round obligation. As the units approach the expiration date of the existing extensions of controls, the Township will reach out to the owners in order to obtain the necessary documentation at that time, such as deed restrictions and financing agreements. Such documentation will be included as Appendix 31. As explained further under "Inclusionary Developments," Kenvue will provide a payment to the Township to fund the 19 extensions of control as part of the non-contiguous residential cluster.

Pursuant to the amended FHA, the Township and the owner of the properties will execute an agreement for extensions of controls on the 19 family affordable for-sale units whose controls are due to expire, in return for an estimated payment of \$380,000 (19 family affordable for-sale units x \$20,000/unit = \$380,000) to the property owner from the Township's affordable housing trust fund.

### **Extension of Expiring Controls Criteria**

The following criteria were established by COAH for their extension of expiring controls program (N.J.A.C. 5:97-6.14(a)-(c)). Each rule appears in *italics*, followed by the response. These criteria remain in place and will be met with the extensions of expiring controls proposed for the Fourth Round:

1. *The unit meets the criteria for prior-cycle or post-1986 credits set forth in N.J.A.C. 5:97-4.2 or -4.3.*
2. *The affordability controls for the unit are scheduled to expire during the time period in which credit is sought.*
3. *The municipality shall obtain a continuing certificate of occupancy or a certified statement from the municipal building inspector stating that the restricted unit meets all code standards.*
4. *If a unit requires repair and/or rehabilitation work in order to receive a continuing certificate of occupancy or certified statement from the municipal building inspector, the municipality shall fund and complete the work. A municipality may utilize its affordable housing trust fund to purchase the unit and/or complete the necessary repair and/or rehabilitation work.*

Fourth Round Housing Plan Element and Fair Share Plan  
Montgomery Township

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5. *Information regarding the development and specific units, on forms provided by the Council.* Though COAH no longer exists, information on each unit is maintained in the records of the municipality.
6. *A written commitment from the owner to extend controls, or evidence that the controls have been extended, in accordance with UHAC.* Montgomery Township and the owner of the properties will execute an appropriate agreement for the extension of affordability controls for an additional 30 years starting on the date that the previous affordability controls expired. Pursuant to N.J.A.C. 5:93-9, the Township also has the option to extend the controls on the 19 affordable units via a municipal resolution. These units are 95/5 units, where the owner is required to pay the Township 95% of the profits above and beyond the affordable sales price after the deed restriction has ceased. The Township will extend the controls on each of the 19 affordable for-sale units for an additional 30 years.
7. *The proposed or filed deed restriction for the extended control period.*
8. *A pro forma for any proposed acquisition and/or rehabilitation costs.* No rehabilitation to code for the units is anticipated based on the annual fire inspections conducted by the Township.
9. *Documentation demonstrating the source(s) of funding.* The Township will use funds from its affordable housing trust fund as indicated in its Spending Plan (see Appendix 33).
10. *A municipal resolution appropriating funds or a resolution of intent to bond in the event of a shortfall of funds.*
11. *A draft or adopted operating manual that includes a description of the program procedures and administration in accordance with UHAC.*
12. *An affirmative marketing plan in accordance with UHAC.* Since the units were and continue to be occupied by low- and moderate-income households that were originally informed of units for occupancy in accordance with the Township's affirmative marketing regulations, no affirmative marketing plan for the extensions of controls is necessary.
13. *Designation of an experienced administrative agent, including a statement of his or her qualifications, in accordance with N.J.A.C. 5:96-18.* Montgomery Glen already employs CGP&H, an experienced affordable housing administrative agent that meets the qualifications of N.J.A.C. 5:96-18.



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## INCLUSIONARY DEVELOPMENTS

### **23 Orchard**

The subject property is situated at the southwestern corner of the NJSH Route 206/Orchard Road intersection. Block 28001, Lot 5.02 consist of 44.037 acres and the center and northern portions are developed with a research/ office building (85,000 sf.), associated parking areas, and a solar field. The southern and eastern portion of the site are wooded, undeveloped, and constrained by wetlands. The Beden Brook tributary traverses along the southern and eastern portion of the site.

As previously discussed, the original parcel (Block 28001, Lot 5) was subdivided in 2013 to construct The Willows at Orchard Road inclusionary affordable housing development located to the west (Block 28001, Lots 5.04 and 5.05). The Township was approached by Scannapieco Development Corporation ("Scannapieco"), the owner of the site, to redevelop a portion of the existing campus with an inclusionary housing development consisting of 180 units with a 20% set aside (or 36 affordable family rental units). As seen in the Concept Plan provided by Scannapieco, the inclusionary development will be located in the northeastern corner of Lot 5.02. The owner is in the process of renovating the existing research office building to attract new tenants and attain full occupancy. Their plan is to maintain the bulk of the existing facilities that constitute the research / office campus, but with the addition of the multifamily residential building, containing both market-rate and affordable rental dwellings. As seen in Table 34, the development will meet the income and bedroom distribution requirement under COAH's Second Round rules at N.J.A.C. 5:93-7.3 and UHAC at N.J.A.C. 5:80-26.1 with the projected breakdown as follows: the 36 affordable units will include five very low-income units, 14 low-income units, and 17 moderate-income units. Seven units will be one-bedroom units, 15 will be two-bedroom units, and 14 will be three-bedroom units.

Block 28001, Lot 5.02 is currently in the REO-1 Research, Engineer, Office Zone. A new zone will be created to replace the existing REO-1 Zone. The following standards associated with the new zone are proposed for this site to permit the development of multi-family inclusionary housing:

**Proposed Zoning Ordinance:** REO-1/SSIZ-5 Research, Engineering, Office / Residential Site Specific Inclusionary Zone 5

**Permitted Principal Uses:** Uses permitted in the REO-1 zone; multifamily apartments

**Maximum Permitted Number of Dwellings:** 180

**Minimum Number of On-Site Affordable Dwellings:** 36

**Maximum Building Height:** 42 feet and three stories





## Other Bulk, Spatial and Design Standards for the Residential Development: TBD

TABLE 34. INCOME/BEDROOM DISTRIBUTION, 23 ORCHARD					
	1-bedroom	2-bedroom	3-bedroom	TOTAL	Percent of Total
Very-Low Income	1	2	2	5	13.89%
Low-Income	1	7	6	14	38.89%
Moderate-Income	5	6	6	17	47.22%
Total	7	15	14	36	100.00%
Percent of Total	19.44%	41.67%	38.89%	100.00%	

The Township is seeking credit for 36 units and 18 redevelopment bonuses (for a total of 54 credits) to satisfy Montgomery Township's Fourth Round obligation.

In accordance with the requirements of N.J.A.C 5:93-5.3, municipalities shall designate sites that are available, suitable, developable, and approvable (defined in N.J.A.C 5:93-1.3) and align with the SDRP, per N.J.A.C. 5:93-5.4. The subject property addresses these conditions as follows:

- *Available.* Sites that are "available" have clear title and are free of encumbrances which preclude development. To our knowledge, there are no legal encumbrances that preclude development of this site for affordable housing.
- *Approvable.* Sites that are "approvable" can be developed in a manner consistent with the rules or regulations of all agencies with jurisdiction over the site. The site is currently in the REO-1 Research, Engineering and Office Zoning District, where residential uses are not permitted. The Township intends to use the redevelopment process to add residential as a permitted use on this lot, in order to allow the developer to submit an application for the development that will not require variances, exceptions or waivers.
- *Developable.* Sites that are "developable" have access to appropriate water and sewer infrastructure and are consistent with the areawide water quality management plan. The site is located in the Skillman Village sewer service area, and in the NJ American Water – Raritan water purveyor area. The Township is in the process of analyzing water and sewer capacity to accommodate the proposed development. In the event that a water and/or sewer capacity issue comes to light, the Township reserves the right to amend this plan to take such issues into account.



- *Suitable.* Sites that are “suitable” are adjacent to compatible land uses, have access to appropriate streets, and are consistent with the environmental policies of N.J.A.C. 5:93-4.
  - *The site is adjacent to compatible land uses and has access to appropriate streets.* The property is situated along Orchard Road and NJSH Route 206 and will have driveway access on Orchard Road. The Beden Brook tributary is located to the south, and the existing Hillside at Montgomery inclusionary development is located beyond that. Residential uses, a commercial property, and Township-owned land are located to the east, and the existing Willows at Orchard Road inclusionary development is located to the west. The Montgomery Township Municipal building is located to the northwest across Orchard Road, and single-family dwellings are located to the north across the Route 206/Orchard Road intersection.
  - *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 2025 Preliminary State Plan Map designates the property as the Fringe Planning Area (PA-3), which encourages development in designated centers or, per COAH’s rules at N.J.A.C. 5:93-5.4(b), outside of a center COAH or the Court “may permit such a site if infrastructure is available or can be easily extended from PA2”.
  - *The development is not within the jurisdiction of a Regional Planning Agency or CAFRA.* The site is located outside of the Pinelands, CAFRA, Highlands, or Meadowlands. While the site is located within the Delaware and Raritan (“D&R”) Canal Commission Zone B, it is not expected to preclude the proposed affordable housing development.
  - *The site will comply with all applicable environmental regulations.* The site will comply with all applicable environmental regulations. The southern and eastern portions of the site are encumbered by wetlands, and the 100-year floodplain and the Inland Flood Hazard Area extend along the south and east. The site contains no steep slopes, Category One streams, or known environmental contamination. As seen in the Concept Plan on the following page, the site will be located outside the wetlands areas and outside the 100-year floodplain and the Inland Flood Hazard Area. As such, these environmental constraints are not expected to preclude the proposed affordable housing development.
  - *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 the affordable housing.

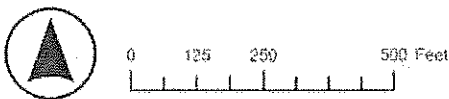
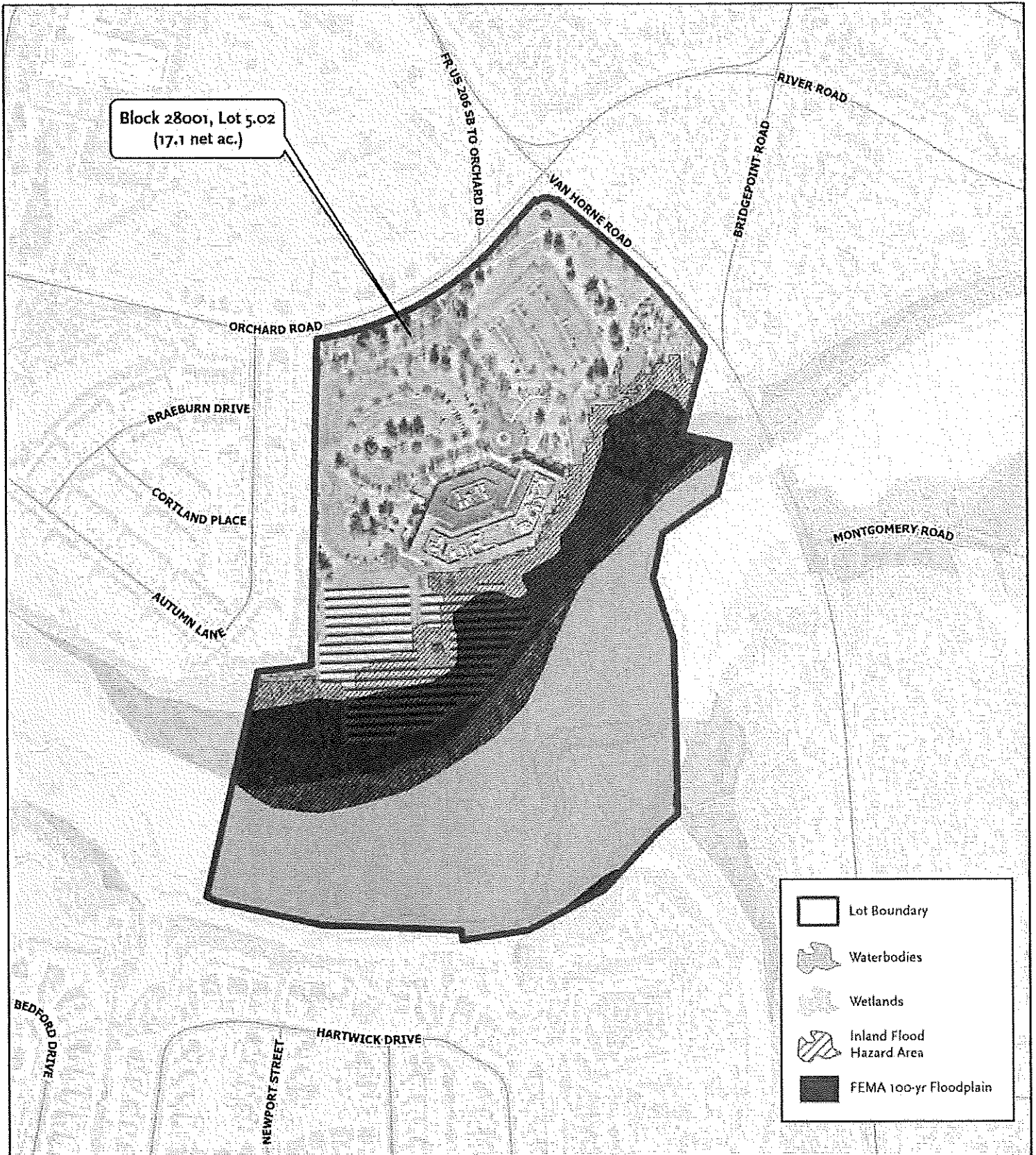


In addition to site suitability, the developer of the affordable housing project will be required to meet the applicable requirements of UHAC:

- *Administrative Entity.* The Township will require that the residential developer engage an administrative agent, as required by Chapter 15 of the Township Code as well as state regulation, to administer and affirmatively market the units at the development, income-qualify applicants, place minimum 40-year affordability controls on the family rental units, and provide long-term administration of the units in accordance with rules at N.J.A.C. 5:93-1 et seq. and N.J.A.C. 5:80-26.1 et seq.
- *Very Low-, Low- and Moderate-Income Distribution.* At least half of the affordable units developed will be affordable to low-income households, with at least 13% affordable to very low-income households.
- *Affirmative Marketing.* The affordable units will be affirmatively marketed in accordance with N.J.A.C. 5:93-1 et seq. and N.J.A.C. 5:80-26.1 et seq.
- *Controls on Affordability.* As noted, the affordable units will have minimum 40-year affordability controls.
- *Bedroom Distribution.* The distribution of the number of bedrooms will follow UHAC regulations.

A concept plan for how the redevelopment of this site might be accomplished, supplied by Scannapieco, is included in the following page.





Clarke Caton Hintz

Architecture

Planning

Landscape Architecture



# Montgomery Township Fourth Round Housing Element & Fair Share Plan **23 Orchard Inclusionary Site** Block 28001, Lot 5.02

LOCATION:

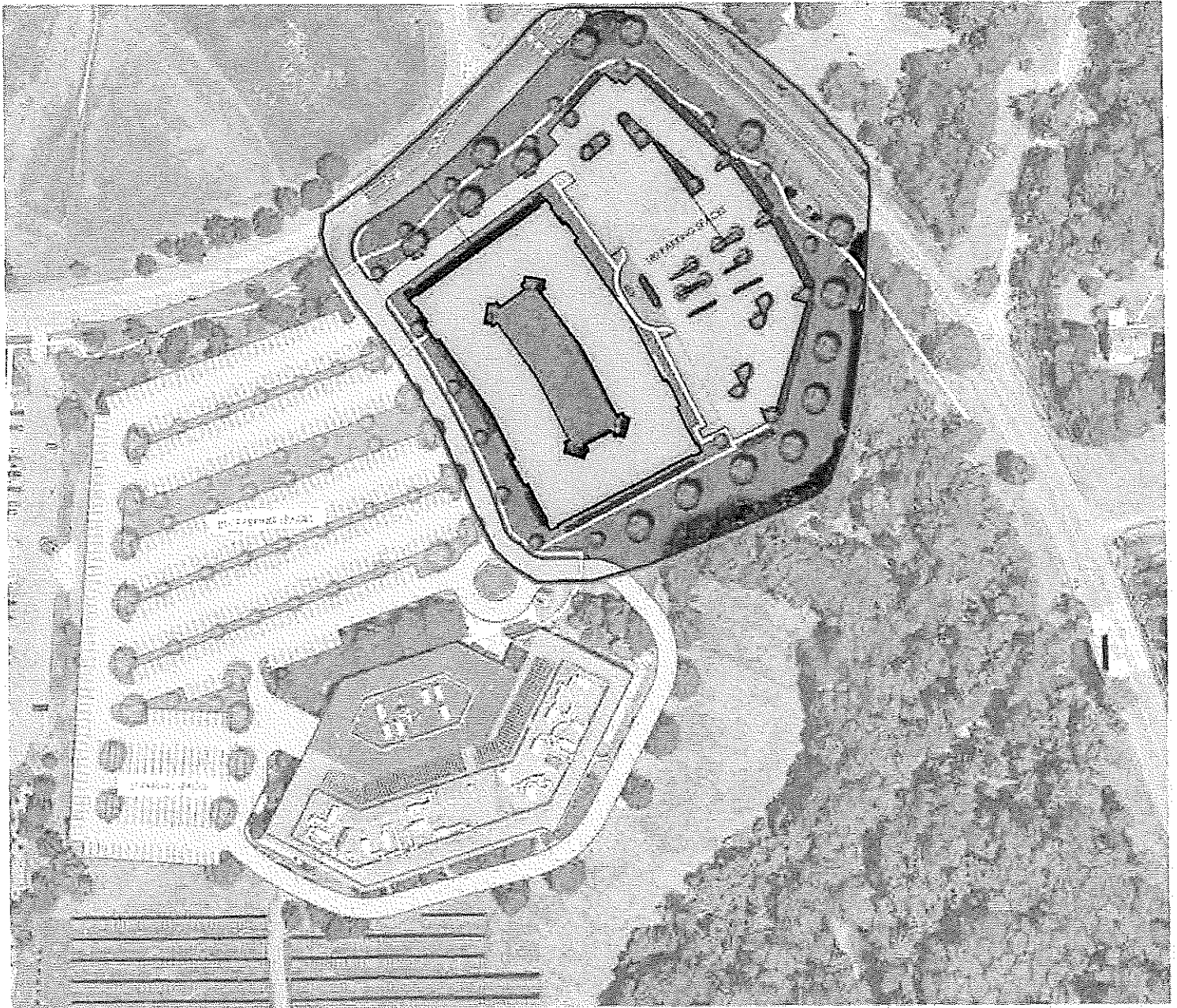
Montgomery Township,  
 Somerset County, NJ


DATE:

June 2025

Prepared by:  
 Planning, Design & Construction  
 10000 Route 100  
 Suite 100  
 Princeton, NJ 08540  
 Phone: 609.981.1000  
 Fax: 609.981.1001  
 Email: info@pdcnj.com





 INCLUSIONARY MULTIFAMILY DEVELOPMENT

TOTAL TRACT AREA: 44.037 ACRES  
 TOTAL NUMBER OF DWELLINGS: 180  
 NUMBER OF AFFORDABLE DWELLINGS: 34  
 TOTAL NUMBER OF PARKING SPACES FOR DWELLINGS: 180

SOURCE  
 23 ORCHARD CONCEPT PLAN,  
 PREPARED BY SCANNAPIECO  
 DEVELOPMENT CORPORATION



NOT TO SCALE

Clarke Caton Hintz  
 Architecture  
 Planning  
 Landscape Architecture

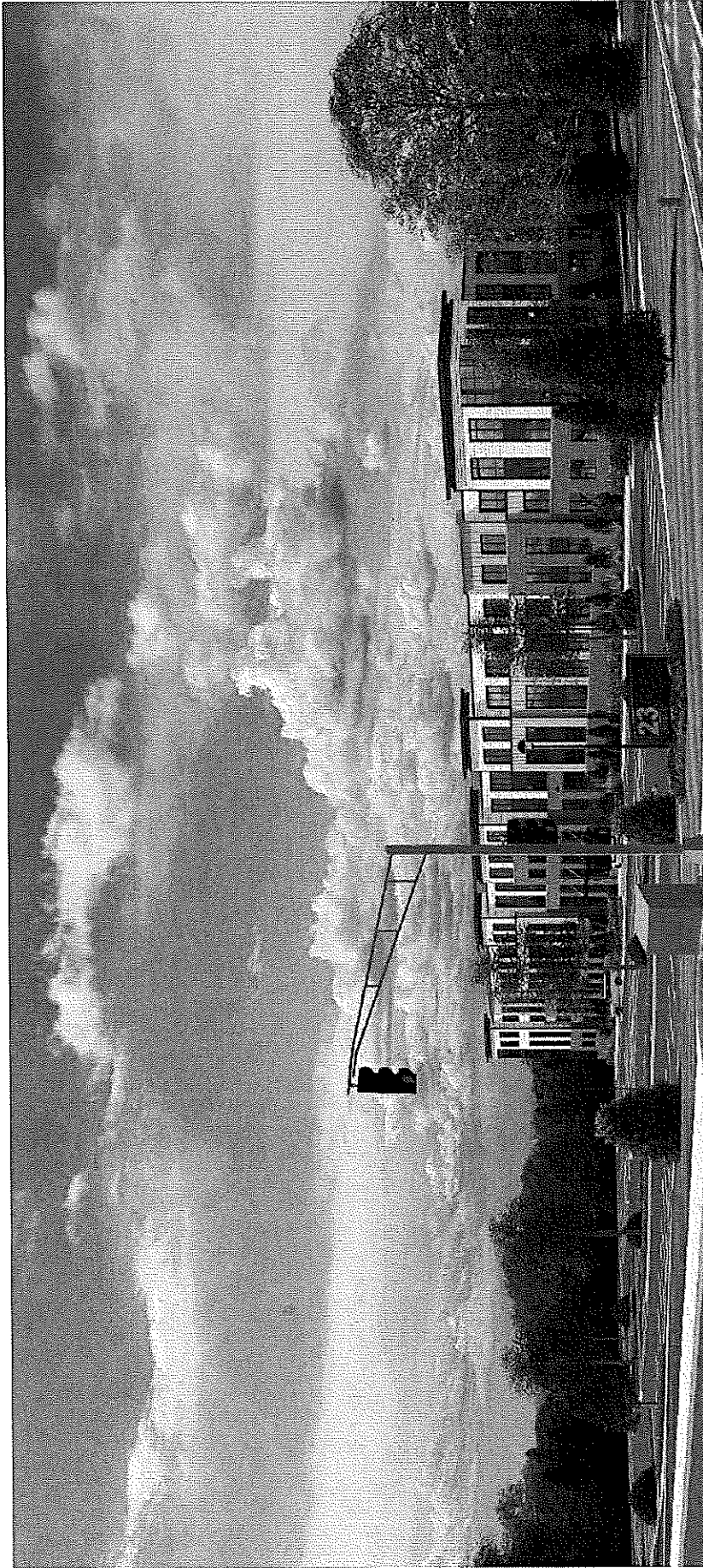


# 23 Orchard Concept Plan

LOCATION:  
 Montgomery Township, Somerset County, New Jersey

DATE:  
 June 2025





Source  
23 Orchard Concepts Plan, prepared by  
Stannipico Development Corporation

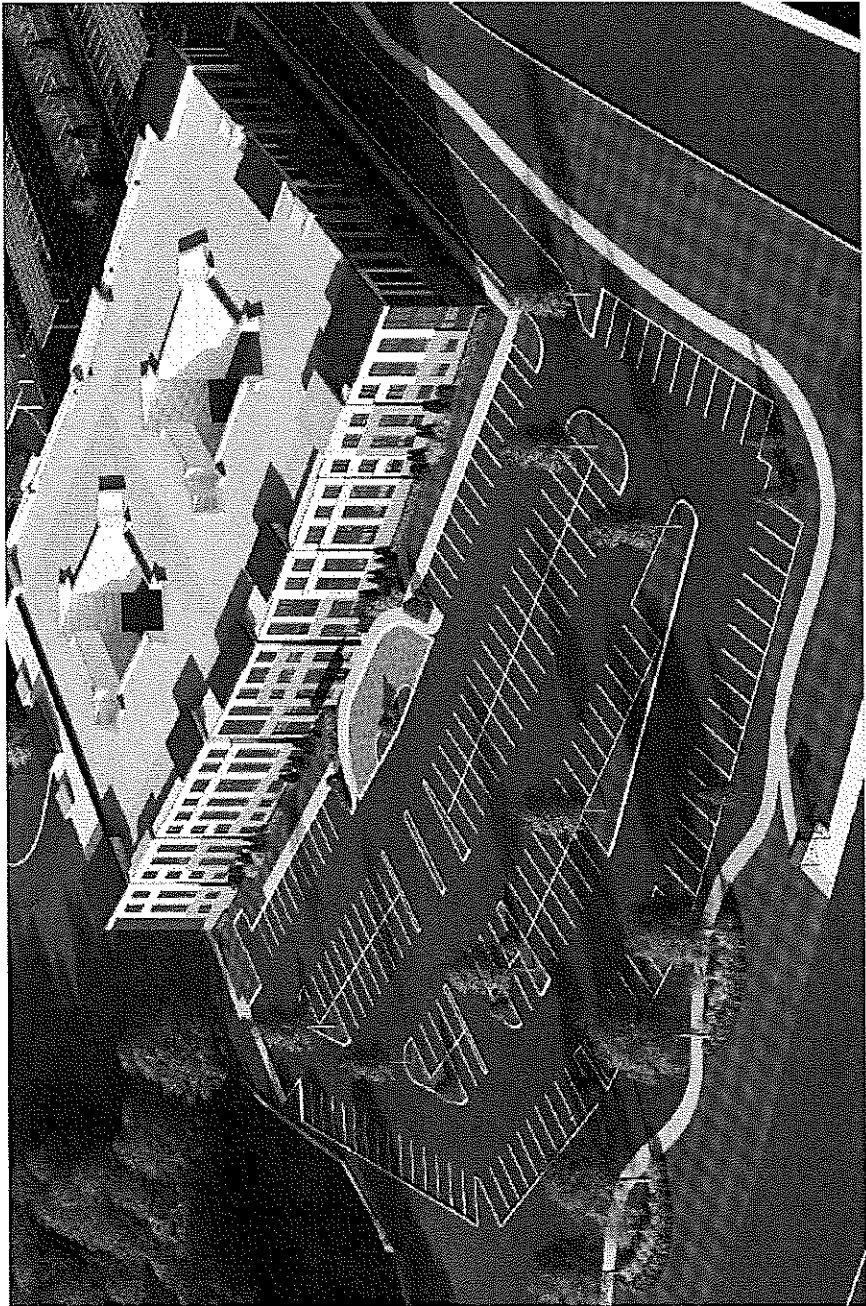
## 23 Orchard Concept Plan Rendering A

DATE:  
June 2025

LOCATION:  
Montgomery Township, Somerset County, New Jersey

Clarke Caton Hintz  
Architecture  
Planning  
Landscape Architecture





Source  
23 Orchard Concept Plan, prepared by  
Santapica Development Corporation

## 23 Orchard Concept Plan Rendering B

DATE:  
June 2025

LOCATION:  
Montgomery Township, Somerset County, New Jersey

Clarke Caton Hintz  
Architecture  
Planning  
Landscape Architecture



### ***Kenvue***

The subject property is situated at the southwestern corner of the Grandview Road/Belle-Mead Blawenburg Road (CR 601) intersection. The site is 382.771 acres and consists of Block 14001, Lot 2 and Block 13001, Lot 15. Lot 2 is developed with the former headquarters of the Kenvue Skillman Campus, and Lot 15 contains farm qualified land. The developer of the site (EKhan Development or “EKhan”) approached the Township to redevelop the site with an inclusionary residential development consisting of 417 total units with a 29.7% set aside (or 124 affordable units). Kenvue is planned as a non-contiguous residential cluster, which would include the redevelopment of the former Kenvue campus and the existing multifamily developments of McKinley Commons and Montgomery Glen, both of which contain existing affordable family for-sale units whose affordability controls will expire in the Fourth Round. This linkage allows the Kenvue redevelopment to address its affordable set-aside with both onsite units and with existing units at the other two sites. This results in the creation of 124 affordable units as a hybrid that allows for the creation of more open space on the Kenvue site. The proposed affordable units would consist of the following:

- 70 affordable family rental units constructed on site
- 54 extensions of control: Kenvue will make a total payment of no less than \$1,080,000 to fund 35 extensions of control on the family for-sale units at McKinley Commons and 19 extensions of control on the family for-sale units at Montgomery Glen.

Block 14001, Lot 2 (to contain the proposed development) is currently located in the LM Limited Manufacturing Zone. The eastern half of Block 13001, Lot 15 is located in the R-5 Single-Family Residential Zone and the western half is located MR Mountain Residential Zone. A new zone will be created to replace the existing LM Zone. The following standards associated with the new zone are proposed for this site to permit the development of multi-family inclusionary housing:

**Proposed Zoning Ordinance:** SSIZ-6 Research, Engineering, Office / Residential Site Specific Inclusionary Zone 6

**Permitted Principal Uses:** Multifamily Residential Dwellings on Block 14001, Lot 2

**Maximum Permitted Number of Dwellings:** 417

**Minimum Number of On-Site Affordable Dwellings:** 70

**Minimum Number of Off-Site Affordable Dwellings:** 54

**Maximum Building Height:** 42 feet and three stories

**Other Bulk, Spatial and Design Standards:** TBD

**Mandatory Requirements:** Block 13001, Lot 15 shall be dedicated to Montgomery Township.



As seen in Table 35, the project will meet the income and bedroom distribution requirement under COAH's Second Round rules at N.J.A.C. 5:93-7.3 and UHAC at N.J.A.C. 5:80-26.1 with the projected breakdown as follows: the 70 affordable units to be constructed on site will include 12 very low-income units, 29 low-income units, and 29 moderate-income units. Six units will be one-bedroom units, 29 will be two-bedroom units, and 35 will be three-bedroom units.

TABLE 35. INCOME/BEDROOM DISTRIBUTION, KENVUE					
	1-bedroom	2-bedroom	3-bedroom	TOTAL	Percent of Total
Very-Low Income	2	5	5	12	17.14%
Low-Income	2	12	15	29	41.43%
Moderate-Income	2	12	15	29	41.43%
Total	6	29	35	70	100.00%
Percent of Total	8.57%	41.43%	50.00%	100.00%	

For the affordable family rental units to be constructed on site, the Township is seeking credit for 70 units and 30 redevelopment bonuses (capped), for a total of 100 credits, to satisfy Montgomery Township's Fourth Round obligation. Additionally, the Township is seeking 54 credits for the extensions of control to satisfy Montgomery Township's Fourth Round obligation, which will consist of 35 extensions of control on the family for-sale units at McKinley Commons and 19 extensions of control on the family for-sale units at Montgomery Glen.

In accordance with the requirements of N.J.A.C 5:93-5.3, municipalities shall designate sites that are available, suitable, developable, and approvable (defined in N.J.A.C 5:93-1.3) and align with the SDRP, per N.J.A.C. 5:93-5.4. The subject property addresses these conditions as follows:

- *Available.* Sites that are "available" have clear title and are free of encumbrances which preclude development. To our knowledge, there are no legal encumbrances that preclude development of this site for affordable housing.
- *Approvable.* Sites that are "approvable" can be developed in a manner consistent with the rules or regulations of all agencies with jurisdiction over the site. Block 13001, Lot 15 is located in the R-5 Single-Family Residential Zone, and Block 14001, Lot 2 is located in the LM Limited Manufacturing Zone, where multifamily residential uses are not permitted. The Township intends to use the redevelopment process to add multifamily





residential as a permitted use on these lots, in order to allow the developer to submit an application for the development that will not require variances, exceptions or waivers.

- *Developable.* Sites that are “developable” have access to appropriate water and sewer infrastructure and are consistent with the areawide water quality management plan. The entirety of the site is within in the NJ American Water – Raritan water purveyor area, and the majority of the site is in the Skillman Village sewer service area. The site has existing public sanitary sewer allocations. The Township is in the process of analyzing water and sewer capacity to accommodate the proposed development. In the event that a water and/or sewer capacity issue comes to light, the Township reserves the right to amend this plan to take such issues into account.
- *Suitable.* Sites that are “suitable” are adjacent to compatible land uses, have access to appropriate streets, and are consistent with the environmental policies of N.J.A.C. 5:93-4.
  - *The site is adjacent to compatible land uses and has access to appropriate streets.* The property is situated along Grandview Road and CR 206 and will have direct driveway access on Grandview Road. Residential, farm qualified land, and Township-owned land is located to the west, single-family dwelling and additional Township owned land is located to the north, farm qualified land and residential uses are located to the east across the Conrail railroad, and additional farm properties are located to the south.
  - *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 2025 Preliminary State Plan Map designates the majority of the property as the Rural Planning Area (PA-4) and a portion of Block 13001, Lot 15 as the Environmentally Sensitive Planning Area (PA-5). The residential portion of the development will be located in PA-4. Per COAH’s rules at N.J.A.C. 5:93-5.4(c),

*“Where the Council determines that a municipality has not created a realistic opportunity within the development boundaries of a center to accommodate that portion of the municipal inclusionary component that the municipality process to address within the municipality, the Council shall require the municipality to identify an expanded center(s) or a new center(s) and submit the expanded or new center(s) to the State Planning Commission for designation.”*

While the site is not located within a designated center within the State Development and Redevelopment Plan, site has been previously developed, it is underutilized, and the proposed inclusionary development presents a very good





utilization of the site. Additionally, the site already contains water and sewer infrastructure to support a large-scale development, and it has existing public sanitary sewer allocations. As previously discussed, the site is entirely within the NJ American Water – Raritan water purveyor area, and the majority of Block 14001, Lot 2 (to contain the proposed development) is in the Skillman Village sewer service area (approximately 86%). The Township is in the process of analyzing water and sewer capacity to accommodate the proposed development. In the event that a water and/or sewer capacity issue comes to light, the Township reserves the right to amend this plan to take such issues into account.

- *The development is not within the jurisdiction of a Regional Planning Agency or CAFRA.* The site is located outside of the Pinelands, CAFRA, Highlands, or Meadowlands. The site is located within the Delaware and Raritan Canal Commission (DRCC) Review Zone B and any development proposal will require a Certificate of Approval from the DRCC.
- *The site will comply with all applicable environmental regulations.* The site will comply with all applicable environmental regulations. The site contains no Category One streams or known environmental contamination that could prevent its development with the proposed housing project. Although portions of the site are constrained by wetlands and waterbodies, approximately 81.3% of the site is not constrained. The existing constraints are not expected to preclude the proposed affordable housing development.
- *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 the affordable housing.

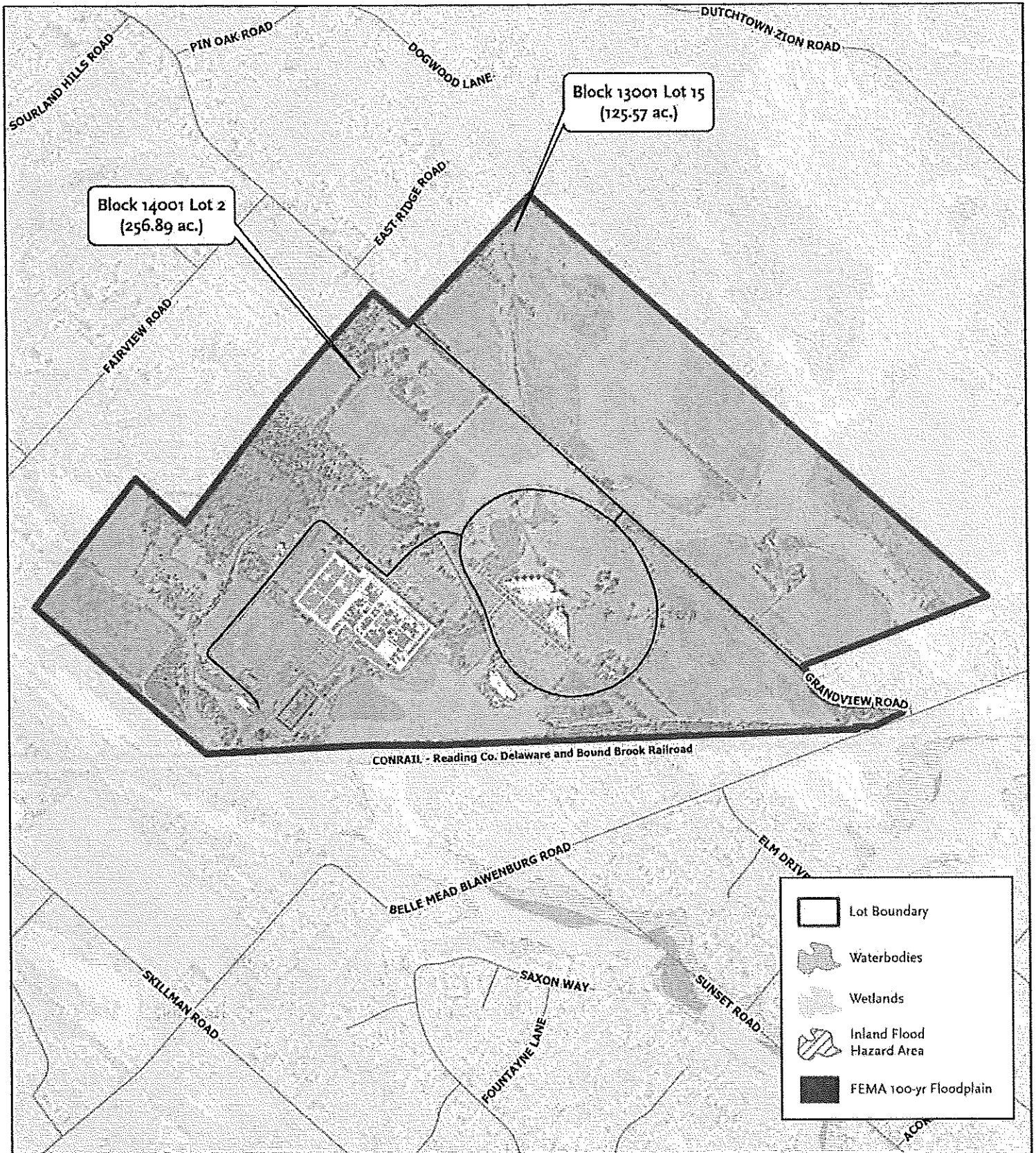
In addition to site suitability, the developer of the affordable housing project will be required to meet the applicable requirements of UHAC:


- *Administrative Entity.* The Township will require that the residential developer engage an administrative agent, as required by Chapter 15 of the Township Code as well as state regulation, to administer and affirmatively market the units at the development, income-qualify applicants, place minimum 40-year affordability controls on the rental units, and provide long-term administration of the units in accordance with rules at N.J.A.C. 5:93-1 et seq. and N.J.A.C. 5:80-26.1 et seq.
- *Very Low-, Low- and Moderate-Income Distribution.* At least half of the affordable units developed will be affordable to low-income households, with at least 13% affordable to very low-income households.
- *Affirmative Marketing.* The affordable units will be affirmatively marketed in accordance with N.J.A.C. 5:93-1 et seq. and N.J.A.C. 5:80-26.1 et seq.



- *Controls on Affordability.* As noted, the affordable units will have minimum 40-year affordability controls.
- *Bedroom Distribution.* The distribution of the number of bedrooms will follow UHAC regulations.

A concept plan for how the redevelopment of this site might be accomplished, supplied by the developer, is included in the following page.



 0 200 600 1,200 Feet

**Clarke Caton Hintz**  
 Architecture  
 Planning  
 Landscape Architecture

Montgomery Township Fourth Round  
 Housing Element & Fair Share Plan  
**Kenvue Inclusionary Site**  
 Block 14001, Lot 2 and Block 13001, Lot 15

LOCATION:  
 Montgomery Township,  
 Somerset County, NJ

DATE:  
 June 2025

Drawn by:  
 Ben Heston on 6/25/25  
 Design:  
 Ben Heston  
 Reviewed by:  
 Ben Heston  
 Approved by:  
 Ben Heston  
 Date:  
 6/25/25







### ***Village Shopper (Village Walk at Montgomery)***

As previously discussed in the Third Round section, the Village Shopper site, currently referred to as Village Walk at Montgomery received Planning Board approvals to construct a mixed use inclusionary development including 11 family affordable rental apartments at a 20% set-aside. The project is currently under construction, and in accordance with the requirements of the Redevelopment Plan adopted on April 17, 2025, an additional one-bedroom, moderate income unit affordable housing unit will be provided as part of the Village Walk development. See Appendix 22 for a copy of the Redevelopment Plan. Additional details on the affordable family rental units are provided under the Third Round section.

The Township is seeking one credit for the additional affordable family rental unit to satisfy its Fourth Round obligation.

### ***Thrive at Montgomery (Country Club Meadows Senior Living Redevelopment)***

This property consists of the northern, undeveloped portion of Block 4020, Lot 1. Efforts to develop the northern portion of the site have faced challenges since its initial attempts began in the 1980s due to sewer capacity and economic conditions. Despite various attempts to develop the site throughout the years, several factors in connection with the location of the site precluded its development. While the surrounding areas have experienced development, the property itself has remained vacant and undeveloped. We note that the southern, developed portion of the site contains The Meadows at Montgomery senior living community consisting of two three-story buildings containing age-restricted apartments.

The site has undergone preliminary investigation per the Local Redevelopment and Housing Law, the public hearing has been held by the Planning Board, recommendation made to the Township Committee and the site designated an area in need of non-condemnation redevelopment. On April 17, 2025, the Township passed Ordinance #25-1750, adopting a Redevelopment Plan for the site. The site is envisioned to be developed with an inclusionary senior assisted living facility and provides the opportunity for a maximum of 196 dwelling units of which 20 would be affordable units. A maximum of 65% of the units shall be independent living units, a minimum of 20% shall be assisted living units, and a minimum of 10% shall be memory care units.

Additionally, the Redevelopment Plan includes provisions for affordable housing requirements as part of its mandatory components. Specifically,

*“A minimum of 10 assisted living units shall be semi-private units containing a minimum of 20 Medicaid- eligible beds. To ensure that all beds within these units qualify to receive an individual affordable dwelling credit, each of these rooms shall be restricted to occupancy by unrelated individuals, thus producing two affordable housing credits from each unit.” (page 9 of the Redevelopment Plan).*





In accordance with the requirements of N.J.A.C 5:93-5.3, municipalities shall designate sites that are available, suitable, developable, and approvable (defined in N.J.A.C 5:93-1.3) and align with the SDRP, per N.J.A.C. 5:93-5.4. The subject property addresses these conditions as follows:

- *Available.* Sites that are “available” have clear title and are free of encumbrances which preclude development. The site is vacant and predominantly undeveloped. To our knowledge, there are no legal encumbrances that preclude development of this site for affordable housing. The site is owned by Country Club Meadows, LLC, the owner of the Meadows at Montgomery senior living development along the southern portion of the site.
- *Approvable.* Sites that are “approvable” can be developed in a manner consistent with the rules or regulations of all agencies with jurisdiction over the site. The site is currently in the Country Club Meadows Senior Living Redevelopment Area, which permits senior living facilities.
- *Developable.* Sites that are “developable” have access to appropriate water and sewer infrastructure and are consistent with the areawide water quality management plan. The site is in the Pike Brook sewer service area, and in the NJ American Water – Raritan water purveyor area. The Township’s Engineering Department has confirmed that there is adequate capacity to accommodate the additional 196 units from this site.
- *Suitable.* Sites that are “suitable” are adjacent to compatible land uses, have access to appropriate streets, and are consistent with the environmental policies of N.J.A.C. 5:93-4.
  - *The site is adjacent to compatible land uses and has access to appropriate streets.* The property is situated along Scarborough Road and NJSH Route 206 and will have direct driveway access on Scarborough Road. Properties to the south contain The Meadows at Montgomery senior living community, and a single-family residential development is located beyond that. A single-family dwelling and commercial properties are located to the west across the railroad tracks, and vacant land is located to the northeast across NJSH Route 206. A detention basin and forested land is located to the east across Scarborough Road.
  - *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 site is located in a Smart Growth planning area. The 2001 Adopted State Plan Map and the 2025 Preliminary State Plan Map designates the property as the Suburban Planning

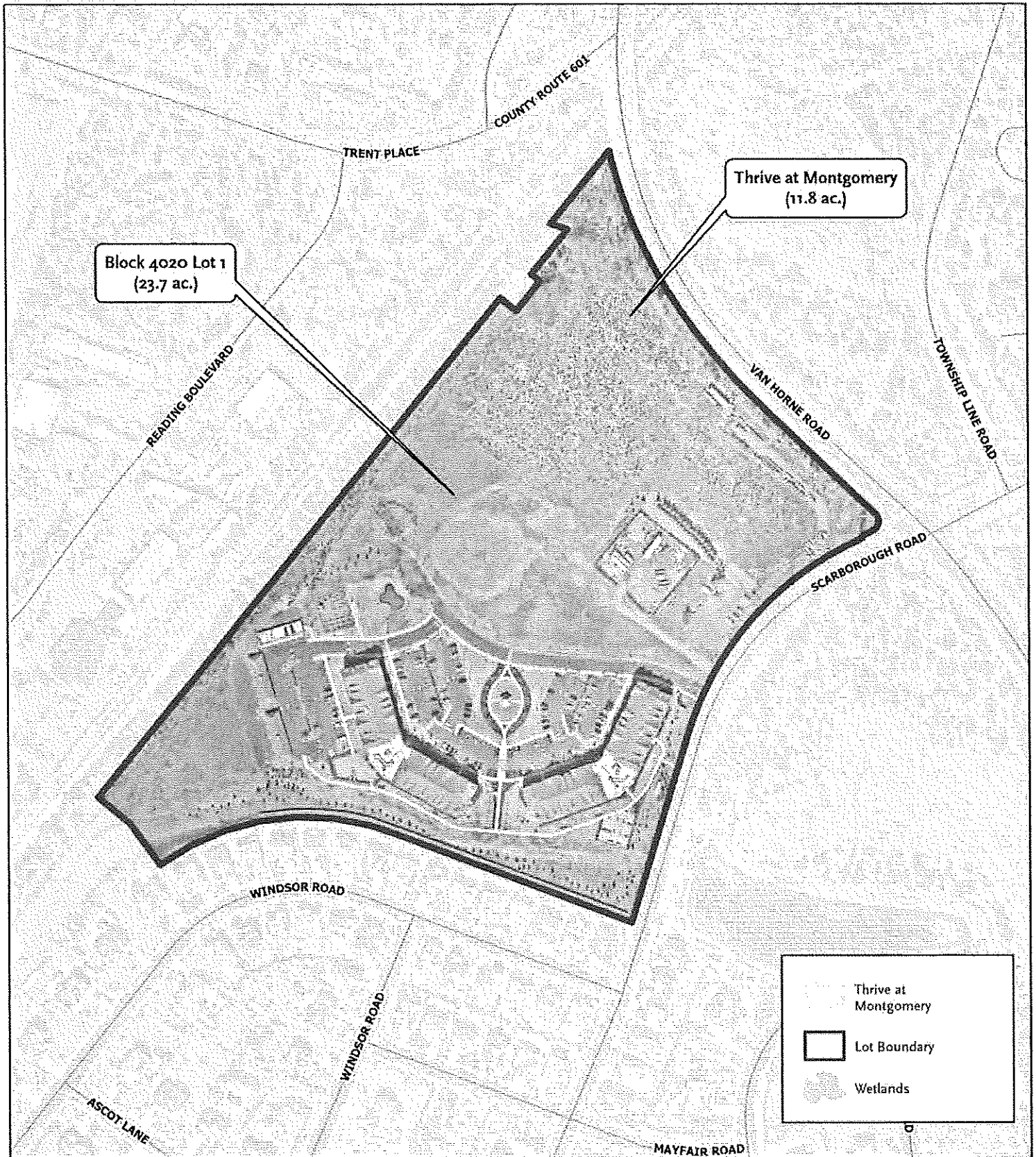


Area (PA-2), where development and redevelopment is preferred and which is also a preferred location for affordable housing development.

- *The development is not within the jurisdiction of a Regional Planning Agency or CAFRA.* The site is located outside of the Pinelands, CAFRA, Highlands, or Meadowlands. While the site is located within the Delaware and Raritan (“D&R”) Canal Commission Zone B, it is not expected to preclude the proposed affordable housing development.
- *The site will comply with all applicable environmental regulations.* The site will comply with all applicable environmental regulations. The site contains no steep slopes, wetlands, Category One streams, or known environmental contamination that could prevent its development with the proposed housing project.
- *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 the affordable housing.
- *Site Control (availability).* The site has no known title defects or deed restrictions that preclude development of affordable housing.

A concept plan for how the redevelopment of this site might be accomplished is included in the Redevelopment Plan provided as Appendix 30.

The Township is seeking credit for 20 affordable assisted living units to satisfy Montgomery Township’s Fourth Round obligation.



0 75 150 300 Feet

Clarke Caton Hintz

Architecture

Planning

Landscape Architecture



Montgomery Township Fourth Round  
 Housing Element & Fair Share Plan

## Thrive at Montgomery Inclusionary Site

Portion of Block 4020, Lot 1

LOCATION

Montgomery Township,  
 Somerset County, NJ

DATE

June 2025

Small text, likely a reference or note.

Small text, likely a reference or note.



**Fourth Round Bonuses, Maximum of 65 Bonuses –**

New types of bonuses are permitted in the Fourth Round as set forth in the amended FHA. Pursuant to N.J.S.A. 52:27D-311.k(6), the 107 total affordable housing units to be developed at the three (3) inclusionary sites are eligible for up to 48.5 bonuses (capped) for being constructed on land that is or was previously developed and utilized for retail, office, or commercial space. Utilizing Local Redevelopment and Housing Law (LRHL) the sites will be designated as a redevelopment area for the provision of affordable housing.

Additionally, pursuant to N.J.S.A. 52:27D-311.k(7), the 38 extensions of control on the affordable senior rental units at the existing McKinley Commons site addressing the Fourth Round are eligible for up to 16.5 Fourth Round bonuses (up to the 65 maximum bonuses).



TABLE 36. SATISFACTION OF THE PRIOR ROUND & THIRD ROUND OBLIGATIONS

Program	Rental	Senior	Family	Total Units	Prior Round: 307 units			Third Round: 616 units		
					Units	Bonus Credits	Total Credits	Units	Bonus Credits	Total Credits
<u>Special Needs</u>										
Crawford Transitional Housing	x			7	7	0	7			
Devereux Group Home	x			4	4	0	4			
Delta Comm Support Group Home	x			3	3	0	3			
Allies Group Home	x			6				6	0	6
Community Options Group Home – Willow Run Lane	x			4				4	0	4
Community Options Group Home – Heather Lane	x			4				4	0	4
Community Options Group Home – Belle-Mead Griggstown Road	x			4				4	0	4
<u>Inclusionary Housing Developments</u>										
McKinley Comm. / Montgomery Hills	x	x		60	60	0	60			
McKinley Comm./Montgomery Hills			x	35	35	0	35			
Montgomery Glen			x	19	19	0	19			
Pike Run (Bellmead)	x		x	210	102	77, cap	179	108	108	216
The Willows at Orchard Road (JER Herring Orchard)	x		x	40				40	40	80
Sharbell-Hillside	x		x	23				23	6, cap	29



TABLE 36. SATISFACTION OF THE PRIOR ROUND & THIRD ROUND OBLIGATIONS

Program	Rental	Senior	Family	Total Units	Prior Round: 307 units			Third Round: 616 units		
					Units	Bonus Credits	Total Credits	Units	Bonus Credits	Total Credits
Railsedge/Blawenburg Village	X		X	3				3	0	3
Grove at Montgomery (Country Club Meadows)	X		X	27				27	0	27
Trap Rock / Haven at Princeton			X	32				32	0	32
Apartments at Montgomery Crossing (PIRHL)	X		X	86				86	0	86
The Somerset at Montgomery (DeVan / VanCleef)	X		X	23				23	0	23
Harlingen Village	X		X	11				11	0	11
Village Shopper (Village Walk at Montgomery)	X		X	11				11	0	11
Blawenburg Village Square – removed	X		X	0				0	0	0
<u>Assisted Living</u>										
Tapestry Assisted Living	X	X		10				10	0	10
<u>100% Affordable Housing Developments</u>										
Habitat for Humanity			X	1				1	0	1
Montgomery Municipal Center Site / RPM (65 of 70 senior rental)	X	X		65				65	0	65
Montgomery Municipal Center Site / RPM (5 of 70 special needs)	X			5				5	0	5
<b>Total</b>				<b>693</b>	<b>230</b>	<b>77</b>	<b>307</b>	<b>463</b>	<b>154</b>	<b>617</b>

TABLE 36. SATISFACTION OF THE PRIOR ROUND & THIRD ROUND OBLIGATIONS										
Program	Rental	Senior	Family	Total Units	Prior Round: 307 units			Third Round: 616 units		
					Units	Bonus Credits	Total Credits	Units	Bonus Credits	Total Credits
					Third Round Surplus Units					

TABLE 37. SATISFACTION OF THE FOURTH ROUND OBLIGATION						
Program				Fourth Round: 260 units		
	Rental	Senior	Family	Total Units	Units	Total Credits
<u>Extensions of Expiring Controls</u>						
McKinley Court (38 of 60 senior units)	x	x		38	38	16.5, cap
McKinley Commons (Kenvue Inclusionary)			x	35	35	-
Montgomery Glen (Kenvue Inclusionary)			x	19	19	-
<u>Inclusionary Housing Developments</u>						
23 Orchard	x		x	36	36	18
Kenvue	x		x	70	70	30, cap
Village Walk	x		x	1	1	0.5
Thrive Redevelopment	x	x		20	20	0, cap
Total				219	219	65
Fourth Round Surplus Credits					-	-
						24

TABLE 38. PRIOR ROUND CREDIT SUMMARY		
	Required	Provided
Prior Round Total Credits	307	307
Prior Round Total Units		230
Prior Round Rental	77 (min.)	176
Prior Round Senior	76 (max.)	60

TABLE 39. THIRD ROUND CREDIT SUMMARY		
	Required	Provided
Third Round Total Credits	616	617
Third Round Total Units		463
Third Round Rental	154 (min.)	430
Third Round Family Rental	77 (min.)	330
Third Round Senior	154 (max.)	77
Third Round Family	231 (min.)	363

TABLE 40. FOURTH ROUND CREDIT SUMMARY		
	Required	Provided
Fourth Round Total Credits	260	284
Fourth Round Total Units		219
Fourth Round Rental	49 (min.)	165
Fourth Round Family Rental	25 (min.)	107
Fourth Round Senior	58 (max.)	58
Fourth Round Family	98 (min.)	161





## VERY LOW-INCOME UNITS – OVERALL PRIOR, THIRD, FOURTH ROUND CUMULATIVE CALCULATION

Pursuant to the amended FHA (P.L. 2008, c.46), municipalities must ensure that at least 13% of affordable housing units approved and constructed (or to be constructed) after July 17, 2008 are available to very low-income households. Thus, as seen in Table 42 below, overall, a total of 479 affordable units approved and constructed or to be constructed to address a current Township fair share obligation generate a 63-unit very low-income requirement, which the Township has addressed with 102 very low-income units constructed or approved, representing approximately 21% of the 479 total affordable units. Table 42 summarizes the Township's affordable housing mechanisms that generate and address the very low-income requirement.

TABLE 41. OVERALL CUMULATIVE PRIOR, THIRD AND FOURTH ROUNDS VERY LOW-INCOME UNITS APPROVED <u>AND</u> CONSTRUCTED (TO BE CONSTRUCTED) SINCE JULY 17, 2008				
Mechanism	Total Units Generating VLI Obligation	Very Low-Income Units Required	Very-Low Income Units Provided	Very-Low Income Units to be Provided
The Willows at Orchard Road (JER Herring Orchard)	40	5.2	8	-
Hillside at Montgomery (Sharbell-Hillside)	23	2.99	3	-
Grove at Montgomery (Country Club Meadows)	27	3.51	4	-
Trap Rock / Haven at Princeton	32	4.16	-	5
Allies Inc. Group Home	6	0.78	-	6
Community Options Group Home – Willow Run Lane	4	0.52	4	-
Community Options Group Home – Heather Lane	4	0.52	4	-
Community Options Group Home – Belle-Mead Griggstown Road	4	0.52	4	-
Apartments at Montgomery Crossing (PIRHL)	86	11.18	14	-



TABLE 41. OVERALL CUMULATIVE PRIOR, THIRD AND FOURTH ROUNDS VERY LOW-INCOME UNITS APPROVED AND CONSTRUCTED (TO BE CONSTRUCTED) SINCE JULY 17, 2008				
Mechanism	Total Units Generating VLI Obligation	Very Low-Income Units Required	Very-Low Income Units Provided	Very-Low Income Units to be Provided
The Somerset at Montgomery (DeVan / VanCleeef)	23	2.99	3	-
Harlingen Village	11	1.43	-	2
Village Shopper (Village Walk at Montgomery)	12	1.56	-	2
Tapestry Assisted Living	10	1.3	-	-
Habitat for Humanity	1	0.13	-	-
Montgomery Municipal Center Site / RPM	70	9.1	-	10
23 Orchard	36	4.68	-	5
Kenvue	70	9.1	-	8
Thrive Redevelopment	20	2.6	-	20
<b>Total</b>	<b>469</b>	<b>62.27 round up to 63 (13%)</b>	<b>102 (21.29%)</b>	

In addition, per the more recently amended FHA (P.L. 2024, c.2) at N.J.S.A. 52:27D-329.1, at least half of very low-income units addressing a Fourth Round Prospective Need must be “available for families with children.” Thus, for the Fourth Round, Montgomery Township is required to provide 16 very low-income units, eight of which must be available to families as shown in the calculations below.

Minimum Fourth Round Very Low-Income Units = 17 units

$0.13$  (Fourth Round units provided) =  $.13$  (126) = 16.38, round up

Minimum Fourth Round Very Low-Income Family Units = 9 units

$0.50$  (Fourth Round very low-income requirement) =  $0.50$  (17) = 8.5, round up



The Township exceeds the minimum very low-income unit requirement by providing 33 very low-income units from the proposed inclusionary developments at 23 Orchard, Kenvue, Village Walk, and Thrive at Montgomery. Additionally, the Township satisfies the minimum very low-income unit requirement for families with children by providing 14 very low-income units from the 23 Orchard and Kenvue inclusionary developments that have two or three bedrooms.

**INCOME DISTRIBUTION**

INCOME AND BEDROOM DISTRIBUTION

Under COAH’s Second Round rules at N.J.A.C. 5:93-7.3 and UHAC at N.J.A.C. 5:80-26.3(b) (revised through December 19, 2024), non-age-restricted affordable units must adhere to the following bedroom distribution:

- No more than 20% may be one-bedroom or efficiency units;
- At least 30% must be two-bedroom units;
- At least 20% must be three-bedroom units.

Table 43 provides a summary of the bedroom-income distribution of affordable family units in Montgomery Township for the Third Round and Fourth Rounds combined, demonstrating compliance with these standards.

TABLE 42. INCOME AND BEDROOM DISTRIBUTION, FAMILY UNITS, THIRD/FOURTH ROUND				
Income Distribution	Bedroom Distribution			Total
	One-Bedroom/ Efficiency	Two- Bedroom	Three- Bedroom	
Very Low-Income	17	27	14	58 (15.93%)
Low-Income	14	68	43	125 (34.34%)
Moderate-Income	34	95	52	181 (49.73%)
<b>Total</b>	<b>65 (17.86%)</b>	<b>190 (52.2%)</b>	<b>109 (29.95%)</b>	<b>364 (100%)</b>

The above bedroom and income distribution includes 364 affordable family units within the following projects:

- Railsedge Blawenburg Village (3 units)
- The Willows at Orchard (40 units)
- Grove at Montgomery (27 units)
- Hillside at Montgomery (23 units)
- Apartments at Montgomery Crossing (86 units)
- Habitat for Humanity House (1 unit)
- The Somerset at Montgomery (23 units)
- Village Walk (12 units)
- The Haven at Princeton (32 units)
- Harlingen Village (11 units)
- 23 Orchard (36 units)
- Kenvue (70 units)



## **AFFORDABLE HOUSING ADMINISTRATION AND AFFIRMATIVE MARKETING**

Montgomery Township currently has a Court-approved Affordable Housing Ordinance (Appendix 34). Once DCA and HMFA finalize their rule proposals (not anticipated before June 30, 2025), the Township will prepare an updated Fair Share Ordinance in accordance with court-upheld COAH's rules, DCA's proposed new regulations at N.J.A.C. 5:99, and UHAC's new 2025 regulations that are anticipated to be released shortly, as well as to address any terms of the court-approved Third Round 2017 and 2022 amended FSHC agreement, if relevant. The Affordable Housing Ordinance will govern the establishment of affordable units in the Township as well as regulating the occupancy of such units. The Township's Fair Share Ordinance covers the phasing of affordable units, the low/moderate income split, including that 13% of all units approved and constructed since 2008 be affordable to very low-income households earning no more than 30% of median income, bedroom distribution, occupancy standards, affordability controls, establishing rents and sales prices, affirmative marketing, income qualification, etc.

### **Affirmative Marketing**

The Affirmative Marketing Plan is a regional marketing strategy designed to attract buyers and/or renters of all majority and minority groups...to housing units which are being marketed by a developer or sponsor of affordable housing. It is a continuing program and covers the period of deed restriction.

The Township has established the position of the Municipal Housing Liaison and has appointed a staff member to the position. However, the Township relies on outside experienced affordable housing organizations to conduct the administration and affirmative marketing of its affordable housing sites.

The Township has an adopted Affirmative Marketing Plan (included in Appendix 35). Once DCA and HMFA finalize their rule proposals (not anticipated before June 30, 2025), the Township will prepare an updated Affirmative Marketing Plan in accordance with DCA's proposed new regulations at N.J.A.C. 5:99, UHAC's new 2025 regulations that are anticipated to be released shortly, any remaining relevant COAH rules not superseded by either the proposed 2025 DCA regulations or the upcoming 2025 revised UHAC rules, as well as to address any terms of the court-approved Third Round FSHC 2017/2022 amended agreement. The Township will adopt an Affirmative Marketing Plan for all affordable housing sites. The Township's current Affirmative Marketing Plan is designed to attract buyers and/or renters of all majority and minority groups, regardless of race, creed, color, national origin, ancestry, marital or familial status, gender, affectional or sexual orientation, disability, age or number of children to the affordable units located in the 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 Hunterdon, Middlesex, and Somerset counties.



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

As required by the court-approved Third Round FSHC 2017/2022 amended agreement, the Affirmative Marketing Plan lists FSHC, the New Jersey State Conference of the NAACP, the Latino Action Network, the New Brunswick branch of the NAACP, the Plainfield Area branch of the NAACP, the Perth Amboy branch of the NAACP, and the Metuchen/Edison branch of the NAACP. The Township shall, as part of its regional affirmative marketing strategies during its implementation of this plan, provide notice to those organizations of all available affordable housing units. The Township also agrees to require any other entities, including developers or individual or companies retained to do affirmative marketing, to comply with this paragraph. Finally, in accordance with the July 2020 amendment to the FHA, The Township will include in its Affirmative Marketing Plan the requirement that all units subject to affirmative marketing requirements be listed on the state Housing Resource Center ("HRC") website.<sup>19</sup>

## SPENDING PLAN

On March 5, 1997, COAH approved the Township's mandatory development fee ordinance. This ordinance was adopted by the municipality on April 17, 1997. An amendment to the development fee ordinance was approved by COAH on December 5, 2008, which set to establish residential development fees in the amount of 1.5% of the equalized assessed value of residential development and nonresidential development fees in the amount of 2.5% of the equalized assessed value of nonresidential development. The amendment was formally adopted by the Township on December 18, 2008. Subsequently, the Township adopted an amended development fee ordinance on July 19, 2018 (see Appendix 34).

### Eligible Trust Fund Expenditures

"A municipality may use revenues collected from the development fees for any activity approved by the Council (now the Court) for addressing the municipal fair share...Municipalities are encouraged to use development fee revenues to attract other funds..."

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<sup>19</sup> <https://njhrc.gov>





As of December 31, 2024, the trust fund maintained a balance of \$587,765.62. A new Fourth Round Spending Plan, which discusses anticipated revenues, collection of revenues, and the use of revenues, has been prepared in accordance with N.J.A.C. 5:93-5.1(c) and is included as Appendix 33. All collected revenues are placed in the Township's Affordable Housing Trust Fund and will be dispensed for the use of affordable housing activities as indicated in the Fourth Round Spending Plan. Once DCA and HMFA finalize their rule proposals (not anticipated before June 30, 2025), the Township will prepare an updated spending plan in accordance with DCA's proposed new regulations at N.J.A.C. 5:99, UHAC's new 2025 regulations that are anticipated to be released shortly, any remaining relevant COAH rules, not superseded by either the proposed 2025 DCA regulations or the upcoming 2025 revised UHAC rules as well as to address any terms of the court-approved Third Round 2017/2022 amended FSHC agreement.

The Township may, in the future, seek to amend its Spending Plan and obtain court approval to use its affordable housing trust funds for the following additional permitted affordable housing activities, including new, emergent affordable housing activities, subject to applicable limitations and minimum expenditures:

- Rehabilitation program;
- New construction of affordable housing units and related development costs;
- Extensions or improvements of roads and infrastructure directly serving affordable housing development sites;
- Acquisition and/or improvement of land to be used for affordable housing;
- Purchase of existing market-rate or affordable housing for the purpose of maintaining or implementing affordability controls, such as in the event of foreclosure;
- Green building strategies designed to be cost-saving for low- and moderate income households, either for new construction that is not funded by other sources, or as part of necessary maintenance or repair of existing units;
- Maintenance and repair of affordable housing units;
- Repayment of municipal bonds issued to finance low- and moderate-income housing activity; and
- Affordability assistance as set forth below.

At least 30% of development fees and interest collected must be used to provide affordability assistance to low- and moderate-income households in affordable units included in a municipal Fair Share Plan and for the creation of very low-income units. Additionally, no more than 20% of trust fund revenues collected each year may be expended on administration, including, but not limited to, salaries and benefits for municipal employees or consultant fees necessary to develop or implement a rehabilitation program, a new construction program, an HPE/FSP, and/or an affirmative marketing program.



The adoption of the Township's Fourth Round Spending Plan will constitute a "commitment" for expenditure per the FHA at N.J.S.A. 52:27D-329.2, with a four-year time period for expenditure that will start with the entry of the Superior Court's Fourth Round Judgment of Compliance and Repose and/or Compliance Certification.

## **COST GENERATION**

Montgomery Township's Land Development Ordinance has been reviewed to eliminate unnecessary cost generating standards, and provides for expediting the review of development applications containing affordable housing. Such expediting may consist of, but is not limited to, scheduling of pre-application conferences and special monthly public hearings. All development applications containing affordable housing must be reviewed for consistency with the Land Development Ordinance, Residential Site Improvement Standards ("RSIS") (N.J.A.C. 5:21-1 et seq.) and the mandate of the FHA regarding unnecessary cost generating features. Montgomery Township will 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, N.J.A.C. 5:93-10.3. Once DCA and HMFA finalize their rule proposals (not anticipated before June 30, 2025), the Township will revise its Land Development Ordinance, if needed, in accordance with DCA's proposed new regulations at N.J.A.C. 5:99, and UHAC's new 2025 regulations, anticipated to be released shortly, in order to address new requirements to address cost generative issues.

## **MONITORING**

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

Montgomery Township or any other interested party may file an action through the Program seeking a realistic opportunity review at the midpoint of the certification period and shall provide for notice to the public, including a realistic opportunity review of any inclusionary development site in this Housing Plan Element and Fair Share Plan that has not received preliminary site plan approval prior to the midpoint of the 10-year round. If such an action is initiated by the Township, Montgomery may propose one or more alternative sites with an accompanying development plan or plans that provide a realistic opportunity for the same



number of affordable units and are otherwise in compliance with the FHA and the Mount Laurel doctrine.

## **MULTIGENERATIONAL FAMILY HOUSING CONTINUITY**

The FHA requires an HPE/FSP to provide an analysis of the extent to which municipal ordinances and other local factors advance or detract from the goal of preserving multigenerational family continuity as expressed in the recommendations of the Multigenerational Family Housing Continuity Commission, adopted pursuant to paragraph (1) of subsection f. of 23 section 1 of P.L. 2021, c.273 (N.J.S. 52:27D-329.20). As of May 2025, no recommendations have been issued by the Commission.

## **SUMMARY**

The Township of Montgomery does not have a Third Round Rehabilitation obligation. However, it does have a 73-unit Fourth Round Rehabilitation obligation that will be satisfied through the establishment of a local rehabilitation program open for eligible owner-occupied and renter-occupied units.

Pursuant to the 2017 Settlement Agreement with Fair Share Housing Center, the Township has addressed its 307-unit Prior Round obligation with three completed inclusionary housing developments, three completed alternative living arrangements, and Prior Round rental bonuses. Montgomery will address its Third Round obligation with ten inclusionary developments, one affordable age-restricted units at a proposed assisted living facility, four group homes, a 100% affordable municipally-sponsored age-restricted development, a family for-sale project, and Third Round rental bonuses.

The Township's Fourth Round Prospective obligation (2025-2035) of 260 units will be addressed with the affordable family rental units at two proposed inclusionary housing developments, an additional affordable family rental unit from the approved Village Walk mixed use inclusionary development, affordable age-restricted units through an approved redevelopment plan, and extension of expiring controls.