

**SAVO, SCHALK, CORSINI, WARNER, GILLESPIE,
O'GRODNICK & FISHER, P.A.**

56 East Main Street, Suite 301
Somerville, New Jersey 08876
(908) 526-0707, (908) 725-8483 (Fax)
Alexander G. Fisher, Esq. (Attorney ID: 014302010)
fisher@centraljerseylaw.com
Attorneys for Plaintiff, Borough of Rocky Hill

**IN THE MATTER OF THE
DECLARATORY JUDGMENT ACTION
OF THE BOROUGH OF ROCKY HILL,
SOMERSET COUNTY PURSUANT TO
P.L. 2024, CHAPTER 2 (N.J.S.A. 52:27d-
304.1, et seq.),**

Petitioner

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

DOCKET NO.: SOM-L-164-25

Civil Action

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

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

1. I am an Attorney licensed to practice law in the State of New Jersey and a Partner with the law firm Savo, Schalk, Corsini, Warner, Gillespie, O'Grodnick & Fisher, P.A., and am fully familiar with this matter.
2. In support of the Borough's Compliance Certification and in accordance with the February 9, 2026 Order signed by the Hon. William G. Mennen, J.S.C., I have attached the following exhibits hereto:
 - a. Exhibit A – Princeton Avenue Affordable Housing Overlay Zone Ordinance
 - b. Exhibit B – Affordable Housing and Development Fee Ordinance
 - c. Exhibit C – Resolution Adopting Affordable Housing Trust Fund Spending Plan
 - d. Exhibit D – Resolution Adopting Affirmative Marketing Plan
 - e. Exhibit E – Resolution Adopting Rehabilitation Manual
 - f. Exhibit F – Resolution Adopting Affordability Assistance Manual
 - g. Exhibit G – Resolution Endorsing Amended Housing Element & Fair Share Plan

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

Alexander Fisher
Alexander G. Fisher, Esq.

Dated: March 12, 2026

EXHIBIT A



Ordinance # ORDINANCE-2026-02

An Ordinance Amending the Princeton Avenue Affordable Housing Overlay Zone in Compliance with the Borough's Affordable Housing Obligations Under the Fair Housing Act

Introduced and passed on first reading: February 11, 2026

Finally Adopted: March 11, 2026

ATTEST:

A handwritten signature in black ink, appearing to be "RN", written over a horizontal line.

Rebecca Newman, Borough Clerk

A handwritten signature in black ink, appearing to be "Robert Uhrig", written over a horizontal line.

Robert Uhrig, Mayor

BOROUGH OF ROCKY HILL

ORDINANCE NO. 2026- 02

AN ORDINANCE AMENDING THE PRINCETON AVENUE AFFORDABLE HOUSING OVERLAY ZONE IN COMPLIANCE WITH THE BOROUGH'S AFFORDABLE HOUSING OBLIGATIONS UNDER THE FAIR HOUSING ACT

WHEREAS, pursuant to the Fair Housing Act, N.J.S.A. 52:27D-301, *et seq.* ("FHA"), the Borough of Rocky Hill is required to provide a realistic opportunity for the development of its fair share of affordable housing; and

WHEREAS, pursuant to the FHA the Borough is required to adopt any ordinance necessary to meet such obligation by March 15, 2026, to avoid being found noncompliant, and

WHEREAS, the Borough entered into a settlement with David K. Schafer, dated January 17, 2026, resolving the Borough's Fourth Round affordable housing obligation; and

WHEREAS, said settlement required an amendment to the Princeton Avenue Affordable Housing Overlay Zone; and

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

NOW, THEREFORE, BE IT ORDAINED by the Borough Council of the Borough of Rocky Hill as follows (deletions are shown ~~thusly~~ and additions are shown **thusly**):

SECTION 1

1. Section 1-25, Zoning Map, is hereby amended as follows:

Block 10, Lots 12 and 19.01 and part of Block 10, Lot 10 (consistent with the settlement agreement and red line indicated on Exhibit A) is hereby rezoned from R-1B to Princeton Avenue Affordable Housing Overlay AH. The remainder of Block 10, Lot 10 shall remain in the R-1B zoning district.

2. The Zoning Map is hereby considered and shall be amended to reflect the depiction of the above zoning changes. The official map of the municipality shall not take effect until filed with the county recording officer per N.J.S.A. 40:55D-16.

SECTION 2

Section 80-86.2. Princeton Avenue Affordable Housing Overlay AH shall be amended as follows: (removal indicated with strikethrough and additions indicated with bold and underline)

A. Purpose. The purpose of the Princeton Avenue Affordable Housing Overlay Zoning District is to promote a mix of residential housing types within a single development including an affordable housing component and which is compatible with the character of the existing community and respectful of the area's natural resources.

B. Terms defined. As used in this section, the following terms shall have the meanings

indicated:

STACKED TOWNHOUSE — A structure containing two or more connected dwelling units stacked one unit above another, which can include shared floors divided by walls and shared common party walls, with private entrances to each unit. There shall be no more than ~~eight~~ **twelve** units per building.

TOWNHOUSE — A structure of no less than three and no more than ~~six~~ **eight** attached dwelling units, with each dwelling unit extending from the ground to the roof and having individual outside access and no interior facilities, conveniences, or services shared with other dwelling units making up the overall building.

C. Principal permitted uses.

- (1) Single-family detached residences.
- (2) Townhouse units.
- (3) Affordable housing units are permitted to be stacked townhouse units, provided the structure does not exceed the maximum height permitted in the zone.

D. Accessory uses.

- (1) Detached garages, which may have a breezeway connecting the garage to the residence provided that the sides are fully open and a deed restriction prohibits converting the breezeway to living space.
- (2) Off-street parking subject to the Residential Site Improvement Standards (RSIS).
- (3) Mail kiosk/cluster box unit.
- (4) Fences and walls, subject to Planning Board approval and consistent with § 80-54.
- (5) One freestanding sign at the entrance to the development, the design of which shall be subject to Planning Board approval and consistent with § 80-74, with the exception that sign area may measure no greater than 24 square feet. The height of the freestanding sign, including any support or frame, shall not be more than six feet above the ground measured at finish grade.

E. Prohibited accessory uses.

- (1) Detached garages, except as referenced in Subsection D(1).
- (2) Trash and recycling structures or areas.

F. Comprehensive development, bulk and yard regulations for all principal permitted uses and accessory uses.

- (1) Minimum tract size: The entirety of the Princeton Avenue Affordable Housing Overlay Zoning District, which shall be designed in a comprehensive manner; any development application shall show all proposed development for the entire tract.
- (2) Number of dwelling units permitted: The total shall not exceed ~~78~~ **90** dwelling units.
- (3) Size of units. Consistent with the concept plan referenced herein:
 - (a) The townhouse units may have maximum dimensions of 26 feet wide by 59 feet deep;
 - (b) The stacked townhouse units may have maximum dimensions of 28 feet wide by

60 feet deep; and

- (c) The single-family homes may have maximum dimensions of 31 feet wide by 86 feet deep inclusive of a detached garage.
- (4) Utilities: All new utilities shall be installed underground. Public water and sewer service shall be provided by the developer through a public utility company. All utility structures within the property lines shall be owned by owners, the association or the utility companies.
- (5) Affordable housing requirement. Twenty percent of the total number of residential units in the Princeton Avenue Affordable Housing Overlay Zoning District shall be deed-restricted affordable housing units in accordance with the latest applicable rules for affordable housing as determined by the Uniform Housing Affordability Controls (UHAC) of New Jersey. No certificates of occupancy shall be issued for the market rate units unless the construction is consistent with a phasing plan approved by the Planning Board to assure that the affordable housing units are built proportionally and simultaneously with the market rate units.
- (6) Maximum gross lot coverage (tract): 45%.
- (7) Minimum building setback from tract boundaries:
 - (a) Minimum building setback from Princeton Avenue right-of-way:
 - [1] Single-family detached residences: 20 feet; open porches may encroach up to five feet into the required setback.
 - [2] Townhouse units and stacked townhouse units: 75 feet.
 - (b) Minimum building setback from all other tract boundaries:
 - [1] Single-family detached residences: 60 feet.
 - [2] Townhouse units and stacked townhouse units: 50 feet, except one unit may have a minimum of a twenty-five-foot setback due to the configuration of the lot.
- (8) Maximum building height shall be:
 - (a) Principal structures: 2 1/2 stories and 35 feet, as measured from the finished first floor elevation of each unit to the roof ridge. The finished first floor elevation shall be no more than three feet above the proposed grade where the service walk meets the front porch. The building height restriction shall apply to each unit.
 - (b) Walkouts are only permitted on the market rate townhouses, not on the stacked affordable units. A maximum of 15% of the total units permitted may have walkout basements.
 - (c) A unit with a walkout basement shall not exceed 48 feet from the average finished grade elevation of the two rear corners of the walkout side of the unit to the roof ridge. The measurement shall apply to each unit.
 - (d) Accessory structure: 14 feet.
- (9) Roof overhangs may encroach into building setback and separation a maximum of 12 inches.
- (10) Architectural features, including, but not limited to, chimneys and bay windows as well

as air conditioners, patios and decks, are not permitted within building setbacks from tract boundaries as established in Subsection F(7) above, with the exception open porches are permitted to encroach into the Princeton Avenue right-of-way as established in Subsection F(7)(a)[1] above.

- (11) Only the single-family houses shall front on Princeton Avenue.
- (12) All on-site streets interior to the development will be constructed consistent with the Residential Site Improvement Standards.
- (13) The association shall retain ownership of the roads and be responsible for all maintenance.
- (14) Connectivity.
 - (a) The development will have sidewalks on at least one side of all internal roads and along Princeton Avenue in front of the single-family units connecting to the internal sidewalks at the development entrance.
 - (b) Bike lanes shall not be required in the Princeton Avenue Affordable Housing Overlay.
 - (c) The development will include a walking path to connect the development to the adjacent park to be approved by the Planning Board.
 - (d) In the event that the Borough obtains an easement for a bike/walking path to Crescent Avenue, the development will include a connecting path located adjacent to or near the affordable units.
- (15) Parking shall be provided in accordance with the Residential Site Improvement Standards. Single-family detached units shall meet the requirements for four-bedroom single-family units in RSIS, townhouses shall meet the requirements for three-bedroom townhouses in RSIS, and stacked townhouses shall meet the requirements for one-, two-, or three-bedroom garden apartments in RSIS. Required off-street parking shall be located within 300 feet from the unit served.
- (16) A landscape buffer as defined in § 80-46, Buffers, shall be required along the perimeter property lines, except where an existing easement runs parallel to the property line, the requirement can be met with a minimum of a ten-foot staggered evergreen tree buffer.
- (17) Homeowners' association.
 - (a) A homeowners' association shall be responsible for the upkeep and maintenance of all common areas and the ongoing enforcement of all standards in accordance with the homeowners' documents.
 - (b) The type of homeowners' association will be at the discretion of the developer, and the developer will provide the Planning Board attorney with proof of registration with the Department of Community Affairs.
- (18) The development entrance shall be provided by a divided-type entrance roadway (a boulevard) to at least the first cross street.
- (19) Site design. The following concept plan illustrates the general pattern of development permitted in the Princeton Avenue Affordable Housing Overlay Zoning District, in accordance with the Round Three Affordable Housing Settlement Agreement of the Borough of Rocky Hill.

- G. Yard and bulk standards for single-family detached residences.
- (1) Minimum lot area: 5,000 square feet.
 - (2) Minimum lot frontage: 50 feet.
 - (3) Minimum lot width: 50 feet.
 - (4) Minimum lot depth: 100 feet.
 - (5) Minimum front yard setback: 20 feet, except porches may encroach up to five feet into the setback.
 - (6) Minimum side yard setback: five feet.
 - (7) Minimum rear yard setback: 32 feet for principal structures; five feet for accessory structures. In the case where an accessory structure is attached to the home by way of an open breezeway, the five-foot rear setback shall still apply to the accessory structure.
 - (8) All single-family detached residences shall have frontage along Princeton Avenue and the front facade of the dwelling units shall face Princeton Avenue. All garages shall be located in the rear of the lot. No driveway access shall be permitted from Princeton Avenue to any single-family detached residential lot.
 - (9) Single-family homes must have a detached garage, which may be attached with an open-sided breezeway. Detached garages may be accessed from a private roadway which shall not constitute lot frontage.
- H. Yard and bulk standards for townhouse and stacked townhouse units.
- (1) Minimum front building setback:
 - (a) From the curb of any internal cartway: 20 feet.
 - (b) Where sidewalk is present, 18 feet from the house side of the sidewalk.
 - (2) Minimum side building setback from the curb to any internal cartway and/or parking: 15 feet.
 - (3) Minimum building separation, side-to-side: 20 feet except that open porches may encroach up to five feet within this separation.
 - (4) Minimum building separation, side-to-rear or rear-to-rear: 40 feet.
- I. In the event of any conflict between the provisions and requirements of this section and the provisions and requirements of any other section of this chapter, the provisions and requirements of this section shall govern.
- J. Architectural design standards for single-family residences, townhouse units, and stacked townhouse units.
- (1) Building facades should be articulated to create visual interest and help define each individual home. Articulation within the building facades shall consist of variation in the appearance and structure.
 - (2) The visual goals shall be achieved through the inclusion of features such as covered porches, bay windows, offset facades, and differentiated building material types on some of the units.

- (3) The buildings shall have varied rooflines so that no more than two units have a common ridge and roofline.
- (4) Emphasis should be on Craftsman-style or farmhouse features to reflect the character and feel of residential neighborhoods in Rocky Hill's Historic District.
- (5) Roof height, pitch, ridgelines and roof materials should be varied to create visual interest and avoid repetition. The roof pitch for primary roofs shall be 6:12; however, low-pitched roofs may be acceptable if appropriate to the architectural style of decorative features such as dormers, gables, and covered porches.
- (6) At least half of the units must have architectural features on the front portion of the main roof such as gables or dormers.
- (7) All primary roofs shall have a minimum eave depth of 12 inches as it occurs on the front, rear and end elevations. This shall not apply at adjoining units.
- (8) Buildings shall incorporate varied architectural features at covered entrances, corners, eaves and windows.
- (9) Each individual unit shall be designed with a private covered entry door porch and incorporate columns and/or sidelights or transom windows to create a focus on the front entrance. The entry porch shall not be recessed more than four feet from the face of the garage door.
- (10) All doors and windows shall have at least four-inch nominal casings with sills and four-inch heads.
- (11) If the design includes shutters, they shall be appropriately sized in proportion to the windows.
- (12) Any individual facade treatment may not repeat more than twice in any single grouping of townhouse units, except for the stacked townhouse units.
- (13) The design shall create a "pedestrian scale" to the development generated by facade designs and materials that differentiate the first floor from upper floors.
- (14) There shall be no windowless facades.
- (15) Windows shall be double hung and designed with actual or simulated divided lights to complement the historic architectural style.
- (16) First floor windows shall be taller than windows on the second floor.
- (17) A minimum of 20% of townhouse units shall include a garage that is one bay wide with the applicant having the sole discretion to provide a garage that is one bay wide in greater than 20% of the townhouse units. Townhouse units not having garages one bay wide may have garages that are two bays wide.
- (18) Each building consisting of six dwelling units shall include at least two units with garages that are one bay wide.
- (19) Two car garage doors will appear to be two carriage doors, will have windows and will not exceed 16 feet wide.
- (20) Building color and materials shall have a complementary palate that is consistent with the general theme of the development.
- (21) The maximum number of units before a horizontal break in the footprint shall be two

and the minimum offset shall be two feet.

- (22) End units should receive architectural treatments complementary to the front facades and incorporate side entrances with covered porches on the end-facing facade.
- (23) The applicant will prepare and make available to the Planning Board an existing neighborhood survey showing the architectural design features that inform the character of the proposed neighborhood and, in the discretion of the applicant, architectural design features representative of the neighborhood may be included as part of the applicant's architectural design.

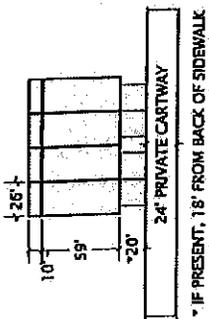
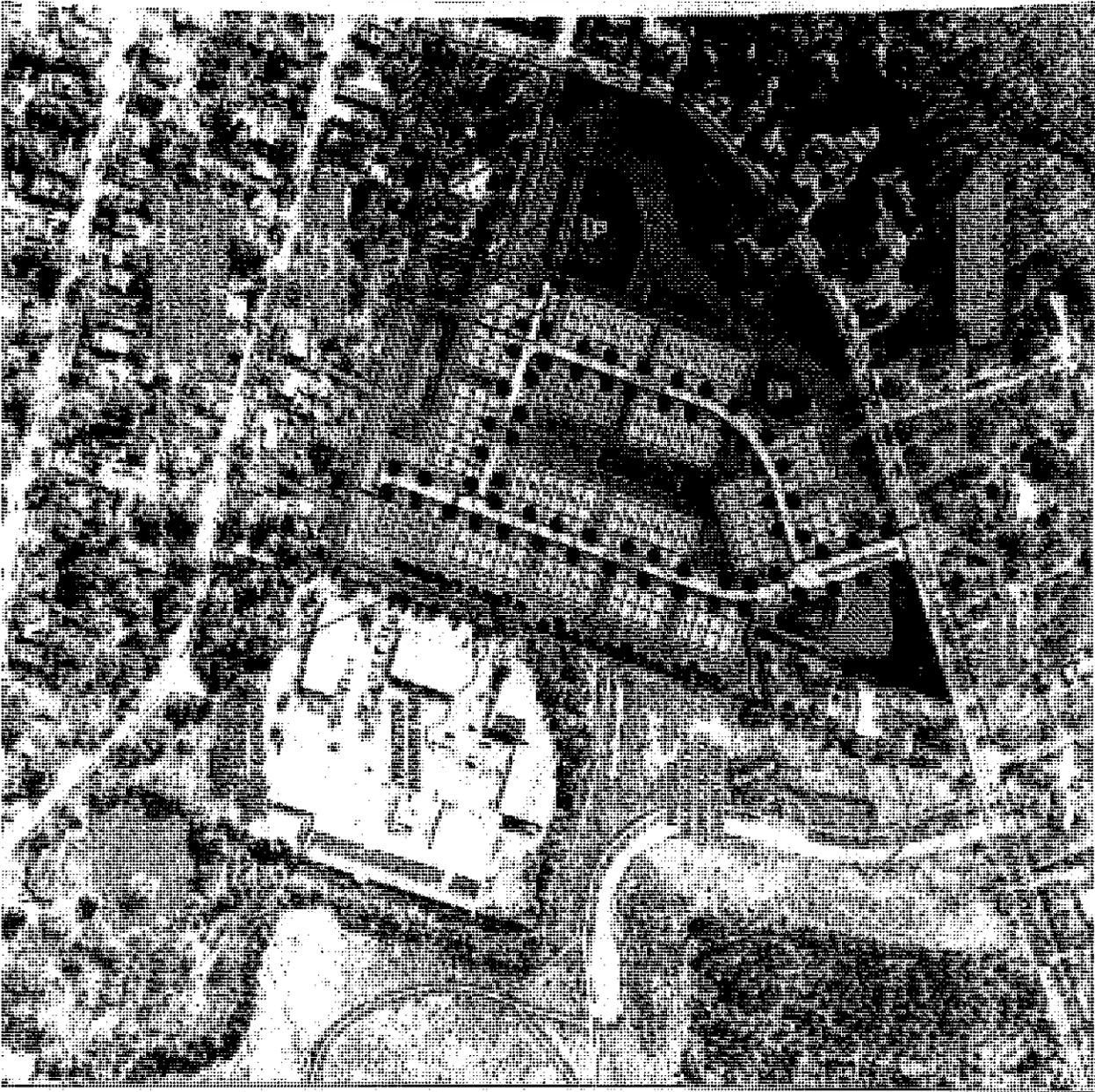
K. Blasting requirements and restriction.

- (1) The applicant's blasting contractor shall conduct a preblasting survey of structures in the vicinity of rock blasting activities within a 300-foot radius. Prior to the commencement of blasting activities, the applicant's blasting contractor shall provide the Borough Engineer with a list identifying the structures that are proposed to be surveyed. If the Borough Engineer believes additional structures should be included in the survey list, the blasting contractor will work with the Borough Engineer to supplement the survey list. At least seven days prior to the commencement of the blasting, the owner(s) and/or occupants(s) of the homes and structures identified on the survey list shall be notified of the anticipated starting and completion date of the blasting activities by way of a letter from the blasting company.
- (2) The applicant shall retain the services of a licensed New Jersey professional engineer (applicant's engineer) with experience to perform the preblast survey. The applicant's engineer shall submit their resume that includes relevant experience to the Borough for approval prior to performing the work.
- (3) A vibration monitoring control plan prepared by the applicant's engineer. This a project critical item and the industry standard for providing vibration data during blasting operations to determine if the vibration levels established by the United States Department of Interior have been exceeded that would result in structural damages to the surrounding structures and underground utilities. Compliance at these levels for vibration and air blast eliminates the probability of damage to structures as determined by the United States Department of Interior. The vibration monitoring control shall include the vibration limits (peak particle velocity or PPV) for all structure types, including historical, and seismograph information (manufacturer, model number, calibration date certificates and proposed locations). Vibration monitoring shall be performed in accordance with the plan approved by the Borough during all blasting operations.
- (4) The applicant shall retain the services of a licensed New Jersey blasting contractor. All blasting shall be performed in accordance with New Jersey Administrative Code Title 12, Labor and Workforce Development, Chapter 190, Explosives, Subchapter 7, Use of Explosives. The blasting contractor shall be required to submit their blasting plan that would include hole locations, depths, charge type and quantity per hole, fuses, delay sequence, blast matting, stemming, etc. The blaster shall demonstrate that the vibration limits for the surrounding structures and utilities would not be exceeded and, if they are exceeded, what is the protocol for revising the blasting plan to ensure the vibration limits are not exceeded during subsequent blasts. Several test blasts shall be performed to determine the effectiveness of the vibration monitoring control plan and anticipated ground response.
- (5) The applicant's engineer shall perform post-condition surveys once blasting operations

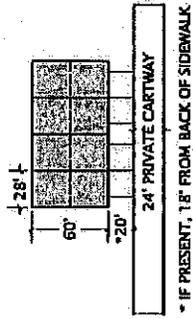
are complete. Emergency inspections of the surrounding structures and underground utilities may be required based on the seismograph data recorded during blasting events where the established vibration limit (PPV) has been exceeded.

- (6) There shall be no on-site rock-crushing operation. The applicant shall utilize dust control measures in connection with all blasting activities. The applicant shall use only the services of a New Jersey State licensed blaster. The site shall be safety fenced during all blasting operations to the satisfaction of the Board Engineer, and the applicant shall secure approval of the proposed safety fencing from the Board Engineer prior to the commencement of blasting activities.
- (7) The applicant shall also provide to the Borough Clerk, the Borough Engineer, the local Fire Department, and the State Police, in writing, an identification of the blaster, his/her New Jersey blasting license number, address and phone number, and the name and phone number of the applicant's representative who can be contacted in the event of an emergency.
- (8) The applicant shall maintain a list of those property owners on adjacent lots and those residents who have registered to be notified in advance of blasting operations on site and shall telephonically contact those individuals at least 48 hours in advance of blasting operations regarding the proposed blasting schedule. The applicant shall also notify the State Police, Fire Department, Borough Clerk and Board Engineer. The applicant shall comply with all regulations established by the State of New Jersey.
- (9) Rock blasting shall be limited to Monday through Friday between the hours of 9:00 a.m. and 4:30 p.m. There shall be no blasting on weekends or holidays. An air horn shall be sounded in advance of each blast.
- (10) The applicant shall consult with the Borough Building Inspector, Code Enforcement Officer, Engineer, Fire Department representative and State Police representative and prepare a construction safety plan that addresses the precautions that will be taken in conjunction with on-site construction, including the duties of an on-site supervisor, fencing around certain construction areas and child safety measures. This safety plan shall be submitted to the Borough Clerk and Board Engineer prior to the commencement of any on-site work that may involve blasting.
- (11) All insurance and bonding requirements shall be included in the developer's agreement and approved by the Borough Attorney and Borough Council.

EXHIBIT A – CONCEPT PLAN



TYPICAL 26' WIDE TRADITIONAL TOWNHOME
SCALE: 1" = 8'



TYPICAL STACKED AFFORDABLE UNITS
SCALE: 1" = 8'

SITE NOTES:

1. CONCEPT ASSUMES (1) ISOLATED WETLANDS TO BE FILLED, ADDITIONAL INVESTIGATION AND FEASIBILITY STUDY REQUIRED.
2. PROPOSED WETLAND BUFFER AS SHOWN IN SECTION FIRST OF ORDINANCE BOOKS.
3. PROPOSED WETLAND BUFFER AS SHOWN IN SECTION FIRST OF ORDINANCE BOOKS.
4. BUFFER REQUIRED FROM WETLAND FOR ALL AREAS WITHIN THE BUFFER SHALL BE MAINTAINED AS OPEN SPACE PER LOCAL ORDINANCES.
5. BUFFER REQUIRED FROM U.S. NAVIGABLE STREAMS, PROPOSED BUFFER REDUCTION AS FOLLOWS: 30' FROM NAVIGABLE REDUCTION FROM U.S. SPACES PER UNIT TO 10.5' SPACES PER UNIT.

LEGEND:



EXHIBIT B



Ordinance # ORDINANCE-2026-03

An Ordinance Adopting an Affordable Housing Ordinance and Development Fee Ordinance in Accordance with the Fair Housing Act, Uniform Housing Affordability Controls, and N.J.A.C. 5:99-1, Et Seq

Introduced and passed on first reading: February 11, 2026
Finally Adopted: March 11, 2026

ATTEST:

A handwritten signature in black ink, appearing to be "Rebecca Newman".

Rebecca Newman, Borough Clerk

A handwritten signature in black ink, appearing to be "Robert Uhrick".

Robert Uhrick, Mayor

BOROUGH OF ROCKY HILL

ORDINANCE NO. 2026-03

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

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

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

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

NOW, THEREFORE, BE IT ORDAINED by the Borough Council of the Borough of Rocky Hill that Articles VIII and IX are amended as follows:

SECTION I

Article VIII (Affordable Housing - Chapters 80-97 through 80-99) is hereby repealed and replaced with the following, the entirety of which shall be contained in a new Chapter 80-97 entitled “Affordable Housing”:

A. Introduction & Applicability

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

with applicable law. Low-Income Housing Tax Credit financed developments shall adhere to the provisions set forth below in item 5.c. below.

3. The Borough of Rocky Hill Planning Board has adopted a HEFSP pursuant to the Municipal Land Use Law at N.J.S.A. 40:55D-1, et seq. The Fair Share Plan describes the ways the municipality shall address its fair share of very low-, low- and moderate-income housing as approved by the Superior Court and documented in the Housing Element.
4. This Ordinance implements and incorporates the relevant provisions of the HEFSP and addresses the requirements of P.L 2024, Chapter 2, the FHA, N.J.A.C. 5:99, NJ Supreme Court upheld COAH regulations at N.J.A.C. 5:93 and 5:97, and UHAC at N.J.A.C. 5:80-26.1, as may be amended and supplemented.
5. Applicability
 - a. The provisions of this Ordinance shall apply to all affordable housing developments and affordable housing units that currently exist and that are proposed to be created pursuant to the municipality's most recently adopted HEFSP.
 - b. This Ordinance shall apply to all developments that contain very low-, low- and moderate-income housing units included in the Municipal HEFSP, including any unanticipated future developments that will provide very low-, low- and moderate-income housing units.
 - c. Projects receiving federal Low Income Housing Tax Credit financing and are proposed for credit shall comply with the low/moderate split and bedroom distribution requirements, maximum initial rents and sales prices requirements, affirmative fair marketing requirements of UHAC at N.J.A.C. 5:80-26.16 and the length of the affordability controls applicable to such projects shall be not less than a 30-year compliance period plus a 15-year extended-use period, for a total of not less than 45 years.

B. Definitions

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

“Age-restricted housing” means a housing unit that is designed to meet the needs of, and is exclusively for, an age-restricted segment of the population such that: 1. All the residents of the development where the unit is situated are 62 years or older; 2. At least 80 percent of the units are occupied by one person that is 55 years or older; or 3. The development has been designated by the Secretary of HUD as “housing for older persons” as defined in Section 807(b)(2) of the Fair Housing Act, 42 U.S.C. § 3607.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

“Non-residential development” means:

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

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

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

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

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

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

“Prospective need” means a projection of housing needs based on development and growth which is reasonably likely to occur in a region or a municipality, as the case may be, as a result of actual determination of public and private entities. Prospective need shall be determined by the methodology set forth pursuant to sections 6 and 7 of P.L.2024, c. 2 (C.52:27D-304.2 and C.52:27D-304.3) for the fourth round and all future rounds of housing obligations.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

occupancy by a supportive housing household. Supportive housing units are also referred to as permanent supportive housing units.

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

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

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

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

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

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

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

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

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

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

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

C. Monitoring and Reporting Requirements

1. The municipality shall comply with the following monitoring and reporting requirements regarding the status of the implementation of its court-approved Housing Element and Fair Share Plan:

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

D. Municipality-wide Mandatory Set-Aside

1. A development, other than single-family detached, providing a minimum of five new housing units created through any municipal rezoning or Zoning Board action, use or density variance, redevelopment plan, or rehabilitation plan that provides for densities at or above six units per acre, is required to include an affordable housing set-aside of 20%.
 2. Any affordable units generated through such mandatory set-aside shall be subject to all other provisions of this ordinance.
 3. All such affordable units shall be governed by this ordinance the controls on affordability, including bedroom distribution, and affirmatively marketed to the housing region in conformance with UHAC at N.J.A.C. 5:80-26.1 et seq., any successor regulation, and all other applicable laws.
 4. No subdivision shall be permitted or approved for the purpose of avoiding compliance with this requirement. Developers cannot, for example, subdivide a project into two lots and then make each of them a number of units just below the threshold.
 5. The mandatory set-aside requirements of this section do not give any developer the right to any rezoning, variance or other relief, or establish any obligation on the part of the municipality to grant such rezoning, variance or other relief.
 6. This municipality-wide mandatory set-aside requirement does not apply to any sites or specific zones otherwise identified in the HEFSP, for which density and set-aside requirements shall be governed by the specific standards as set forth therein.
- E. New Construction (per N.J.A.C. 5:93 as may be updated per various sections in N.J.A.C. 5:97 and N.J.S.A. 52:27D-301 et seq.). Per the definition of "New Construction," this section governs the creation of new affordable housing units regardless of the means by which the units are created. Newly constructed units may include new residences constructed or created through other means.
1. The following requirements shall apply to all new or planned developments that contain very low-, low- and moderate-income housing units. To the extent possible, details related to the adherence to the requirements below shall be outlined in the resolution granting

municipal subdivision or site plan approval of the project to assist municipal representatives, developers and Administrative Agents.

2. Completion Schedule (previously known as phasing). Final site plan or subdivision approval shall be contingent upon the affordable housing development meeting the following completion schedule for very low-, low- and moderate-income units whether developed in a single-phase development, or in a multi-phase development:

Maximum Percentage of Market-Rate Units Issued a Temporary or Final Certificate of Occupancy	Minimum Percentage of Affordable Units Issued a Temporary or Final Certificate of Occupancy
25+1	10
50	50
75	75
90	100

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

Examples of communal amenities include, but are not limited to, community pools, fitness and recreation centers, playgrounds, common rooms and outdoor spaces, and building entrances and exits. This shall apply to prior round units.

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

fitness and recreation centers, playgrounds, common rooms and outdoor spaces, and building entrances and exits. This shall apply to prior round units.

vii. Each bedroom in each restricted unit must have at least one window; and

viii. Restricted units must include adequate air conditioning and heating.

4. Utilities.

a. Affordable units shall utilize the same type of cooling and heating source as market-rate units within the affordable housing development.

b. Tenant-paid utilities that are included in the utility allowance shall be so stated in the lease and shall be consistent with the utility allowance in accordance with N.J.AC 5:80-26.13(e).

5. Low/moderate split and bedroom distribution.

a. Affordable units shall be divided equally between low- and moderate-income units, except that where there is an odd number of affordable housing units, the extra unit shall be a low-income unit.

b. In each affordable housing development, at least 50% of the restricted units within each bedroom distribution rounded up to the nearest whole number shall be very low- or low-income units.

c. Within rental developments, of the total number of affordable rental units, at least 13%, rounded up to the nearest whole number, shall be affordable to very low-income households. The very low-income units shall be distributed between each bedroom count as proportionally as possible, to the nearest whole unit, to the total number of restricted units within each bedroom count, and counted as part of the required number of low-income units within the development.

d. Affordable housing developments that are not age-restricted or supportive housing shall be structured such that:

i. At a minimum, the number of bedrooms within the restricted units equals twice the number of restricted units;

ii. Two-bedroom and/or three-bedroom units compose at least 50 percent of all restricted units;

iii. The combined number of efficiency and one-bedroom units shall be no greater than 20%, rounded up, of the total number of low- and moderate-income units.

iv. At least 30% of all low- and moderate-income units, rounded up shall be two-bedroom units.

v. At least 20% of all low- and moderate-income units, rounded up shall be three-bedroom units.

vi. The remaining units may be allocated among two- and three- bedroom units at the discretion of the developer.

e. Affordable housing developments that are age-restricted or supportive housing, except those supportive housing units whose sponsoring program determines the unit

arrangements, shall be structured such that, at a minimum, the number of bedrooms shall equal the number of age-restricted or supportive housing low- and moderate-income units within the inclusionary development. Supportive housing units whose sponsoring program determines the unit arrangement shall comply with all requirements of the sponsoring program. The standard may be met by having all one-bedroom units or by having a two-bedroom unit for each efficiency unit. In affordable housing developments with 20 or more restricted units that are age-restricted or supportive housing, two-bedroom units must comprise at least 5% of those restricted units.

6. Accessibility requirements.

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

- (c) The funds deposited shall be expended for the sole purpose of making the adaptable entrance of an affordable unit accessible when requested to do so by a person with a disability who occupies or intends to occupy the unit and requires an accessible entrance.
 - (d) The developer of the restricted units shall submit to the Construction Official a design plan and cost estimate for the conversion from adaptable to accessible entrances.
 - (e) Once the Construction Official has determined that the design plan to convert the unit entrances from adaptable to accessible meets the requirements of the Barrier Free Subcode, N.J.A.C. 5:23-7, and that the cost estimate of such conversion is reasonable, payment shall be made to the Affordable Housing Trust Fund and earmarked appropriately.
- vii. Full compliance with the foregoing provisions shall not be required where an entity can demonstrate that it is "site-impracticable" to meet the requirements. If full compliance with this section would be site impracticable, compliance with this section for any portion of the dwelling shall be required to the extent that it is not site impracticable. Determinations of site impracticability shall comply with the Barrier Free Subcode at N.J.A.C. 5:23-7.

F. Affordable Housing Programs

1. Pursuant to amended UHAC regulations at N.J.A.C. 5:80-26.1 et seq. and, in addition, pursuant to P.L. 2024, c.2 and specifically to the amended FHA at N.J.S.A. 52:27D-311.m, "All parties shall be entitled to rely upon regulations on municipal credits, adjustments, and compliance mechanisms adopted by the Council on Affordable Housing unless those regulations are contradicted by statute, including but not limited to P.L. 2024, c.2, or binding court decisions." The following are many of the main provisions of the COAH regulations at either N.J.A.C. 5:93 or 5:97 that have been upheld by the NJ Supreme Court. Municipalities should consult the cited full COAH regulations when preparing the HEFSP for required documentation, etc. Additional compliance details may also be included in the specific municipal program manual.
2. Rehabilitation Programs (per N.J.A.C. 5:93-5.2 with updated provisions herein per N.J.A.C. 5:97-6.2 related to credit towards a municipal present need obligation).
 - a. The rehabilitation program shall be designed to renovate deficient housing units occupied or intended to be occupied by very low-, low- and moderate-income households such that, after rehabilitation, these units will comply with the New Jersey State Housing Code pursuant to N.J.A.C. 5:28-1.1 et seq or the Rehabilitation Subcode, N.J.A.C. 5:23-6 to the extent applicable.
 - b. Both ownership and rental units shall be eligible for rehabilitation funds.
 - c. All rehabilitated units shall remain affordable to very low-, low- and moderate-income households for a period of 10 years (the control period). For owner-occupied units, the control period shall be enforced with a mortgage and note and for renter-occupied units the control period will be enforced with a deed restriction.

- d. The municipality shall dedicate a minimum average hard cost of \$10,000 for each unit to be rehabilitated through this program and in addition shall dedicate associated rehabilitation program soft costs such as case management, inspection fees and work write-ups.
 - e. The municipality shall designate, subject to the approval of the Department, one or more Administrative Agents to administer the rehabilitation program in accordance with P.L 2024, Chapter 2. The Administrative Agent(s) shall provide rehabilitation manuals for ownership and rental rehabilitation programs. Manuals shall be adopted by resolution of the governing body. Both rehabilitation manuals shall be available for public inspection in the Office of the Municipal Clerk and on the municipal affordable housing web page.
 - f. Households determined to be very low-, low-, or moderate-income may participate in a rehabilitation program. Rehabilitated units shall be exempt from the very low-income requirements, low/mod split, and bedroom distribution requirements of UHAC, but shall be administered in accordance with the following:
 - i. If a unit is vacant at the time of rehabilitation, or if a rehabilitated unit becomes vacant and is re-rented before the expiration of the affordability controls, the deed restriction shall require that the unit be rented to a low- or moderate-income household at an affordable rent.
 - ii. If a rental unit is occupied by a tenant at the time rehabilitation is completed, the rent charged after rehabilitation shall not exceed the lesser of the tenant's current rent or the maximum rent permitted under UHAC.
 - iii. Rents in rehabilitated units may increase annually based on the standards in UHAC.
 - iv. At the time of application, applicant households and/or tenant households shall be subject to income eligibility determinations in accordance with UHAC.
3. Accessory Apartment program (per N.J.A.C. 5:93-5.9 as may be updated per various sections in N.J.A.C. 5:97-6.8).
- a. An accessory apartment program shall provide low- and moderate-income units or may be limited to only low- or only moderate-income units .
 - b. Per N.J.A.C. 5:97-6.8(c)1, at the time of initial occupancy of the unit and for at least ten years thereafter, the accessory apartment shall be rented only to income eligible households consistent with the income category and rent structure of the unit.
 - c. Rents of accessory apartments shall be established using the same methodology of affordable rental units discussed herein.
 - d. There shall be a recorded deed or declaration of covenants and restrictions applied to the property upon which the accessory apartment is located running with the land and limiting its subsequent rental for the duration of the control period.
 - e. The municipal accessory apartment program shall not restrict the number of bedrooms in any accessory apartment.
 - f. Per N.J.A.C. 5:97-6.8(b)2, the municipality shall provide a minimum of \$25,000 per unit to subsidize the creation of each low-income accessory apartment or \$20,000 per

unit to subsidize the creation of each moderate-income accessory apartment. Subsidy may be used to fund actual construction costs and/or to provide compensation for reduced rental rates.

4. Market to Affordable program (per N.J.A.C. 5:97-6.9).
 - a. The market to affordable program permits the purchase or subsidization of unrestricted units through a mortgage write-down provided to an income-certified buyer or through a sale or rental as a low- or moderate-income unit to an income-eligible household. The market to affordable program may produce both low- and moderate-income units.
 - b. At the time they are offered for sale or rental, eligible units may be new, pre-owned or vacant.
 - c. The units shall be certified to be in sound condition as a result of an inspection performed by a licensed building inspector.
 - d. A minimum subsidy of \$25,000 per moderate-income unit and/or \$30,000 per low-income unit shall be provided, with additional subsidy depending on the market prices or rents in a municipality.
 - e. The units shall comply with UHAC with the following exceptions:
 - i. Bedroom distribution (N.J.A.C. 5:80-26.4).
 - ii. Low/moderate income split (N.J.A.C. 5:80-26.4).
 - f. Affordability average (N.J.A.C. 5:80-26.4); however:
 - i. The maximum rent for a moderate-income unit shall be affordable to households earning no more than 60 percent of median income and the maximum rent for a low-income unit shall be affordable to households earning no more than 44 percent of median income; and
 - ii. The maximum sales price for a moderate-income unit shall be affordable to households earning no more than 70 percent of median income and the maximum sales price for a low-income unit shall be affordable to households earning no more than 40 percent of median income.
5. Extension of Controls Program (for ownership units per N.J.A.C. 5:97-6.14 and UHAC at N.J.A.C. 5:80-26.6(h) through (k) and (m); and for rental units per N.J.A.C. 5:97-6.14 and N.J.A.C. 5:80-26.12(h) through (k)).
 - a. An extension of affordability controls program is established to maintain and extend the affordability of deed restricted units scheduled to come out of their affordability control period, subject to N.J.A.C. 5:97-6.14 and UHAC, including the following:
 - i. The affordable unit meets the criteria for prior cycle (April 1, 1980 - December 15, 1986) or post December 15, 1986 credits set forth in N.J.A.C. 5:97.
 - ii. The affordability controls for the unit are scheduled to expire in the current round; or in the next round of housing obligations if the municipal election to extend controls is made no earlier than one year before the end of the current round;

- iii. The municipality shall obtain a continuing certificate of occupancy or a certified statement from the municipal building inspector stating that the restricted unit meets all code standards.
- iv. If a unit requires repair and/or rehabilitation work in order to receive a continuing certificate of occupancy or certified statement from the municipal building inspector, the municipality shall fund and complete the work.
- v. The municipality shall adhere to the process for extending controls pursuant to UHAC for extending ownership units and rental units, either inclusionary or 100% affordable developments.
- vi. The deed restriction for the extended control period shall be filed with the County Clerk.

6. Assisted Living Residence (per N.J.A.C. 5:97-6.11).

- a. An assisted living residence is a facility licensed by the New Jersey Department of Health to provide apartment-style housing and congregate dining and to assure that assisted living services are available. All or a designated number of apartments in the facility shall be restricted to low- and moderate-income households.
- b. The unit of credit shall be the apartment. However, a two-bedroom apartment shall be eligible for two units of credit if it is restricted to two unrelated individuals.
- c. A recipient of a Medicaid waiver shall automatically qualify as a low- or moderate-income household.
- d. Assisted living units are considered age-restricted housing in a HEFSP and shall be included with the maximum number of units that may be age-restricted.
- e. Low- and moderate-income residents cannot be charged any upfront fees.
- f. The units shall comply with UHAC with the following exceptions:
 - i. Affirmative marketing (N.J.A.C. 5:80-26.16); provided that the units are restricted to recipients of Medicaid waivers;
 - ii. The deed restriction may be on the facility, rather than individual apartments or rooms;
 - iii. Low/moderate income split and affordability average (N.J.A.C. 5:80-26.4); only if all of the affordable units are affordable to households at a maximum of 60 percent of median income; and
- g. Tenant income eligibility (N.J.A.C. 5:80-26.14); up to 80 percent of an applicant's gross income may be used for rent, food and services based on occupancy type and the affordable unit must receive the same basic services as required by the Agency's underwriting guidelines and financing policies. The cost of non-housing related services shall not exceed one and two-thirds times the rent established for each unit.

7. Supportive Housing and Group Homes (per N.J.A.C. 5:97-6.10).

- a. The following provisions shall apply to group homes, residential health care facilities, and supportive shared living housing:

- i. Units are subject to Affirmative Marketing requirements, household certification, and administrative agent oversight; and may, with the approval of the municipal housing liaison and the administrative agent, be leased either by the bedroom or to a single household in the case of multi-bedroom configurations, provided such arrangement is consistent with the Federal Fair Housing Act (Title VIII of the Civil Rights Act of 1968).
- ii. Units may, with the approval of the administrative agent, be subject to a master lease by an approved supportive housing operator, provided that all subleases are to be certified supportive housing households and remain fully subject to the affordability controls of this subchapter. Rents for supportive housing units shall not exceed the rent standards established and published by the New Jersey Department of Human Services.
- iii. The unit of credit shall be the bedroom. However, the unit of credit shall be the unit if occupied by a single person or household.
- iv. Housing that is age-restricted shall be included with the maximum number of units that may be age-restricted pursuant to the Act.
- v. Occupancy shall not be restricted to youth under 18 years of age.
- vi. In affordable developments with 20 or more restricted units that are supportive housing, two-bedroom units must compose at least five percent of those restricted units.
- vii. The bedrooms and/or units shall comply with UHAC with the following exceptions:
 - (a) Affirmative marketing; however, group homes, residential health care facilities, permanent supportive housing, and supportive shared living housing shall be affirmatively marketed to broadest possible population of qualified individuals with special needs in accordance with a plan approved by the sponsoring program;
 - (b) Affordability average and bedroom distribution (N.J.A.C. 5:80-26.4).
- viii. With the exception of units established with capital funding through a 20-year operating contract with the Department of Human Services, Division of Developmental Disabilities, group homes, residential health care facilities, supportive shared living housing and permanent supportive housing shall have the appropriate controls on affordability in accordance with the Act. In the event that a supportive housing provider is unable to record or execute a long-term deed restriction, the units shall be subject to annual recertification by the Municipal Housing Liaison to confirm continued occupancy and compliance with this Section.
- ix. Objective standards shall be applied in the selection of tenants for supportive housing units and shall be designed to ensure that individuals are not excluded in an arbitrary or capricious manner.
- x. The following documentation shall be submitted by the sponsor to the municipality prior to marketing the completed units or facility:

- (a) An Affirmative Marketing Plan in accordance with D1 above; and
- (b) If applicable, proof that the supportive and/or special needs housing is regulated by the New Jersey Department of Health and Senior Services, the New Jersey Department of Human Services or another State agency in accordance with the requirements of this section, which includes validation of the number of bedrooms or units in which low- or moderate-income occupants reside.

xi. The sponsor/owner shall complete annual monitoring as directed by the MHL.

G. Regional Income Limits.

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

H. Maximum Initial Rents And Sales Prices.

1. In establishing rents and sales prices of affordable housing units, the Administrative Agent shall follow the procedures set forth in UHAC N.J.A.C. 5:80-26.4.
2. The average rent for all restricted units within each affordable housing development shall be affordable to households earning no more than 52 percent of regional median income.
3. The maximum rent for restricted rental units within each affordable housing development shall be affordable to households earning no more than 60% of regional median income.
4. The developers and/or municipal sponsors of restricted rental units shall establish at least one rent for each bedroom type for both low-income and moderate-income units, provided that at least 13% of all low- and moderate-income rental units shall be affordable to households earning no more than 30% of median income. These very low-income units shall be part of the low-income requirement and very-low-income units should be distributed between each bedroom count as proportionally as possible, to the nearest whole unit, to the total number of restricted units within each bedroom count.
5. The maximum sales price of restricted ownership units within each affordable housing development shall be affordable to households earning no more than 70% of median income, and each affordable housing development must achieve an affordability average that does not exceed 55% for all restricted ownership units. In achieving this affordability average, moderate-income ownership units must be available for at least three different prices for each bedroom type, and low-income ownership units must be available for at least two different prices for each bedroom type when the number of low- and moderate-income units permits.
6. The master deeds and declarations of covenants and restrictions for affordable developments

may not distinguish between restricted units and market-rate units in the calculation of any condominium or homeowner association fees and special assessments to be paid by low- and

moderate-income purchasers and those to be paid by market-rate purchasers. Notwithstanding the foregoing sentence, condominium units subject to a municipal ordinance adopted before December 20, 2004, which ordinance provides for condominium or homeowner association fees and/or assessments different from those provided for in this subsection are governed by the ordinance.

7. In determining the initial sales prices and rents for compliance with the affordability average requirements for restricted family units, the following standards shall be met:
 - a. A studio or efficiency unit shall be affordable to a one-person household;
 - b. A one-bedroom unit shall be affordable to a one and one-half person household;
 - c. A two-bedroom unit shall be affordable to a three-person household;
 - d. A three-bedroom unit shall be affordable to a four and one-half person household; and
 - e. A four-bedroom unit shall be affordable to a six-person household.
8. In determining the initial rents and sales prices for compliance with the affordability average requirements for restricted units in assisted living facilities and age-restricted and special needs and supportive housing developments, the following standards shall be met:
 - a. A studio or efficiency unit shall be affordable to a one-person household;
 - b. A one-bedroom unit shall be affordable to a one and one-half person household; and
 - c. A two-bedroom unit shall be affordable to a two-person household or to two one-person households. Where pricing is based on two one-person households, the developer shall provide a list of units so priced to the Municipal Housing Liaison and the Administrative Agent.
9. The initial purchase price for all restricted ownership units shall be calculated so that the monthly carrying cost of the unit, including principal and interest (based on a mortgage loan equal to 95 percent of the purchase price and the FreddieMac 30-Year Fixed Rate-Mortgage rate of interest), property taxes, homeowner and private mortgage insurance and condominium or homeowner association fees do not exceed 30 percent of the eligible monthly income of the appropriate size household as determined pursuant to N.J.A.C. 5:80-26.7, as may be amended and supplemented; provided, however, that the price shall be subject to the affordability average requirement of N.J.A.C. 5:80-26.4, as may be amended and supplemented.
10. The initial rent for a restricted rental unit shall be calculated so that the total monthly housing expense, including an allowance for tenant-paid utilities, does not exceed 30 percent of the gross monthly income of a household of the appropriate size whose income is targeted to the applicable percentage of median income for the unit, as determined pursuant to N.J.A.C. 5:80-26.3, as may be amended and supplemented. The rent shall also comply with the affordability average requirement of N.J.A.C. 5:80-26.4, as may be amended and supplemented. The initial rent for a restricted rental unit shall be calculated so the eligible monthly housing expenses/income, including an allowance for tenant-paid

utilities does not exceed 30 percent of gross income of and the appropriate household size as determined pursuant to N.J.A.C. 5:80-26.3, as may be amended and supplemented.

11. At the anniversary date of the tenancy of the certified household occupying a restricted rental unit, following proper notice provided to the occupant household pursuant to N.J.S.A. 2A:18-61.1.f, the rent may be increased to an amount commensurate with the annual percentage increase in the Consumer Price Index for All Urban Consumers (CPI-U), specifically U.S. Bureau of Labor Statistics Series CUUR0100SAH, titled "Housing in Northeast urban, all urban consumers, not seasonally adjusted." Rent increases for units constructed pursuant to Low-Income Housing Tax Credit regulations shall be indexed pursuant to the regulations governing Low-Income Housing Tax Credits.

I. Affirmative Marketing.

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

marketing of initial sales and rentals and resales and re-rentals. The Administrative Agent designated by the municipality shall implement the Affirmative Marketing Process to ensure the Affirmative Marketing of all affordable units, with the exception of affordable programs that are exempt from Affirmative Marketing as noted herein.

5. The Affirmative Marketing Process shall describe the media to be used in advertising and publicizing the availability of housing. In implementing the Affirmative Marketing Process, the Administrative Agent shall consider the use of language translations where appropriate.
 6. Applications for affordable housing or notices thereof, if offered online, shall be available in several locations, including, at a minimum, the County Administration Building and/or the County Library for each county within the housing region; the municipal administration building and municipal library in the municipality in which the units are located; and the developer's rental or sales office. The developer shall mail applications to prospective applicants upon request and shall make applications available through a secure online website address.
 7. In addition to other Affirmative Marketing strategies, the Administrative Agent shall provide specific notice of the availability of affordable housing units on the New Jersey Housing Resource Center website. Any other entities, including developers or persons or companies retained to implement the Affirmative Marketing Process, shall comply with this paragraph.
 8. In implementing the Affirmative Marketing Process, the Administrative Agent shall provide a list of counseling services to low- and moderate-income applicants on subjects such as budgeting, credit issues, mortgage qualification, rental lease requirements, and landlord/tenant law.
 9. The Affirmative Marketing Process for available affordable units shall begin at least four months (120 days) prior to the expected date of occupancy.
 10. The cost to affirmatively market the affordable units shall be the responsibility of the developer, sponsor or owner, with the exception of Affirmative Marketing for resales.
- J. Selection of Occupants of Affordable Housing Units.
1. The Administrative Agent shall use a random selection process to select occupants of very low-, low- and moderate-income housing.
 2. A pool of interested households will be maintained in accordance with the provisions of N.J.A.C. 5:80-26.16.
- K. Occupancy Standards.
1. In referring certified households to specific restricted units, to the extent feasible, and without causing an undue delay in occupying the unit, the Administrative Agent shall strive to:
 - a. Ensure each bedroom is occupied by at least one person, except for age-restricted and supportive and special needs housing units;
 - b. Provide a bedroom for every two adult occupants;

- c. With regard to occupants under the age of 18, accommodate the household's requested arrangement, except that such arrangement may not result in more than two occupants under the age of 18 occupying any bedroom; and
 - d. Avoid placing a one-person household into a unit with more than one bedroom.
- L. Control Periods for Restricted Ownership Units and Enforcement Mechanisms.
1. Control periods for restricted ownership units shall be in accordance with N.J.A.C. 5:80-26.6, as may be amended and supplemented, and each restricted ownership unit shall remain subject to the controls on affordability for a period of at least 30 years subject to the requirements of N.J.A.C. 5:80-26.6, as may be amended and supplemented.
 2. Rehabilitated housing units that are improved to code standards shall be subject to affordability controls for a period of not less than 10 years (crediting towards present need only).
 3. The affordability control period for a restricted ownership unit shall commence on the date the initial certified household takes title to the unit. The date of commencement shall be identified in the deed restriction.
 4. If existing affordability controls are being extended, the extended control period for a restricted ownership unit commences on the effective date of the extension, which is the end of the original control period.
 5. After the end of any control period, the restricted ownership unit remains subject to the affordability controls set forth in this subchapter until the owner gives notice of their intent to make an exit sale, at which point:
 - a. If the municipality exercises the right to extend the affordability controls on the unit, no exit sale occurs and a new control period commences; or
 - b. If the municipality does not exercise the right to extend the affordability controls on the unit, the affordability controls terminate following the exit sale.
 6. Prior to the issuance of any building permit for the construction/rehabilitation of restricted ownership units, the developer/owner and the municipality shall record a preliminary instrument provided by the Administrative Agent.
 7. Prior to the issuance of the initial certificate of occupancy for a restricted ownership unit and upon each successive sale during the period of restricted ownership, the Administrative Agent shall determine the restricted price for the unit and shall also determine the nonrestricted, fair market value of the unit based on either an appraisal or the unit's equalized assessed value without the restrictions in place.
 8. At the time of the initial sale of the unit and upon each successive price-restricted sale, the initial purchaser shall execute and deliver to the Administrative Agent a recapture note obliging the purchaser, as well as the purchaser's heirs, successors, and assigns, to repay, upon the first non-exempt sale after the unit's release from the restrictions set forth in this Ordinance, an amount equal to the difference between the unit's non-restricted fair market value and its restricted price, and the recapture note shall be secured by a recapture lien evidenced by a duly recorded mortgage on the unit.

9. The affordability controls set forth in this Ordinance shall remain in effect despite the entry and enforcement of any judgment of foreclosure with respect to price-restricted ownership units.

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

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

Administrative Agent. Unless otherwise approved by the Administrative Agent, the purchase of any property other than central air conditioning shall not be made a condition of the unit resale. The seller and the purchaser must personally certify at the time of closing that no unapproved transfer of funds for the purpose of selling and receiving property has taken place at the time of or as a condition of resale.

N. Buyer Income Eligibility.

1. Buyer income eligibility for restricted ownership units shall be established pursuant to N.J.A.C. 5:80-26.17, as may be amended and supplemented, such that very low-income ownership units shall be reserved for occupancy by households with a gross household income less than or equal to 30% of median income, low-income ownership units shall be reserved for occupancy by households with a gross household income less than or equal to 50% of median income and moderate-income ownership units shall be reserved for occupancy by households with a gross household income less than 80% of median income.
2. Notwithstanding the foregoing, the Administrative Agent may, upon approval by the municipality, and subject to the Division's approval, permit a moderate-income purchaser to buy a low-income unit if and only if the Administrative Agent can demonstrate that there is an insufficient number of eligible low-income purchasers in the housing region to permit prompt occupancy of the unit and all other reasonable efforts to attract a low-income purchaser, including pricing and financing incentives, have failed. Any such low-income unit that is sold to a moderate-income household shall retain the required pricing and pricing restrictions for a low-income unit. Similarly, the administrative agent may permit low-income purchasers to buy very-low-income units in housing markets where, as determined by the Division, units are reserved for very-low-income purchasers, but there is an insufficient number of very-low-income purchasers to permit prompt occupancy of the units. In such instances, the purchased unit must be maintained as a very-low-income unit and sold at a very-low-income price point such that on the next resale the unit will still be affordable to very-low-income households and able to be purchased by a very-low-income household. A very-low-income unit that is seeking bonus credit pursuant to N.J.S.A. 52:27D-311.k(9) must first be advertised exclusively as a very-low-income unit according to the Affirmative Marketing requirements at N.J.A.C. 5:80-26.16, then advertised as a very-low-income or low-income unit for at least 30 additional days prior to referring any low-income household to the unit.
3. A certified household that purchases a restricted ownership unit must occupy it as the certified household's principal residence and shall not lease the unit; provided, however, that the Administrative Agent may permit the owner of a restricted ownership unit, upon application and a showing of hardship, to lease the restricted unit to another certified household for a period not to exceed one year.
4. The Administrative Agent shall certify a household as eligible for a restricted ownership unit when the household is a low-income household or a moderate-income household, as applicable to the unit, and the estimated monthly housing cost for the particular unit (including principal, interest, property taxes, homeowner and private mortgage insurance and condominium or homeowner association fees, as applicable) does not exceed 35 percent of the household's eligible monthly income; provided, however, that this limit may be exceeded if one or more of the following circumstances exists:

- a. The household currently pays more than 35% (40% for households eligible for age-restricted units) of its gross household income for housing expenses, and the proposed housing expenses will reduce its housing costs;
- b. The household has consistently paid more than 35% (40% for households eligible for age-restricted units) of eligible monthly income for housing expenses in the past and has proven its ability to pay; or
- c. The household is currently in substandard or overcrowded living conditions;
- d. The household documents the existence of assets, within the asset limitation otherwise applicable, with which the household proposes to supplement the rent payments

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

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

P. Control Periods for Restricted Rental Units.

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

deed restriction shall be recorded by the developer with the county records office, and provided as filed and recorded, to the Administrative Agent within 30 days of the receipt of a certificate of occupancy.

7. A restricted rental unit shall remain subject to the affordability controls of this Ordinance despite the occurrence of any of the following events:
 - a. Sublease or assignment of the lease of the unit;
 - b. Sale or other voluntary transfer of the ownership of the unit;
 - c. The entry and enforcement of any judgment of foreclosure on the property containing the unit; or
 - d. The end of the control period, until the occupant household vacates the unit, or is certified as over-income and the controls are released in accordance with UHAC.

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

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

continue until the occupant household's current lease term expires or that occupant household vacates the unit, whichever occurs later.

R. Tenant Income Eligibility.

1. Tenant income eligibility shall be determined pursuant to N.J.A.C. 5:80-26.14, as may be amended and supplemented, and shall be determined as follows:
 - a. Very low-income rental units shall be reserved for households with a gross household income less than or equal to 30% of the regional median income by household size.
 - b. Low-income rental units shall be reserved for households with a gross household income less than or equal to 50% of the regional median income by household size.
 - c. Moderate-income rental units shall be reserved for households with a gross household income less than 80% of the regional median income by household size.
2. The Administrative Agent shall certify a household as eligible for a restricted rental unit when the household is a very low-income, low-income or moderate-income household, as applicable to the unit, and the rent proposed for the unit does not exceed 35% (40% for age-restricted units) of the household's eligible monthly income as determined pursuant to N.J.A.C. 5:80-26.17, as may be amended and supplemented; provided, however, that this limit may be exceeded if one or more of the following circumstances exists:
 - a. The household currently pays more than 35% (40% for households eligible for age-restricted units) of its gross household income for rent, and the proposed rent will reduce its housing costs;
 - b. The household has consistently paid more than 35% (40% for households eligible for age-restricted units) of eligible monthly income for rent in the past and has proven its ability to pay;
 - c. The household is currently in substandard or overcrowded living conditions;
 - d. The household documents the existence of assets with which the household proposes to supplement the rent payments; or
 - e. The household documents reliable anticipated third-party assistance from an outside source such as a family member in a form acceptable to the Administrative Agent and the owner of the unit.
3. The applicant shall file documentation sufficient to establish the existence of any of the circumstances in 2.a. through 2.e. above with the Administrative Agent, who shall counsel the household on budgeting.

S. Municipal Housing Liaison.

1. The Municipal Housing Liaison shall be approved by municipal resolution.
2. The Municipal Housing Liaison shall be approved by the Division, or is in the process of getting approval, and fully or conditionally meets the requirements for qualifications, including initial and periodic training as set forth in in N.J.A.C. 5:99-1 et seq.
3. The Municipal Housing Liaison shall be responsible for oversight and administration of the affordable housing program, including the following responsibilities, which may not be contracted out to the Administrative Agent:

- a. Serving as the primary point of contact for all inquiries from the Affordable Housing Dispute Resolution Program, the State, affordable housing providers, administrative agents and interested households.
- b. The oversight of the Affirmative Marketing Plan and affordability controls.
- c. When applicable, overseeing and monitoring any contracting Administrative Agent.
- d. Overseeing the monitoring of the status of all restricted units listed in the Fair Share Plan.
- e. Verifying, certifying and providing annual information within AHMS at such time and in such form as required by the Division.
- f. Coordinating meetings with affordable housing providers and administrative agents, as needed.
- g. Attending continuing education opportunities on affordability controls, compliance monitoring, and affirmative marketing as offered or approved by the Division.
- h. Overseeing the recording of a preliminary instrument in the form set forth at N.J.A.C. 5:80-26.1 for each affordable housing development.
- i. Coordinating with the Administrative Agent, municipal attorney and municipal Construction Code Official to ensure that permits are not issued unless the document required in C.8. above has been duly recorded.
- j. Listing on the municipal website contact information for the MHL and Administrative Agents.

T. Administrative Agent.

1. All municipalities that have created or will create affordable housing programs and/or affordable units shall designate or approve, for each project within its HEFSP, an administrative agent to administer the affordable housing program and/or affordable housing units in accordance with the requirements of the FHA, NJAC 5:99-1 et seq. and UHAC.
2. The fees for administrative agents shall be paid as follows:
 - a. Administrative agent fees related to rental units shall be paid by the developer/owner.
 - b. Administrative agent fees related to initial sale of units shall be paid by the developer.
 - c. Administrative agent fees related to resales shall be paid by the seller of the affordable home. Single-family homeowners and condominium homeowners shall be required to pay 3% of the sales price for services provided by the administrative agent related to the resale of their homes. That fee shall be collected at closing and paid directly to the administrative agent.
 - d. Administrative agent fees related to ongoing administration and enforcement shall be paid by the municipality.
3. An Operating Manual for each affordable housing program shall be provided by the Administrative Agent(s). The Operating Manual(s) shall be available for public inspection

in the Office of the Clerk and in the office(s) of the Administrative Agent(s). Operating manuals shall be adopted by resolution of the Governing Body.

4. Subject to the role of the Administrative Agent(s), the duties and responsibilities as are set forth in N.J.A.C. 5:99-7 and which are described in full detail in the Operating Manual, including those set forth in UHAC, include:
 - a. Attending continuing education opportunities on affordability controls, compliance monitoring, and affirmative marketing as offered or approved by the Division;
 - b. Affirmative marketing:
 - i. Conducting an outreach process to affirmatively market affordable housing units in accordance with the Affirmative Marketing Plan of the municipality and the provisions of N.J.A.C. 5:80-26.16.
 - ii. Providing counseling, or contracting to provide counseling services, to low- and moderate-income applicants on subjects such as budgeting, credit issues, mortgage qualification, rental lease requirements; and landlord/tenant law.
 - c. Household certification.
 - i. Soliciting, scheduling, conducting and following up on interviews with interested households.
 - ii. Conducting interviews and obtaining sufficient documentation of gross income and assets upon which to base a determination of income eligibility for a low- or moderate-income unit;
 - iii. Providing written notification to each applicant as to the determination of eligibility or non-eligibility within 5 days of the determination thereof.
 - iv. Requiring that all certified applicants for restricted units execute a certificate substantially in the form, as applicable, of either the ownership or rental certificates set forth in the Appendices J and K of N.J.A.C. 5:80-26.1 et seq.
 - v. Creating and maintaining a referral list of eligible applicant households living in the housing region, and eligible applicant households with members working in the housing region, where the units are located.
 - vi. Employing a random selection process as provided in the Affirmative Marketing Plan when referring households for certification to affordable units.
 - d. Affordability controls.
 - i. Furnishing to attorneys or closing agents forms of deed restrictions and mortgages for the recording at the time of conveyance of title of each restricted unit.
 - ii. Ensuring that the removal of the deed restrictions and cancellation of the mortgage note are effectuated and filed properly with the County Register of Deeds or County Clerk's office after the termination of the affordability controls for each restricted unit in accordance with UHAC.
 - iii. Communicating with lenders and the Municipal Housing Liaison regarding foreclosures.

- iv. Ensuring the issuance of Continuing Certificates of Occupancy or certifications pursuant to N.J.A.C. 5:80-26.11.
- e. Records retention.
 - i. Creating and maintaining a file on each restricted unit for its control period, including the recorded deed with restrictions, recorded recapture mortgage, and note, as appropriate.
 - ii. Records received, retained, retrieved, or transmitted in furtherance of crediting affordable units of a municipality constitute public records of the municipality as defined by N.J.S.A. 47:3-16, and are legal property of the municipality.
- f. Resales and re-rentals.
 - i. Instituting and maintaining an effective means of communicating information between owners and the Administrative Agent regarding the availability of restricted units for resale or re-rental.
 - ii. Instituting and maintaining an effective means of communicating information to very low-, low-, or moderate-income households regarding the availability of restricted units for resale or re-rental.
- g. Processing requests from unit owners.
 - i. Reviewing and approving requests from owners of restricted units who wish to refinance or take out home equity loans during the term of their ownership to determine that the amount of indebtedness to be incurred will not violate the terms of this ordinance.
 - ii. Reviewing and approving requests to increase sales prices from owners of restricted units who wish to make capital improvements to the units that would affect the selling price, such authorizations to be limited to those improvements resulting in additional bedrooms or bathrooms and the depreciated cost of central air conditioning systems.
 - iii. Notifying the municipality of an owner's intent to sell a restricted unit.
 - iv. Making determinations on requests by owners of restricted units for hardship waivers.
- h. Enforcement.
 - i. Securing annually from the municipality a list of all affordable ownership units for which property tax bills are mailed to absentee owners, and notifying all such owners that they must either move back to their unit or sell it;
 - ii. Securing from all developers and sponsors of restricted units, at the earliest point of contact in the processing of the project or development, written acknowledgement of the requirement that no restricted unit can be offered, or in any other way committed, to any person, other than a household duly certified to the unit by the Administrative Agent;
 - iii. Sending annual mailings to all owners of affordable dwelling units reminding them of the notices and requirements outlined in N.J.A.C. 5:80-26.19(d)4;

- iv. Establishing a program for diverting unlawful rent payments to the municipal Affordable Housing Trust Fund; and
- v. Creating and publishing a written operating manual for each affordable housing program administered by the Administrative Agent setting forth procedures for administering the affordability controls.
- i. The Administrative Agent(s) shall, as delegated by the municipality, have the authority to take all actions necessary and appropriate to carry out its/their responsibilities, herein.

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

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

- c. Provide to the administrative agent a description of the types of utilities and which utilities will be included in the rent.
 - d. Agree and ensure that the utility configuration established at the start of the rent-up process not be altered at any time throughout the restricted period.
 - e. Provide to the administrative agent a proposed form of lease for any rental units.
 - f. Ensure that the tenant selection criteria for the applicants for affordable units not be more restrictive than the tenant selection criteria for applicants for non-restricted units.
 - g. Strive to maintain the continued occupancy of the affordable units during the entire restricted period.
3. In addition to A, above, the owner of affordable for-sale developments containing affordable for-sale units subject to this subchapter or the assigned management company thereof shall provide the administrative agent:
- a. Proposed pricing for all units, including any purchaser options and add-on items.
 - b. Condominium or homeowner association fees and any other applicable fees.
 - c. Estimated real property taxes.
 - d. Sewer, water, trash disposal, and any other utility assessments.
 - e. Flood insurance requirement, if applicable.
 - f. The State-approved planned real estate development public offering statement and/or master deed, where applicable, as well as the full build-out budget.

V. Enforcement of Affordable Housing Regulations

1. Upon the occurrence of a breach of any of the regulations governing the affordable unit by an owner, developer or tenant, the municipality shall have all remedies provided at law or equity, including but not limited to foreclosure, tenant eviction, municipal fines, a requirement for household recertification, acceleration of all sums due under a mortgage, recoupment of any funds from a sale in the violation of the regulations, injunctive relief to prevent further violation of the regulations, entry on the premises, and specific performance.
2. After providing written notice of a violation to an owner, developer or tenant of an affordable unit and advising the owner, developer or tenant of the penalties for such violations, the municipality may take the following action against the owner, developer or tenant for any violation that remains uncured for a period of 60 days after service of the written notice:
 - a. The municipality may file a court action pursuant to N.J.S.A. 2A:58-11 alleging a violation, or violations, of the regulations governing the affordable housing unit. If the owner, developer or tenant is found by the Court to have violated any provision of the regulations governing affordable housing units the owner, developer or tenant shall be subject to one or more of the following penalties, at the discretion of the Court:
 - i. A fine of not more than \$1000 per day or imprisonment for a period not to exceed 30 days, or both, unless otherwise specified below, provided that each and every

day that the violation continues or exists shall be considered a separate and specific violation of these provisions and not a continuation of the initial offense;

- ii. In the case of an owner who has rented his or her low- or moderate-income unit in violation of the regulations governing affordable housing units, payment into the Affordable Housing Trust Fund of the gross amount of rent illegally collected;
 - iii. In the case of an owner who has rented his or her affordable unit in violation of the regulations governing affordable housing units, payment of an innocent tenant's reasonable relocation costs, as determined by the Court.
 - iv. All remedies at law and equity, including, but not limited to, injunctive relief and foreclosure.
3. The municipality shall have the authority to levy fines against the owner of the development for instances of noncompliance with NJHRC advertising requirements (N.J.S.A. 52:27D-321.6.e.(2)), following written notice to the owner. The fine for the first offense of noncompliance shall be \$5,000, the fine for the second offense of noncompliance shall be \$10,000, and the fine for each subsequent offense of noncompliance shall be \$15,000.
 4. The municipality may file a court action in the Superior Court seeking a judgment, which would result in the termination of the owner's equity or other interest in the unit, in the nature of a mortgage foreclosure. Any judgment shall be enforceable as if the same were a judgment of default of the first purchase money mortgage and shall constitute a lien against the low- or moderate-income unit.
 - a. Such judgment shall be enforceable, at the option of the municipality, by means of an execution sale by the Sheriff, at which time the affordable unit of the violating owner shall be sold at a sale price which is not less than the amount necessary to fully satisfy and pay off any first purchase money mortgage and prior liens and the costs of the enforcement proceedings incurred by the municipality, including attorney's fees. The violating owner shall have the right to possession terminated as well as the title conveyed pursuant to the Sheriff's sale.
 - b. The proceeds of the Sheriff's sale shall first be applied to satisfy the first purchase money mortgage lien and any prior liens upon the low- or moderate-income unit. The excess, if any, shall be applied to reimburse the municipality for any and all costs and expenses incurred in connection with either the court action resulting in the judgment of violation or the Sheriff's sale. In the event that the proceeds from the Sheriff's sale are insufficient to reimburse the municipality in full as aforesaid, the violating owner shall be personally responsible for the full extent of such deficiency, in addition to any and all costs incurred by the municipality in connection with collecting such deficiency. In the event that a surplus remains after satisfying all of the above, such surplus shall be placed in escrow by the municipality for the owner and shall be held in such escrow for a maximum period of two years or until such earlier time as the owner shall make a claim with the municipality for such. Failure of the owner to claim such balance within the two year period shall automatically result in a forfeiture of such balance to the municipality. Any interest accrued or earned on such balance while being held in

escrow shall belong to and shall be paid to the municipality, whether such balance shall be paid to the owner or forfeited to the municipality.

- c. Foreclosure due to violation of the regulations governing affordable housing units shall not extinguish the restrictions of the regulations governing affordable housing units as they apply to the low- and moderate-income unit. Title shall be conveyed to the purchaser at the Sheriff's sale, subject to the restrictions and provisions of the regulations governing the affordable housing unit. The owner determined to be in violation of the provisions of this plan and from whom title and possession were taken by means of the Sheriff's sale shall not be entitled to any right of redemption.
 - d. If there are no bidders at the Sheriff's sale, or if insufficient amounts are bid to satisfy the first purchase money mortgage and any prior liens, the municipality may acquire title to the affordable unit by satisfying the first purchase money mortgage and any prior liens and crediting the violating owner with an amount equal to the difference between the first purchase money mortgage and any prior liens and costs of the enforcement proceedings, including legal fees and the maximum resale price for which the affordable unit could have been sold under the terms of the regulations governing affordable housing units. This excess shall be treated in the same manner as the excess that would have been realized from an actual sale as previously described.
 - e. Failure of the low- or moderate-income unit to be either sold at the Sheriff's sale or acquired by the municipality shall obligate the owner to accept an offer to purchase from any qualified purchaser that may be referred to the owner by the municipality, with such offer to purchase being equal to the maximum resale price of the low- or moderate-income unit as permitted by the regulations governing affordable housing units.
 - f. The affordable unit owner shall remain fully obligated, responsible and liable for complying with the terms and restrictions of governing affordable housing units until such time as title is conveyed from the owner.
5. It is the responsibility of the municipal housing liaison and the administrative agent(s) to ensure that affordable housing units are administered properly. All affordable units must be occupied within a reasonable amount of time and be re-leased within a reasonable amount of time upon the vacating of the unit by a tenant. If an administrative agent or municipal housing liaison becomes aware of or suspects that a developer, landlord, or property manager has not complied with these regulations, it shall report this activity to the Division. The Division must notify the developer, landlord, or property manager, in writing, of any violation of these regulations and provide a 30-day cure period. If, after the 30-day cure period, the developer, landlord, or property manager remains in violation of any terms of this subchapter, including by keeping a unit vacant, the developer, landlord, or property manager may be fined up to the amount required to construct a comparable affordable unit of the same size and the deed-restricted control period will be extended for the length of the time the unit was out of compliance, in addition to the remedies provided for in this section. For the purposes of this subsection, a reasonable amount of time shall presumptively be 60 days, unless a longer period of time is required due to demonstrable market conditions and/or failure of the municipal housing liaison or the administrative agent to refer a certified tenant.

6. Banks and other lending institutions are prohibited from issuing any loan secured by owner occupied real property subject to the affordability controls set forth in this subchapter if such loan would be in excess of amounts permitted by the restriction documents recorded in the deed or mortgage book in the county in which the property is located. Any loan issued in violation of this subsection is void as against public policy.
7. The Agency and the Department hereby reserve, for themselves and for each administrative agent appointed pursuant to this subchapter, all of the rights and remedies available at law and in equity for the enforcement of this subchapter, including, but not limited to, fines, evictions, and foreclosures as approved by a county-level housing judge.
8. Appeals
 - a. Appeals from all decisions of an administrative agent appointed pursuant to this subchapter must be filed, in writing, with the municipal housing liaison. A decision by the municipal housing liaison may be appealed to the Division. A written decision of the Division Director upholding, modifying, or reversing an administrative agent's decision is a final administrative action.

SECTION II

Article IX (Affordable Housing Development Fees – Chapters 80-106 through 80-115) is hereby repealed and replaced with the following, the entirety of which shall be contained in a new Chapter 80-106 entitled “Affordable Housing Development Fees”:

A. Development Fees.

1. Purpose
 - a. This section establishes standards for the collection, maintenance, and expenditure of development fees that are consistent with the amended Fair Housing Act (P.L.2024, c.2), N.J.A.C. 5:99, and the Statewide Non-Residential Development Fee Act (C. 40:55D-8.1 through 8.7). Fees collected pursuant to this Ordinance shall be used for the sole purpose of providing very low-, low- and moderate-income housing in accordance with a Court-approved Spending Plan.
2. Basic Requirements
 - a. The municipality previously adopted a development fee ordinance, which established the Municipal Affordable Housing Trust Fund.
 - b. The municipality shall not spend development fees until the court has approved a plan for spending such fees.
3. Residential Development Fees
 - a. Imposed fees
 - i. Residential developers, except for developers of the types of development specifically exempted below, shall pay a fee of 1.5% of the equalized assessed value for residential development, provided no increased density is permitted. Development fees shall also be imposed and collected when an additional dwelling unit is added to an existing residential structure; in such cases, the fee shall be

calculated based on the increase in the equalized assessed value of the property due to the additional dwelling unit.

- ii. When an increase in residential density is permitted pursuant to a “d” variance granted under N.J.S.A. 40:55D-70d(5), developers shall be required to pay a “bonus” development fee of 6.0% of the equalized assessed value for each additional unit that may be realized, except that this provision shall not be applicable to a development that will include affordable housing. If the zoning on a site has changed during the two-year period preceding the filing of such a variance application, the base density for the purposes of calculating the bonus development fee shall be the highest density permitted by right during the two-year period preceding the filing of the variance application.

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

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

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

4. Non-Residential Development Fees

a. Imposition of fees

- i. Within all zoning districts, non-residential developers, except for developers of the types of development specifically exempted, shall pay a fee equal to 2.5% of the equalized assessed value of the land and improvements, for all new non-residential construction on an unimproved lot or lots.
 - ii. Within all zoning districts, non-residential developers, except for developers of the types of development specifically exempted, shall also pay a fee equal to 2.5% of the increase in equalized assessed value resulting from any additions to existing structures to be used for non-residential purposes.
 - iii. Development fees shall be imposed and collected when an existing structure is demolished and replaced. The development fee of 2.5% shall be calculated on the difference between the equalized assessed value of the pre-existing land and improvements and the equalized assessed value of the newly improved structure; i.e., land and improvements; and such calculation shall be made at the time a final certificate of occupancy is issued. If the calculation required under this section results in a negative number, the non-residential development fee shall be zero.
- b. Eligible exactions, ineligible exactions and exemptions for non-residential development
 - i. The non-residential portion of a mixed-use inclusionary or market-rate development shall be subject to a 2.5% development fee, unless otherwise exempted below.
 - ii. The 2.5% fee shall not apply to an increase in equalized assessed value resulting from alterations, change in use within existing footprint, reconstruction, renovations and repairs.
- c. Non-residential developments shall be exempt from the payment of non-residential development fees in accordance with the exemptions required pursuant to the Statewide Non-Residential Development Fee Act (N.J.S.A. 40:55D-8.1 through 8.7), as specified in Form N-RDF "State of New Jersey Non-Residential Development Certification/Exemption." Any exemption claimed by a developer shall be substantiated by that developer.
- d. A developer of a non-residential development exempted from the non-residential development fee pursuant to the Statewide Non-Residential Development Fee Act shall be subject to the fee at such time as the basis for the exemption no longer applies, and shall make the payment of the non-residential development fee, in that event, within three years after that event or after the issuance of the final certificate of occupancy of the non-residential development, whichever is later.
- e. If a property that was exempted from the collection of a non-residential development fee thereafter ceases to be exempt from property taxation, the owner of the property shall remit the fees required pursuant to this section within 45 days of the termination of the property tax exemption. Unpaid non-residential development fees under these circumstances may be enforceable by the municipality as a lien against the real property of the owner.

5. Collection Procedures

- a. Upon the granting of a preliminary, final or other applicable approval for a development, the applicable approving authority shall direct its staff to notify the construction official responsible for the issuance of a building permit.
 - b. For non-residential developments only, the developer shall also be provided with a copy of Form N-RDF, "State of New Jersey Non-Residential Development Certification/Exemption," to be completed by the developer as per the instructions provided in the Form N-RDF. The construction official shall verify the information submitted by the non-residential developer as per the instructions provided on Form N-RDF. The tax assessor shall verify exemptions and prepare estimated and final assessments as per the instructions provided in Form N-RDF.
 - c. The construction official responsible for the issuance of a building permit shall notify the tax assessor of the issuance of the first construction permit for a development that is subject to a development fee.
 - d. Within 90 days of receipt of that notice, the tax assessor shall provide an estimate, based on the plans filed, of the equalized assessed value of the development.
 - e. The construction official responsible for the issuance of a final certificate of occupancy shall notify the tax assessor of any and all requests for the scheduling of a final inspection on property that is subject to a development fee.
 - f. Within 10 business days of a request for the scheduling of a final inspection, the tax assessor shall confirm or modify the previously estimated equalized assessed value of the improvements associated with the development; calculate the development fee; and thereafter notify the developer of the amount of the fee.
 - g. Should the municipality fail to determine or notify the developer of the amount of the development fee within 10 business days of the request for final inspection, the developer may estimate the amount due and pay that estimated amount consistent with the dispute process set forth in Subsection b. of section 37 of P.L.2008, c.46 (N.J.S.A. 40:55D-8.6).
 - h. Fifty percent (50%) of the development fee shall be collected at the time of issuance of the construction permit. The remaining portion shall be collected at the time of issuance of the certificate of occupancy. The developer shall be responsible for paying the difference between the fee calculated at the time of issuance of the construction permit and that determined at the time of issuance of certificate of occupancy.
6. Appeal of development fees
- a. A developer may challenge residential development fees imposed by filing a challenge with the County Board of Taxation. Pending a review and determination by that board, collected fees shall be placed in an interest-bearing escrow account by the municipality. Appeals from a determination of the board may be made to the Tax Court in accordance with the provisions of the State Tax Uniform Procedure Law, R.S. 54:48-1 et seq., within 90 days after the date of such determination. Interest earned on amounts escrowed shall be credited to the prevailing party.
 - b. A developer may challenge non-residential development fees imposed by filing a challenge with the director of the Division of Taxation. Pending a review and

determination by the director, which shall be made within 45 days of receipt of the challenge, collected fees shall be placed in an interest-bearing escrow account by the municipality. Appeals from a determination of the director may be made to the Tax Court in accordance with the provisions of the State Tax Uniform Procedure Law, R.S. 54:48-1 et seq., within 90 days after the date of such determination. Interest earned on amounts escrowed shall be credited to the prevailing party.

7. Affordable Housing Trust Fund

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

- iv. Failure to submit accurate monitoring reports pursuant to this subchapter within the time limits imposed by the Act, this chapter, and/or the Division;
 - v. Expenditure of funds on activities not approved by the Superior Court or otherwise permitted by law;
 - vi. Revocation of compliance certification or a judgment of compliance and repose;
 - vii. Failure of a municipal housing liaison or administrative agent to comply with the requirements set forth at N.J.A.C. 5:99-6, 7, and 8;
 - viii. Other good cause demonstrating that municipal affordable housing funds are not being used for an approved purpose.
- e. All interest accrued in the housing trust fund shall only be used on eligible affordable housing purposes approved by the Court.
8. Use of Funds
- a. The expenditure of all funds shall conform to a Spending Plan approved by Superior Court. Funds deposited in the municipal Affordable Housing Trust Fund may be used for any activity approved by the Court to address the fair share obligation and may be set up as a grant or revolving loan program. Such activities include, but are not limited to: preservation or purchase of housing for the purpose of maintaining or implementing affordability controls; housing rehabilitation; new construction of affordable housing units and related costs; accessory apartments; a market-to-affordable program; conversion of existing non-residential buildings to create new affordable units; green building strategies designed to be cost-saving and in accordance with accepted national or state standards; purchase of land for affordable housing; improvement of land to be used for affordable housing; extensions or improvements of roads and infrastructure to affordable housing sites; financial assistance designed to increase affordability; administration necessary for implementation of the Housing Element and Fair Share Plan; and/or any other activity permitted by Superior Court and specified in the approved Spending Plan.
 - b. Funds shall not be expended to reimburse the municipality or activities that occurred prior to the authorization of a municipality to collect development fees.
 - c. At least a portion of all development fees collected and interest earned shall be used to provide affordability assistance to very low-, low- and moderate-income households in affordable units included in the municipal Fair Share Plan. A portion of the development fees which provide affordability assistance shall be used to provide affordability assistance to very low-income households.
 - i. Affordability assistance programs may include down payment assistance, security deposit assistance, low-interest loans, rental assistance, assistance with homeowners association or condominium fees and special assessments, infrastructure assistance, and assistance with emergency repairs. The specific programs to be used for affordability assistance shall be identified and described within the Spending Plan.
 - ii. Affordability assistance for very low income households may include producing very low-income units or buying down the cost of low- or moderate-income units

in the municipal Fair Share Plan to make them affordable to households earning 30% or less of median income.

- d. No more than 20% of all affordable housing trust funds, exclusive of those collected to fund an RCA prior to July 17, 2008, shall be expended on administration, including, but not limited to, salaries and benefits for municipal employees or consultants' fees necessary to develop or implement a new construction program, prepare and implement a Housing Element and Fair Share Plan, administer an Affirmative Marketing Program and for compliance with the Superior Court and the Program including the costs to the municipality of resolving a challenge.

9. Monitoring

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

10. Ongoing Collection of Fees

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

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

SECTION III

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

SECTION IV

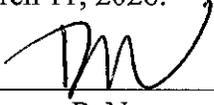
If any section, subsection, paragraph, sentence or any other part of this Ordinance is adjudged unconstitutional or invalid, such judgment shall not affect, impair or invalidate the remainder of this Ordinance.

SECTION V

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

EXHIBIT C

I, Rebecca P. Newman, Borough Clerk of the Borough of Rocky Hill do hereby certify the foregoing to be a true and correct copy of a Resolution adopted by the Borough Council on March 11, 2026.



Rebecca P. Newman, RMC
Borough Clerk

Borough of Rocky Hill
Affordable Housing Trust Fund Spending Plan

March 2026

Rocky Hill Borough
Somerset County, New Jersey

Prepared By:



Heyer, Gruel & Associates
Community Planning Consultants
236 Broad Street, Red Bank, NJ 07701
(732) 741-2900

INTRODUCTION

Rocky Hill Borough in Somerset County prepared and adopted a Housing Element and Fair Share Plan in June 2025. The Plan addresses the Borough's regional fair share of the affordable housing need in accordance with the Municipal Land Use Law (N.J.S.A. 40:55D-1 et seq.) and the Fair Housing Act (N.J.S.A. 52:27D-301). The Borough adopted a Development Fee Ordinance 1998 via Ordinance Number 6-1998, which was subsequently amended in 2006 via Ordinance Numbers 4-2006 and 10-2006, and amended in 2009 via Ordinance Number 6-2009. COAH had previously approved the Borough's 1998 Development Fee Ordinance and Spending Plan.

The Borough amended Development Fee Ordinance as a result of the current round of affordable housing. It is anticipated the revised Development Fee Ordinance will be adopted in March of 2026. The ordinance establishes standards for the collection, maintenance, and expenditure of development fees consistent with affordable housing rules and P.L.2008, c.46 (C.52:27D-329.1 et al.).

As of June 18, 2024, the Borough's dedicated trust fund had a balance of \$8,854.90. The trust fund is held at Lakeland Bank in Skillman, NJ. All development fees, payments in lieu of constructing affordable units on site, funds from the sale of units with extinguished controls, and interest generated by the fees are deposited into this separate interest-bearing affordable housing trust fund for the purposes of affordable housing. These funds shall be spent in accordance with N.J.A.C. 5:93 or applicable regulations as described in the sections that follow.

1. REVENUES FOR CERTIFICATION PERIOD

To calculate a projection of revenue anticipated during the period of third round "substantive certification," Rocky Hill Borough considered the following:

(a) Development fees:

1. Residential and nonresidential projects which have had development fees imposed upon them at the time of preliminary or final development approvals;
2. All projects currently before the planning and zoning boards for development approvals that may apply for building permits and certificates of occupancy; and
3. Future development that is likely to occur based on historical rates of development.

(b) Payment in lieu (PIL):

Actual and committed payments in lieu (PIL) of construction from developers.

(c) Other funding sources:

Funds from other sources, including, but not limited to, the sale of units with extinguished controls, repayment of affordable housing program loans, rental income, proceeds from the sale of affordable units. No other funds have been or are anticipated to be collected.

(d) Projected interest:

Interest on the projected revenue in the municipal affordable housing trust fund at the current average interest rate.

Projected Revenues - Affordable Housing Trust Fund 2022 through 2025						
SOURCE OF FUNDS	Trust Fund Balance	2027	2028	2029	2030	TOTAL
Historical Balance	\$8,854.90					
(a) Projected Development Fees	-	\$500	\$500	\$500	\$500	\$2,000
(d) Interest		\$50	\$50	\$50	\$50	\$200
Total		\$550	\$550	\$550	\$550	\$11,054.90

To calculate the projection of revenue anticipated from development fees, ten (10) years of construction data for the Borough, acquired from the New Jersey Department of Community Affairs, was examined. In addition, data was reviewed from the Borough's COAH Tracking and Monitoring System (CTM System), which was active from 1998 through 2011.

The Borough projects a total of \$3,500 in revenue will be collected between 2026 and 2030. An additional \$350 in interest is projected to be earned. All interest earned on the account shall accrue to the account to be used only for the purposes of affordable housing. The Borough projects total trust fund revenues of \$11,054.90 through 2030.

2. ADMINISTRATIVE MECHANISM TO COLLECT AND DISTRIBUTE FUNDS

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

(a) Collection of development fee revenues:

Collection of development fee revenues shall be consistent with Rocky Hill Borough's development fee ordinance for both residential and non-residential developments.

(b) Distribution of development fee revenues:

The Administrative Agent and the Municipal Housing Liaison will manage the projects outlined in this spending plan and the Housing Element and Fair Share Plan.

3. DESCRIPTION OF ANTICIPATED USE OF AFFORDABLE HOUSING FUNDS(a) **Rehabilitation**

If the Borough has a rehabilitation obligation, then it will utilize \$12,462.77 from the trust fund to supplement its participation in an adjacent municipality's program.

Affordability Assistance (N.J.A.C. 5:93-8.16)

Projected minimum affordability assistance requirement:

Affordability Assistance (N.J.A.C. 5:97-8.8)		
Actual balance through 12/31/23		\$8,854.90
Projected Collection	+	\$2,000
Projected Trust Fund Interest	+	\$200
Total	=	\$11,054.90

As per the requirements regarding the use of funds for affordability assistance laid out in N.J.A.C. 5:93-8.16, the Borough is required to dedicate at least 30 percent of all development fees collected and interest earned to provide affordability assistance to low- and moderate-income households. In addition, at least one-third of the affordability assistance shall be used to provide affordability assistance to very-low income households.

Administrative Expenses (N.J.A.C. 5:93-8.16)

Administrative Expenses		
Actual balance through 12/31/23		\$8,854.90
Projected Collection	+	\$2,000
Projected Trust Fund Interest	+	\$200

Rocky Hill Borough
Somerset County, New Jersey

March 2026
Affordable Housing Trust Fund Spending Plan

Total	=	\$11,054.90
20 percent cap	x 0.20 =	\$2,210.98

No more than 20% of revenues collected from development fees shall be expended on administration, including, but not limited to, salaries and benefits for municipal employees or consultant fees necessary to develop to implement: a rehabilitation program; a new construction program; a housing element; and an affirmative marketing program. Administrative funds may be used for: income qualification of households; monitoring the turnover of sale and rental units; and compliance with monitoring requirements. Further, no funds may be used to oppose affordable housing.

4. EXPENDITURE SCHEDULE**SUMMARY**

Rocky Hill Borough intends to spend affordable housing trust fund revenues pursuant to N.J.A.C. 5:93 or applicable regulations.

As of December 31, 2023, the Borough has a balance of \$8,854.90, and anticipates \$2,200 in revenues and interest by 2030.

SPENDING PLAN SUMMARY	
Balance as of 12/31/23	\$8,854.90
Projected Revenue 2026-2030	
Development fees	+ \$2,000
Interest	+ \$200
TOTAL REVENUE + CURRENT BALANCE	= \$11,054.90

EXHIBIT D



**BOROUGH OF ROCKY HILL
SOMERSET COUNTY**

RESOLUTION-2026-55

**A Resolution Adopting an Affirmative Marketing Plan for the Rocky Hill Borough
Affordable Housing program**

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

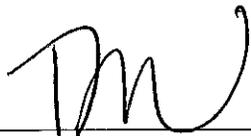
WHEREAS, a plan has been prepared and is annexed hereto as Exhibit A; and

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

NOW, THEREFORE, BE IT RESOLVED on this 11th day of March, 2026, by the Council of the Borough of Rocky Hill, Somerset County, State of New Jersey, as follows:

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

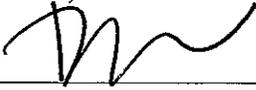
ATTEST:

By: 
Rebecca P. Newman, RMC
Borough Clerk

By: 
Robert Uhrik, Mayor

CERTIFICATION

I, Rebecca P. Newman, Borough Clerk of the Borough of Rocky Hill do hereby certify the foregoing to be a true and correct copy of a Resolution adopted by the Borough Council on March 11, 2026.



Rebecca P. Newman, RMC
Borough Clerk

RESOLUTION NO. 2026- 55
ADOPTING THE 'AFFIRMATIVE MARKETING PLAN'
FOR THE BOROUGH OF ROCKY HILL

WHEREAS, in accordance with the New Jersey Uniform Housing Affordability Controls pursuant to N.J.A.C. 5:80-26-1, *et seq.*, the Borough of Rocky Hill is required to adopt an Affirmative Marketing Plan to ensure that all affordable housing units created, including those created by the rehabilitation of rental housing units within the Borough of Rocky Hill, are affirmatively marketed to very low, low, and moderate income households, with preference provided to homeless veterans, disabled veterans, and family members who are the primary residential caregivers to disabled veterans residing with them, particularly those households living and/or working within Housing Region 3, the Housing Region encompassing the Borough of Rocky Hill.

NOW, THEREFORE, BE IT RESOLVED, that the Mayor and Council of the Borough of Rocky Hill, County of Somerset, State of New Jersey, do hereby adopt the following Affirmative Marketing Plan:

Affirmative Marketing Plan

- A. All affordable housing units in the Borough of Rocky Hill shall be marketed in accordance with the provisions herein.
- B. This Affirmative Marketing Plan shall apply to all developments that contain or will contain low and moderate income units, including those that are part of the Borough's prior round Fair Share Plan and its current Fair Share Plan and those that may be constructed in future developments not yet anticipated by the Fair Share Plan. This Affirmative Marketing Plan shall also apply to any rehabilitated rental units that are vacated and re-rented during the applicable period of controls for rehabilitated rental units.
- C. The Affirmative Marketing Plan shall be implemented by one or more Administrative Agent(s) designated by and/or under contract to the Borough of Rocky Hill. All of the costs of advertising and affirmatively marketing affordable housing units shall be borne by the developers/sellers/owners of affordable unit(s), and all such advertising and affirmative marketing shall be subject to approval and oversight by the designated Administrative Agent.
- D. In implementing the Affirmative Marketing Plan, the Administrative Agent, acting on behalf of the Borough of Rocky Hill, shall undertake, at the minimum, all of the following strategies:

1. Publication of an advertisement in one or more newspapers of general circulation within the housing region.
 2. Broadcasting of an advertisement by a radio or television station broadcasting throughout the housing region.
 3. At least one additional regional marketing strategy using one of the other sources listed below.
- E. The Affirmative Marketing Plan is a regional marketing strategy designed to attract buyers and/or renters of all majority and minority groups, regardless of race, creed, color, national origin, ancestry, marital or familial status, gender, affectional or sexual orientation, disability, age, or number of children, to housing units which are being marketed by a developer, sponsor or owner of affordable housing. The Affirmative Marketing Plan is intended to target those potentially eligible persons who are least likely to apply for affordable units in that region. It is a continuing program that directs all marketing activities toward Housing Region 3 and is required to be followed throughout the period of deed restriction. The Borough of Rocky Hill is located in Housing Region 3, consisting of Middlesex, Somerset and Hunterdon Counties.
- F. The Affirmative Marketing Plan is a continuing program intended to be followed throughout the entire period of restrictions and shall meet the following requirements:
1. All newspaper articles, announcements and requests for applications for very low, low and moderate income units shall appear in the *Courier News* and the *Home News Tribune*.
 2. The primary marketing shall take the form of at least one press release and a paid display advertisement in the above newspapers once a week for four consecutive weeks. Additional advertising and publicity shall be on an "as needed" basis. The developer/owner shall disseminate all public service announcements and pay for display advertisements. The developer/owner shall provide proof of all publications to the Administrative Agent. All press releases and advertisements shall be approved in advance by the Administrative Agent.
 3. All affordable units to be affirmatively marketed shall be posted to the New Jersey Housing Resource Center's website (www.njhrc.gov)
 4. The advertisement shall include a description of the:
 - a. Location of the units;
 - b. Directions to the units;
 - c. Range of prices for the units;

- d. Size, as measured in bedrooms, of units;
 - e. Maximum income permitted to qualify for the units;
 - f. Location of applications;
 - g. Business hours when interested households may obtain an application;
 - h. Name and contact information of sales agent or rental manager;
 - i. Description of random selection method that will be used to select occupants; and
 - j. Application fees.
5. Newspaper articles, announcements and information on where to request applications for very low-, low- and moderate-income housing shall appear at least once a week for four consecutive weeks in at least three locally oriented newspapers serving the housing region, one of which shall be circulated primarily in Somerset County and the other two of which shall be circulated primarily outside of Somerset County but within the housing region.
6. The developer must provide satisfactory proof of public dissemination. See *Affirmative Fair Housing marketing Plan for Affordable Housing Region 3* (attached to and hereby made part of this Resolution).
- G. Applications, brochure(s), sign(s) and/or poster(s) used as part of the affirmative marketing program shall be available/posted in the following locations:
1. Rocky Hill Borough Hall
 2. Rocky Hill Borough Web Site
 3. Developer's Sales/Rental Offices
 4. Middlesex County Administration Building
 5. Somerset County Administration Building
 6. Hunterdon County Administration Building
 7. Middlesex County Library
 9. Somerset County Library
 10. Hunterdon County Library

Applications shall be mailed by the Administrative Agent and Municipal Housing Liaison to prospective applicants upon request. Also, applications shall be available at the developer's sales/rental office and multiple copies of application forms shall be mailed to Fair Share Housing Center, the New Jersey State Conference of the NAACP, the Latino Action Network, NORWESCAP, the Supportive Housing Association, and the Central Jersey Housing Resource Center for dissemination to their respective constituents.

H. The Administrative Agent shall develop, maintain and update a list of community contact person(s) and/or organizations(s) in Middlesex, Somerset and Hunterdon Counties that will aid in the affirmative marketing program with particular emphasis on contacts that will reach out to groups that are least likely to apply for housing within the region, including major regional employers identified in Attachment A, Part III, Marketing, Section 3d of the *Affirmative Fair Housing Marketing Plan for Affordable Housing in Region 3* (attached to and hereby made part of this Resolution) as well as the following entities: Fair Share Housing Center, the New Jersey State Conference of the NAACP, the Latino Action Network, NORWESCAP, the Supportive Housing Association, and the Central Jersey Housing Resource Center.

1. Quarterly informational flyers and applications shall be sent to each of the following agencies for publication in their journals and for circulation among their members:

Middlesex County Board of Realtors
Somerset County Board of Realtors
Hunterdon County Board of Realtors

2. Quarterly informational circulars and applications shall be sent to the administrators of each of the following agencies within the counties of Middlesex, Somerset, and Hunterdon:

Somerset County Board of Social Services (via the Director)
Rental Assistance Office (local office of DCA)
Somerset County Office on Aging and Disability Services
Community Action Agencies
Community Development Departments

3. Quarterly informational circulars and applications shall be sent to the chief personnel administrators of all of the major employers within the region, as listed on Attachment A, Part III, Marketing, Section 3d.
4. In addition, specific notification of the availability of affordable housing units in Rocky Hill Borough (along with copies of the application form) shall be provided to the following entities: Fair Share Housing Center, the New Jersey State Conference of the NAACP, the Latino Action Network, NORWESCAP, the Supportive Housing Association, and the Central Jersey Housing Resource Center.

- I. A random selection method to select occupants of very low, low and moderate income housing will be used by the Administrative Agent, in conformance with N.J.A.C. 5:80-26.16 (l). The Affirmative Marketing Plan shall provide a regional preference for very low, low and moderate income households that live and/or work in Housing Region 3, comprised of Middlesex, Somerset and Hunterdon Counties. Pursuant to the New Jersey Fair Housing Act (C.52:27D-311), a preference for very low, low and moderate income veterans duly qualified under N.J.A.C. 54:4-8.10 may also be exercised, provided an agreement to this effect has been executed between the developer or landlord and the Borough prior to the affirmative marketing of the units.
- J. The Administrative Agent shall administer the Affirmative Marketing Plan. The Administrative Agent has the responsibility to income qualify very low, low and moderate income households; to place income eligible households in very low, low and moderate income units upon initial occupancy; to provide for the initial occupancy of very low, low and moderate income units with income qualified households; to continue to qualify households for re-occupancy of units as they become vacant during the period of affordability controls; to assist with outreach to very low, low and moderate income households; and to enforce the terms of the deed restriction and mortgage loan as per N.J.A.C 5:80-26-1, *et seq.*
- K. The Administrative Agent shall provide or direct qualified very low, low and moderate income applicants to counseling services on subjects such as budgeting, credit issues, mortgage qualifications, rental lease requirements and landlord/tenant law and shall develop, maintain and update a list of entities and lenders willing and able to perform such services.
- L. All developers/owners of very low, low and moderate income housing units shall be required to undertake and pay the costs of the marketing of the affordable units in their respective developments, subject to the direction and supervision of the Administrative Agent.
- M. The implementation of the Affirmative Marketing Plan for a development that includes affordable housing shall commence at least 120 days before the issuance of either a temporary or permanent certificate of occupancy. The implementation of the Affirmative Marketing Plan shall continue until all very low, low and moderate income housing units are initially occupied and for as long as the affordable units remain deed restricted such that qualifying new tenants and/or purchasers continues to be necessary.
- N. The Administrative Agent shall provide the Affordable Housing Liaison with the information required to comply with monitoring and reporting requirements pursuant to N.J.A.C.5:80-26-1, *et seq.*

I hereby certify that this is a true copy of a resolution duly adopted by the Mayor and Council of the Borough of Rocky Hill at a Council meeting held on March 11, 2026



Rebecca Newman, CTC, CMC, CMR
Borough Clerk

AFFIRMATIVE FAIR HOUSING MARKETING PLAN For Affordable Housing in (REGION 3)

I. APPLICANT AND PROJECT INFORMATION

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

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

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

II. RANDOM SELECTION

<p>2. Describe the random selection process that will be used once applications are received.</p> <p>A random selection method to select occupants of very low-, low- and moderate-income housing will be used by the Borough's Administrative Agent, or the Administrative Agent of any specific developer, in conformance with N.J.A.C. 5:80-26.16.</p> <p>Applicants are selected at random before income-eligibility is determined, regardless of household size or desire number of bedrooms. The process is as follows:</p> <ul style="list-style-type: none"> - No random selection may be conducted prior to 60 days following the initial advertisement on the New Jersey Housing Resource Center. - At the end of this period, sealed applications are selected one-by-one through a lottery (unless fewer applications are received than the number of available units, then all eligible households will be placed in a unit). - An applicant pool is created by listing applicants in the order selected. - Applications are reviewed for income-eligibility. Ineligible households are informed that they are being removed from the applicant pool or given the opportunity to correct and/or update income and household information. - Eligible households are matched to available units based upon the number of bedrooms needed (and any other special requirements, such as the need for an accessible unit). - If there are sufficient names remaining in the pool to fill future re-rental, the applicant pool shall be closed.
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- When the applicant pool is close to being depleted, the Administrative Agent will re-open the pool and conduct a new random selection process after fulfilling the affirmative marketing requirements. The new applicant pool will be added to the remaining list of applicants.

III. MARKETING

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

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

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

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

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

<input type="checkbox"/>		Sentinel, The	Middlesex, Somerset
<input type="checkbox"/>		Atom Tabloid & Citizen Gazette	Middlesex, Union
<input type="checkbox"/>		Parsippany Life	Morris
<input type="checkbox"/>		Echoes Sentinel	Morris, Somerset
<input type="checkbox"/>		Bernardsville News	Somerset
<input type="checkbox"/>		Branchburg News	Somerset
<input type="checkbox"/>		Chronicle	Somerset
<input type="checkbox"/>		Hills-Bedminster Press	Somerset
<input type="checkbox"/>		Hillsborough Beacon	Somerset
<input type="checkbox"/>		Manville News	Somerset
<input type="checkbox"/>		Messenger-Gazette	Somerset
<input type="checkbox"/>		Reporter	Somerset
<input type="checkbox"/>		Somerset Spectator	Somerset

Monthly Newspaper

<input type="checkbox"/>		About Our Town/Community News	Middlesex, Somerset
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	DURATION & FREQUENCY OF OUTREACH	NAMES OF REGIONAL TV STATION(S)	CIRCULATION AREA AND/OR RACIAL/ETHNIC IDENTIFICATION OF READERS/AUDIENCE
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TARGETS ENTIRE HOUSING REGION 3

<input type="checkbox"/>		2 WCBS-TV Cbs Broadcasting Inc.	
<input type="checkbox"/>		3 KYW-TV Cbs Broadcasting Inc.	
<input type="checkbox"/>		4 WNBC NBC Telemundo License Co. (General Electric)	
<input type="checkbox"/>		5 WNYW Fox Television Stations, Inc. (News Corp.)	
<input type="checkbox"/>		6 WPVI-TV American Broadcasting Companies, Inc (Walt Disney)	
<input type="checkbox"/>		7 WABC-TV American Broadcasting Companies, Inc (Walt Disney)	
<input type="checkbox"/>		9 WWOR-TV Fox Television Stations, Inc. (News Corp.)	
<input type="checkbox"/>		10 WCAU NBC Telemundo License Co. (General Electric)	
<input type="checkbox"/>		11 WPIX Wpix, Inc. (Tribune)	

<input type="checkbox"/>		12 WHYY-TV Why, Inc.	
<input type="checkbox"/>		13 WNET Educational Broadcasting Corporation	
<input type="checkbox"/>		17 WPHL-TV Tribune Company	
<input type="checkbox"/>		31 WPXN-TV Paxson Communications License Company, Llc	
<input type="checkbox"/>		35 WYBE Independence Public Media Of Philadelphia, Inc.	
<input type="checkbox"/>		39 WLVT-TV Lehigh Valley Public Telecommunications Corp.	
<input type="checkbox"/>		41 WXTV Wxtv License Partnership, G.p. (Univision Communications Inc.)	
<input type="checkbox"/>		48 WGTW-TV Trinity Broadcasting Network	
<input type="checkbox"/>		50 WNJN New Jersey Public Broadcasting Authority	
<input type="checkbox"/>		52 WNJT New Jersey Public Broadcasting Authority	
<input type="checkbox"/>		57 WPSG Cbs Broadcasting Inc.	
<input type="checkbox"/>		58 WNJB New Jersey Public Broadcasting Authority	
<input type="checkbox"/>		61 WPPX Paxson Communications License Company, Llc	
<input type="checkbox"/>		63 WMBC-TV Mountain Broadcasting Corporation	
<input type="checkbox"/>		65 WUVP-TV Univision Communications, Inc.	
<input type="checkbox"/>		68 WFUT-TV Univision New York Llc	Spanish
TARGETS PARTIAL HOUSING REGION 3			
<input type="checkbox"/>		16 WNEP-TV New York Times Co.	Hunterdon
<input type="checkbox"/>		46 W46BL Maranatha Broadcasting Company, Inc.	Hunterdon
<input type="checkbox"/>		51 WTVE Reading Broadcasting, Inc	Hunterdon (Christian)
<input type="checkbox"/>		25 W25BB New Jersey Public Broadcasting Authority	Hunterdon, Middlesex
<input type="checkbox"/>		22 WYOU Nexstar Broadcasting, Inc	Hunterdon, Somerset
<input type="checkbox"/>		28 WBRE-TV Nexstar Broadcasting, Inc.	Hunterdon, Somerset
<input type="checkbox"/>		44 WVIA-TV Ne Pa Ed Tv Association	Hunterdon, Somerset

<input type="checkbox"/>		56 WOLF-TV Wolf License Corp	Hunterdon, Somerset
<input type="checkbox"/>		60 WBPH-TV Sonshine Family Television Corp	Hunterdon, Somerset
<input type="checkbox"/>		69 WFMZ-TV Maranatha Broadcasting Company, Inc.	Hunterdon, Somerset
<input type="checkbox"/>		29 WTXF-TV Fox Television Stations, Inc. (News Corp.)	Middlesex, Somerset
<input type="checkbox"/>		47 WNJU NBC Telemundo License Co. (General Electric)	Middlesex, Somerset
<input type="checkbox"/>		66 WFME-TV Family Stations of New Jersey, Inc.	Middlesex, Somerset (Christian)
<input type="checkbox"/>		25 WNYE-TV New York City Dept. Of Info Technology & Telecommunications	Somerset

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

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

<input type="checkbox"/>		WFNY-FM 92.3	
<input type="checkbox"/>		WPAT-FM 93.1	Spanish
<input type="checkbox"/>		WNYC-FM 93.9	
<input type="checkbox"/>		WPST 94.5	
<input type="checkbox"/>		WFME 94.7	
<input type="checkbox"/>		WPLJ 95.5	
<input type="checkbox"/>		WQXR-FM 96.3	
<input type="checkbox"/>		WQHT 97.1	
<input type="checkbox"/>		WSKQ-FM 97.9	Spanish
<input type="checkbox"/>		WRKS 98.7	
<input type="checkbox"/>		WAWZ 99.1	Christian
<input type="checkbox"/>		WBAI 99.5	
<input type="checkbox"/>		WPHI-FM 100.3	
<input type="checkbox"/>		WCBS-FM 101.1	
<input type="checkbox"/>		WKXW-FM 101.5	
<input type="checkbox"/>		WQCD 101.9	
<input type="checkbox"/>		WNEW 102.7	
<input type="checkbox"/>		WPRB 103.3	
<input type="checkbox"/>		WKTU 103.5	
<input type="checkbox"/>		WWPR-FM 105.1	
<input type="checkbox"/>		WDAS-FM 105.3	
<input type="checkbox"/>		WLTW 106.7	
TARGETS PARTIAL HOUSING REGION 3			
AM			
<input type="checkbox"/>		WFIL 560	Hunterdon
<input type="checkbox"/>		WIP 610	Hunterdon
<input type="checkbox"/>		WAEB 790	Hunterdon
<input type="checkbox"/>		WCHR 1040	Hunterdon
<input type="checkbox"/>		WGPA 1100	Hunterdon
<input type="checkbox"/>		WEEX 1230	Hunterdon

<input type="checkbox"/>		WKAP 1470	Hunterdon
<input type="checkbox"/>		WRNJ 1510	Hunterdon
<input type="checkbox"/>		WWJZ 640	Hunterdon, Middlesex
<input type="checkbox"/>		WPHY 920	Hunterdon, Middlesex
<input type="checkbox"/>		WPHT 1210	Hunterdon, Middlesex
<input type="checkbox"/>		WBUD 1260	Hunterdon, Middlesex
<input type="checkbox"/>		WMCA 570	Middlesex (Christian)
<input type="checkbox"/>		WIMG 1300	Middlesex
<input type="checkbox"/>		WCTC 1450	Middlesex, Somerset
FM			
<input type="checkbox"/>		WRTI 90.1	Hunterdon
<input type="checkbox"/>		WCVH 90.5	Hunterdon
<input type="checkbox"/>		WHYY-FM 90.9	Hunterdon
<input type="checkbox"/>		WXTU 92.5	Hunterdon
<input type="checkbox"/>		WAEB-FM 104.1	Hunterdon
<input type="checkbox"/>		WFKB 107.5	Hunterdon
<input type="checkbox"/>		WMMR 93.3	Hunterdon, Middlesex
<input type="checkbox"/>		WYSP 94.1	Hunterdon, Middlesex
<input type="checkbox"/>		WBEN-FM 95.7	Hunterdon, Middlesex
<input type="checkbox"/>		WRDW-FM 96.5	Hunterdon, Middlesex
<input type="checkbox"/>		WOGL 98.1	Hunterdon, Middlesex
<input type="checkbox"/>		WUSL 98.9	Hunterdon, Middlesex
<input type="checkbox"/>		WIOQ 102.1	Hunterdon, Middlesex
<input type="checkbox"/>		WMGK 102.9	Hunterdon, Middlesex
<input type="checkbox"/>		WJZ 106.1	Hunterdon, Middlesex
<input type="checkbox"/>		WKDN 106.9	Hunterdon, Middlesex (Christian)
<input type="checkbox"/>		WAXQ 104.3	Hunterdon, Middlesex, Somerset
<input type="checkbox"/>		WNTI 91.9	Hunterdon, Somerset
<input type="checkbox"/>		WZZO 95.1	Hunterdon, Somerset
<input type="checkbox"/>		WCTO 96.1	Hunterdon, Somerset
<input type="checkbox"/>		WLEV 100.7	Hunterdon, Somerset

<input type="checkbox"/>		WNJT-FM 88.1	Middlesex
<input type="checkbox"/>		WRSU-FM 88.7	Middlesex
<input type="checkbox"/>		WWFM 89.1	Middlesex
<input type="checkbox"/>		WWPH 107.9	Middlesex
<input type="checkbox"/>		WDVR 89.7	Middlesex, Somerset
<input type="checkbox"/>		WVPH 90.3	Middlesex, Somerset
<input type="checkbox"/>		WMGQ 98.3	Middlesex, Somerset
<input type="checkbox"/>		WBLS 107.5	Middlesex, Somerset

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

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

3e. Employer Outreach (names of employers throughout the housing region that can be contacted to post advertisements and distribute flyers regarding available affordable housing) (Check all that applies)			
DURATION & FREQUENCY OF OUTREACH		NAME OF EMPLOYER/COMPANY	LOCATION
Hunterdon County			
<input type="checkbox"/>		Merck & Co	1 Merck Dr, Whitehouse Station
<input type="checkbox"/>		Hunterdon Medical Center	2100 Wescott Drive Flemington, NJ 08822
<input type="checkbox"/>		Foster Wheeler	Perryville Corporate Park Clinton, NJ, 08809-4000
<input type="checkbox"/>		ChubbInsurance co.	202 Halls Mill Rd Whitehouse Station, NJ 08889
<input type="checkbox"/>		Exxonmobil Research & Engineering	1545 US Highway 22 E Annandale, NJ 08801
<input type="checkbox"/>		New York Life	110 Cokesbury Rd, Lebanon
Middlesex County			
<input type="checkbox"/>		Bristol-Myers Squibb	1 Squibb Dr, New Brunswick, nj 08901
<input type="checkbox"/>		Merrill Lynch & Company	800 Scudders Mill Rd, Plainsboro
<input type="checkbox"/>		Johnson & Johnson	1 Johnson & Johnson Plaza
<input type="checkbox"/>		Prudential Insurance Company	44 Stelton Rd # 130, Piscataway
<input type="checkbox"/>		Robert Wood Johnson University Hospital	1 Robert Wood Johnson Pl, New Brunswick, NJ 08901
<input type="checkbox"/>		Silverline Building Products	207 Pond Ave Middlesex, NJ 08846
<input type="checkbox"/>		St. Peter's University Hospital	254 Easton Ave, New Brunswick
<input type="checkbox"/>		Telcordia Technology	444 Hoes Ln, Piscataway
<input type="checkbox"/>		J.F.K. Medical Center	65 James Street Edison, NJ 08818
<input type="checkbox"/>		Raritan Bay Medical Center	530 New Brunswick Av Perth Amboy, NJ 08861
<input type="checkbox"/>		Amerada Hess Corporation	405 Main St, Woodbridge and 679 Convery Blvd, Perth Amboy
<input type="checkbox"/>		Dow Jones & Company	54 Eddington LN, Monroe Twp
<input type="checkbox"/>		Siemens AG	755 College Rd E, Princeton
<input type="checkbox"/>		AT&T	1 Highway Ter, Edison
<input type="checkbox"/>		Engelhard Corporation	101 Wood Ave S, Metuchen
Somerset County			
<input type="checkbox"/>		AT&T	1414 Campbell St Rahway
<input type="checkbox"/>		ABC Limousine	574 Ferry St Newark
<input type="checkbox"/>		Bloomberg LP	1350 Liverty Ave Hillside

<input type="checkbox"/>		Courier News	1091 Lousons Road PO Box 271 Union, NJ
<input type="checkbox"/>		Emcore Corp	800 Rahway Ave Union, NJ
<input type="checkbox"/>		Ethicon Inc	1515 West Blancke Street Bldgs 1501 and 1525 Linden, NJ
<input type="checkbox"/>		Fedders Corp	27 Commerce Drive Cranford, nj
<input type="checkbox"/>		ICI Americas Inc.	450 West First Ave Roselle,nj
<input type="checkbox"/>		ITW Electronic Component Packaging	600 Mountain Ave Murray Hill,NJ
<input type="checkbox"/>		Johnson & Johnson	1 Merck Drive PO Box 2000 (RY60-200E) Rahway, NJ
<input type="checkbox"/>		Tekni-Plex Inc.	865 Stone Street Rahway, NJ
		Ortho-Clinical Diagnostics Inc	1401 Park Ave South Linden
<input type="checkbox"/>		Hooper Holmes Inc	170 Mount Airy Rd. Basking Ridge, NJ 07920

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

Name of Group/Organization	Outreach Area	Racial/Ethnic Identification of Readers/Audience	Duration & Frequency of Outreach
Fair Share Housing Center	1 Ethel Lawrence Blvd, Mt Laurel Township, NJ 08054	Underserved communities statewide	Once at the start of marketing & as needed.
New Jersey State Conference of the NAACP	4326 Harbor Beach Blvd. #775, Brigantine, NJ 08203	Black / African- American communities	Once at the start of marketing & as needed.
Latino Action Network	2560 U.S. Highway 22 Suite Number 322 Scotch Plains, NJ 07076	Latino / Latinx communities	Once at the start of marketing & as needed.
NORWESCAP	350 Marshall Street Phillipsburg, NJ 08865	Underserved communities	Once at the start of marketing & as needed.
Supportive Housing Association	185 Valley Street South Orange, NJ 07079	Underserved communities statewide	Once at the start of marketing & as needed.
Central Jersey Housing Resource Center	92 East Main Street, Suite 407 Somerville, NJ 08876	Underserved communities	Once at the start of marketing & as needed.

IV. APPLICATIONS

Applications for affordable housing for the above units will be available at the following locations:	
4a. County Administration Buildings and/or Libraries for all counties in the housing region (list county building, address, contact person) (Check all that applies)	
BUILDING	LOCATION
<input type="checkbox"/> Middlesex County Administration Bldg	75 Bayard, New Brunswick, NJ 08903
<input type="checkbox"/> Somerset County Admin. Bldg	20 Grove Street, Somerville, NJ 08876
<input type="checkbox"/> Somerset County Library Headquarters	1 Vogt Drive, Bridgewater, NJ 08807

<input type="checkbox"/>	Hunterdon County Library Headquarters	314 State Highway 12, Flemington, NJ 08822
4b. Municipality in which the units are located (list municipal building and municipal library, address, contact person)		
Borough of Rocky Hill		
15 Montgomery Avenue, Rocky Hill, NJ 08553		
4c. Sales/Rental Office for units (if applicable)		

V. CERTIFICATIONS AND ENDORSEMENTS

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

Name (Type or Print)	

Title/Municipality	

Signature	Date
_____	_____

EXHIBIT E

I, Rebecca P. Newman, Borough Clerk of the Borough of Rocky Hill do hereby certify the foregoing to be a true and correct copy of a Resolution adopted by the Borough Council on March 11, 2026.

A handwritten signature in black ink, appearing to be 'RN', written over a horizontal line.

Rebecca P. Newman, RMC
Borough Clerk

INTRODUCTION

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

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

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

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

A. Fair Housing and Equal Housing Opportunities



It is unlawful to discriminate against any person making application to participate in the rehabilitation program or rent a unit regarding race, creed, color, national origin, ancestry, age, marital status, affectional or sexual orientation, familial status, disability, nationality, sex, gender identity or expression or source of lawful income used for mortgage or rental payments. For more information on discrimination or if anyone feels they are a victim of discrimination, please contact the New Jersey Division on Civil Rights at 1-866-405-3050 or <http://www.state.nj.us/lps/dcr/index.html>.

ELIGIBLE PARTICIPANTS

A. Categories of Participants

Owner-occupied housing units are eligible to receive funding for rehabilitation provided that the occupants of the units are determined to be low- or moderate-income households and that the units are determined to be substandard.

B. Income Limits for Participation

The occupants of the units must have incomes that now fall within the income guidelines established for the *County of Somerset*, these limits are revised annually.

C. Program Area

This is a municipal-wide program. The rehabilitation property must be in the Borough of Rocky Hill.

D. Certification of Substandard

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

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

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

AVAILABLE BENEFITS

A. Program Financing

Up to \$10,000 per unit may be available for improvements to eligible owner-occupied properties, the minimum average per unit rehabilitation hard costs shall be \$10,000 in accordance with N.J.A.C. 5:93-5.2(h)(2). If the cost for a particular unit exceeds \$10,000, the Municipality will review and approve the request on a case-by-case basis, subject to the availability of funds, keeping with the requirement dictating that the minimum average per unit rehabilitation hard cost shall be \$10,000.

Hard Cost: The direct, tangible costs associated with construction activities, including but not limited to materials, on-site labor, and construction equipment

B. Owner-occupied Units – Program Financing/Program Affordability Controls

Loans will be a ten-year interest-free, deferred payment loan secured by a mortgage payable upon transfer of title. After the Five-Year Anniversary of the Loan Signing, 20% of the mortgage loan principal will be forgiven for each of the remaining five years. If the title has not transferred after ten years, the entire loan is considered forgiven.

Should an owner-occupant die before repayment of the loan, the balance of the loan which has not been forgiven, will be due at the time of settlement of the estate. However, if the household inheriting the unit is income eligible and agrees to occupy the unit or even if not income-eligible agrees to rent the unit only to income-eligible households, the terms of the funding agreement shall be transferred to the inheriting household.

If an owner-occupied housing unit is sold prior to the end of the controls on affordability, the portion of the loan which has not been forgiven, shall be recaptured and used to rehabilitate another housing unit, unless the unit is sold to a low- or moderate-income household at an affordable price.

Funding for owner-occupied units will be secured by a mortgage and mortgage note to the municipality.

C. Subordination

The Borough of Rocky Hill may agree to subordinate a loan if the mortgage company supplies an appraisal showing that the new loan plus the balance on the old loan does not exceed 95% of the appraised value of the unit.

In order for the Municipality to approve the request, the Municipality must be subordinate to no more than two loans and there must be sufficient equity in the property. Subordination requests will only be considered for the following reasons: *1) to reduce monthly mortgage payments; 2) debt consolidation; and 3) additional home improvement funds to maintain Code and/or Certificate of Occupancy Codes.*

ELIGIBLE PROPERTY IMPROVEMENTS

A. Eligible Improvements

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

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

1. Roof
2. Plumbing (including wells)
3. Heating
4. Electrical
5. Sanitary plumbing (including septic systems)
6. Load bearing structural systems
7. Lead paint abatement

8. Weatherization (building insulation for attic, exterior walls and crawl space, siding to improve energy efficiency, replacement storm windows and storm doors and replacement windows and doors)

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

1. Interior trim work,
2. Interior and/or exterior doors
3. Interior and/or exterior hardware
4. Window treatment
5. Interior stair repair
6. Exterior step repair or replacement
7. Porch repair
8. Wall surface repair
9. Painting
10. Exterior rain carrying system repair

B. Ineligible Improvements

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

C. Rehabilitation Standards

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

D. Certification of Standard

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

E. Emergency Repairs

A situation relating to safety and/or health hazard for the occupants would constitute an emergency. The program inspector will confirm the need for such work. In emergency cases, the formal solicitation process will not be followed. A minimum of three (3) estimates will be obtained, when possible, for the "emergency" work. However, eligibility, as stated in Section I, subsection B, must be determined prior to

soliciting estimates. Application for additional non-emergency work may be made in accordance with the procedures outlined in this Operating Manual. The funding for the emergency work and any additional rehabilitation may not exceed the program financing provisions under; *Available Benefits Section A. Program Financing.*

OVERVIEW OF ADMINISTRATIVE PROCEDURES

A. Application

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

15 Montgomery Ave.

Rocky Hill, NJ 08553.

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

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

B. Income Eligibility and Program Certification

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

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

If after reviewing the income documentation submitted an applicant is determined to be ineligible, the applicant will receive a letter delineating the reasons for the determination of ineligibility. An applicant may be determined ineligible if the applicant's income exceeds the program income limits.

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

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

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

C. Housing Inspection/Substandard Certification

Once determined eligible, the program staff will arrange for the program inspector to inspect the entire residential property.

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

D. Ineligible Properties

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

1. Title search is unfavorable.
2. Property does not need sufficient repairs to meet eligibility requirements.
3. Real estate taxes are in arrears.
4. Proof of property insurance not submitted.
5. Property is listed for sale.
6. Property is in foreclosure.

The Borough of Rocky Hill may disqualify properties requiring excessive repairs to meet municipal housing standards. The estimated or bid cost of repairs must exceed 50 percent of the estimated after-rehabilitation value of the property for the municipality to exclude the property.

If after reviewing the property documentation submitted and the inspection report and/or work write-up an applicant's property is determined to be eligible, the inspector will then certify that the dwelling is substandard by completing and signing the Certificate of Substandard Form and submitting this to the program staff.

E. Cost Estimate

The program inspector will prepare a Work Write-up and Cost Estimate. This estimate will include a breakdown of each major work item by category as well as by location in the house. It will contain information as to the scope and specific details on the materials to be used. A Cost Estimate will be computed and included within the program documentation. The program staff will review the Preliminary Work Write-up with the property owner. Only required repairs to units occupied by income eligible households will be funded through the housing rehabilitation program.

F. Contractor Bidding Negotiations

After the unit and the unit occupant have been certified as eligible, the program staff will provide a bid request to a list of approved, pre-qualified trade contractors for bidding. Program staff will review the proposals and provide the property owner with a list of contractors who have submitted eligible bids for the work. Eligible bids will be those that:

1. Satisfy with the specifications of the Work Write-Up
2. Have no math errors
3. Have been submitted by an eligible contractor
4. Are no more than 20% above or below the Program Cost Estimator's final cost estimate for the work, unless an exception has been recommended by the Cost Estimator and approved by the Program Director.

5. Have been submitted by a contractor who, in the opinion of the Program Director, have the ability to perform the designated tasks within a responsible period of time as is specified in the Contract documents.

The program staff and property owner will then review these bids. The lowest responsible trade contractor shall then be selected. If the property owner wishes to use a contractor other than the lowest responsible bidder, the property owner shall pay the difference between the lowest bid price and the bid price of the selected contractor. Property owners may seek proposals from non-program participating contractors. However, the program administrator must pre-approve the contractor prior to submitting a bid.

G. Contract Signing/Pre-Construction Conference

Program staff will provide the property owner with the bids to review. The program staff will then call a Pre-Construction Conference. Documents to be executed at the Pre-construction Conference include Contractors Agreement(s), Mortgage and Mortgage Note. The property owner, program staff representative and contractor will execute the appropriate documents and copies will be provided as appropriate. A staff member will outline project procedures to which property owner must adhere. A Proceed to Work Order, guaranteeing that the work will commence within fifteen (15) calendar days of the date of the conference and be totally completed within ninety (90) days from the start of work, will be issued to each contractor at this Conference.

H. Progress Inspections

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

I. Change Orders

If it becomes apparent during construction that additional repairs are necessary or the described repair needs to be amended, the program inspector will inspect the areas in need of repair and prepare a change order describing the work to be done. The applicant and the contractor will review the change order with the program staff and agree on a price. Once all parties approve of the change order and agree on the price, they will sign documents amending the contract agreement to include the change order. Any costs exceeding the maximum program funding amount shall be the sole responsibility of the homeowner.

J. Payment Schedule

The contract will permit two payments if the project costs more than \$12,000. First payment is made when the project is one-half completed. Final payment upon completion.

The contractor will submit a payment request. The applicant will sign a payment approval if both the applicant and program inspector are satisfied with the work performed. The municipality will then release the payment. Final payment will be released once all final inspections are made, a Certificate of Occupancy is issued (if applicable) and the program staff receives Lien Releases and a Property Owner Sign-off letter.

K. Resolution of Disputes/Appeal Process

If an applicant does not approve a payment that the housing/building inspector has approved, the disputed payment will be appealed to the Township Council for a hearing. The Council will decide if the payment shall be released to the contractor or the contractor must complete additional work or correct work completed before the release of the payment. The municipality's decision will be binding on both the applicant and the contractor.

L. Final Inspection

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

M. Record Mortgage Documentation

Program staff will file the executed Mortgage with the County Clerk.

N. File Closing

After the final payment is made, the applicant's file will be closed by the program staff.

PROCEDURE FOR OWNER OCCUPIED INCOME-ELIGIBILITY CERTIFICATION

A. Complete a Household Eligibility Determination Form

The program staff shall require each member of an applicant household who is 18 years of age or older to provide documentation to verify their income, pursuant to the Uniform Housing Affordability Controls at N.J.A.C. 5:80-16.1 et seq. Income verification documentation should include, but is not limited to the following for each member of a household who is 18 years of age or older:

1. 1-month (consecutive weeks) paystubs, including bonuses, overtime or tips, or a letter from the employer stating the present annual income figure or if self-employed, a current Certified Profit & Loss Statement and Balance Sheet.
2. Copies of Federal and State income tax returns for each of the preceding three tax years - A Form 1040 Tax Summary for the past three tax years can be requested from the local Internal Revenue Service Center or by calling 1-800-829-1040.
3. A letter or appropriate reporting form verifying monthly benefits such as
4. Social Security or SSI – Current award letter or computer printout letter
5. Unemployment – verification of Unemployment Benefits
6. Welfare -TANF¹ current award letter
7. Disability - Worker's compensation letter or
8. Pension income (monthly or annually) – a pension letter

¹ TANF – Temporary Assistance for Needy Families

9. A letter or appropriate reporting form verifying any other sources of income claimed by the applicant, such as alimony or child support – copy of court order or recent original letters from the court or education scholarship/stipends – current award letter.
10. 3 months of reports of savings and checking accounts (bank statements and passbooks) and income reports from banks or other financial institutions holding or managing trust funds, money market accounts, certificates of deposit, stocks or bonds (In brokerage accounts – most recent statements and/or in certificate form – photocopy of certificates).
11. Evidence or reports of income from directly held assets, such as real estate or businesses.
12. Interest in a corporation or partnership – Federal tax returns for each of the preceding three tax years.
13. Current reports of assets – Market Value Appraisal or Realtor Comparative Market Analysis and Bank/Mortgage Co. Statement indicating Current Mortgage Balance. For rental property attach copies of all leases.

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

B. Income

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

C. Not Income

1. Rebates or credits received under low-income energy assistance programs
2. Food stamps
3. Payments received for foster care
4. Relocation assistance benefits
5. Income of live-in attendants
6. Scholarships

7. Student loans
8. Personal property such as automobiles
9. Lump-sum additions to assets such as inheritances, lottery winnings, gifts, insurance settlements
10. Part-time income of dependents enrolled as full-time students
11. Court ordered payments for alimony or child support paid to another household shall be deducted from gross annual income
12. To calculate income, the current gross income of the applicant is used to project that income over the next 12 months.

D. Student Income

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

E. Records Documenting Household Composition and Circumstances

The following are various records for documenting household information:

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

F. Income Certification

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

The complete submission of all the required documentation shall be submitted to the Program Staff within 30 days, or the applicant's application may be moved to the bottom of the selection list.

G. Appeals Process

If an applicant does not approve a payment that the housing/building inspector has approved, the disputed payment will be appealed to the Township Council for a hearing. The Council will decide if the payment shall be released to the contractor or the contractor must complete additional work or correct work completed before the release of the payment. The municipality's decision will be binding on both the applicant and the contractor.

CONTRACTOR RELATED PROCEDURES

A. Contractor Selection

Contractors must apply to the program staff to be placed on the pre-approved contractors list.

Contractors seeking inclusion on the list must submit references from at least three recent general contracting jobs. Contractors also must submit documentation proving financial stability. Contractors

must carry workmen's compensation coverage and liability insurance of at least \$100,000/\$300,000 for bodily injury or death and \$50,000 for property damage. Only licensed contractors will be permitted to perform specialty work such as plumbing, heating and electrical

B. Number of Proposals Required

The approved work write-up will be submitted to the contractors by the program staff. Contractors must visit the property and submit bids within 14 days. The contract will be awarded to the lowest bidder², provided that the program inspector or the professional who drafted the work write-up certifies that the work can be completed at the price bid and that the bid is reasonably close to the cost estimate. Bids must fall within 20% of the cost estimate.

C. Contractor Requirements

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

MAINTENANCE OF RECORDS

A. Files To Be Maintained on Every Applicant

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

1. Application Form
2. Income Verification
3. Letter of Certification of Eligibility or Letter of Determination of Ineligibility

Files of applicants approved for the program will also contain the following additional documentation:

1. Housing Inspection Report
2. Photographs - Before
3. Certification of Property Eligibility or Determination of Ineligibility
4. Proof of Homeowners Insurance
5. Copy of Deed to Property

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

1. Work Write-Up/Cost Estimate
2. Copies of Bids
3. Applicant/Contractor Contract Agreement
4. Recorded Mortgage/Lien Documents
5. Copies of All Required Permits

² If the property owner wishes to use a contractor other than the lowest responsible bidder, the property owner shall pay the difference between the lowest bid price and the bid price of the selected contractor.

6. Contractor Requests for Progress Payments
7. Progress Payment Inspection Reports
8. Progress Payment Vouchers
9. Change Orders (If needed)
10. Final Inspection Report
11. Photographs - After
12. Certification of Completion and Release of Contractor's Bond

B. Rehabilitation Log

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

C. Monitoring

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

1. Street Address
2. Block/Lot/Unit Number
3. Owner/Renter
4. Income: Very Low/Low/Mod
5. Final Inspection Date
6. Funds expended on Hard Costs
7. Development Fees expended
8. Funds Recaptured
9. Major Systems Repaired
10. Unit Below Code & Raised to Code
11. Effective date of affordability controls
12. Length of Affordability Controls (yrs)
13. Date Affordability Controls removed
14. Reason for removal of Affordability Controls

PROGRAM MARKETING

Upon the initial implementation of the program, the municipality will market the program in accordance with their approved marketing plan.

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

INTRODUCTION: Rental Rehabilitation

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

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

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

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

B. Fair Housing and Equal Housing Opportunities



It is unlawful to discriminate against any person making application to participate in the rehabilitation program or rent a unit with regard to race, creed, color, national origin, ancestry, age, marital status, affectional or sexual orientation, familial status, disability, nationality, sex, gender identity or expression or source of lawful income used for mortgage or rental payments. For more information on discrimination or if anyone feels they are a victim of discrimination, please contact the New Jersey Division on Civil Rights at 1-866-405-3050 or <http://www.state.nj.us/lps/dcr/index.html>.

ELIGIBLE PARTICIPANTS

A. Categories of Participants

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

NOTE: Pursuant to N.J.A.C. 5:97-6.2(b)6 - rental units may not be excluded from a municipal rehabilitation program. If a county administers the municipal rehabilitation program and the county program does not include rehabilitation of rental units, the municipality will need to supplement the county program with its own rehabilitation program for rental units.

B. Income Limits for Participation

The occupants of the units must have incomes that now fall within the income guidelines established for the *County of Somerset* by the Superior Court. These limits are revised annually as figures become available and can be found in the appendices. Units that are vacant at the time of rehabilitation must be rented through the Township(s) Administrative Agent to a qualified applicant.

NOTE: The program will strive to provide that low-income households occupy at least 50 percent of the units rehabilitated.

C. Program Area

This is a municipal-wide program. The rehabilitation property must be located in the Borough of Rocky Hill.

D. Certification of Substandard

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

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

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

AVAILABLE BENEFITS

A. Program Financing

The average per unit rehabilitation costs shall be \$10,000. The landlords are required to provide at least 50% of the total rehabilitation costs needed for each unit to meet the New Jersey State Housing Code, N.J.A.C. 5:28 and each unit must meet the major system repair or replacement requirement upon completion.

The maximum loan available per unit from the Township is \$10,000. If a particular unit requires more than \$10,000 investment the Township will review and may approve on a case-by-case basis.

B. Renter-occupied Units - Program Financing/Program Affordability Controls

Eligible landlords of one-four-unit buildings may be eligible for an interest free loan which will be due if title to the property is transferred within (10) ten years of the loan date. Upon the (10) ten year loan anniversary, the full amount of the loan is forgiven, provided the property has not been transferred. In addition to the interest-free loan, a ten (10) year deed restriction, secured by a mortgage and note, shall be recorded to control contract rents and ensure ongoing tenant eligibility for assisted rental units. The loan shall become immediately due and payable upon transfer of title within the initial ten (10) year term. After ten (10) years, the lien shall be forgiven; however, the deed restriction shall remain in effect for ten (10) years from the date the units are certified as standard. There are no monthly payments required under this loan. The deed restriction and mortgage documents shall be recorded in the County Clerk's Office.

Landlords are required to contribute a minimum of fifty percent (50%) of the total rehabilitation costs necessary for each unit to comply with the New Jersey State Housing Code (N.J.A.C. 5:28). In addition, each unit must meet the major system repair or replacement requirement under program guidelines

At the time the application is submitted, owners must submit proof of their share through bank statements, credit lines, etc. Title searches and property appraisals will be required to determine if there is sufficient equity in the property to cover the cost of the loan. The landlords will be expected to pay for the costs of the title searches and provide up to date property appraisals.

In situations where the non-income eligible owner(s) of eligible rental units occupies a unit in the structure to be rehabilitated, repairs to shared systems (i.e.: roof, heating, foundations, etc.) will be prorated with the owner(s) receiving no financial assistance for the owner's share.

If a unit is vacant upon initial rental subsequent to rehabilitation, or if a renter-occupied unit is re-rented prior to the end of controls on affordability, the deed restriction shall require the unit to be rented to a low- or moderate- income household at an affordable price and affirmatively marketed pursuant to the N.J.A.C. 5:97-9. Rents in rehabilitated units may increase annually based on the standards in N.J.A.C. 5:97-9.

C. Subordination

Borough of Rocky Hill may agree to subordinate a loan if the mortgage company supplies an appraisal showing that the new loan plus the balance on the old loan does not exceed 95% of the appraised value of the unit.

ELIGIBLE PROPERTY IMPROVEMENTS

A. Eligible Improvements

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

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

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

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

- Interior trim work,
- Interior and/or exterior doors
- Interior and/or exterior hardware
- Window treatment
- Interior stair repair
- Exterior step repair or replacement
- Porch repair
- Wall surface repair
- Painting
- Exterior rain carrying system repair

B. Ineligible Improvements

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

C. Rehabilitation Standards

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

D. Certification of Standard

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

E. Emergency Repairs

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

OVERVIEW OF ADMINISTRATIVE PROCEDURES

A. Application/Interview

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

15 Montgomery Ave. Rocky Hill, NJ 08553.

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

Applicants for rental rehabilitation funding must provide a list of tenants and the rents paid by each. The program staff will contact the tenants to obtain evidence of income eligibility of the occupants of the units.

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

B. Income Eligibility and Program Certification

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

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

If after reviewing the income documentation submitted by the applicant's tenants, the tenant is determined to be ineligible, the applicant will receive a letter delineating the reasons for the determination of ineligibility. An applicant may be determined ineligible if each tenant's income exceeds current income limits.

The program staff will arrange a title search only once income eligibility has been determined in favor of eligibility.

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

C. Housing Inspection/Substandard Certification

Once determined eligible, the program staff will arrange for a qualified program inspector to inspect the entire residential property.

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

D. Ineligible Properties

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

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

- Total debt on the property will exceed the value of the property.

Borough of Rocky Hill may disqualify properties requiring excessive repairs to meet municipal housing standards. The estimated or bid cost of repairs must exceed fifty percent (50%) of the estimated after-rehabilitation value of the property in order for the Municipality to exclude the property from the program.

If, after reviewing the submitted property documentation and the inspection report and/or work write-up, the applicant's property is determined to be eligible, the assigned inspector shall certify the dwelling as substandard. The inspector shall complete and sign the Certificate of Substandard Form and submit it to program staff for processing.

E. Cost Estimate

The program inspector will prepare a Work Write-up and Cost Estimate. This estimate will include a breakdown of each major work item by category as well as by location in the house. It will contain information as to the scope and specific details on the materials to be used. A Cost Estimate will be computed and included within the program documentation. The program staff will review the Preliminary Work Write-up with the property owner. Only required repairs to units occupied by income eligible households will be funded through the housing rehabilitation program.

F. Contractor Bidding Negotiations

After the unit and the unit occupant have been certified as eligible, the program staff will provide bid requests to the approved contractors on bid list. The program staff and property owner will then review these bids. The lowest bid submitted by the responsible trade contractor shall then be selected. If the property owner wishes to use a contractor other than the lowest responsible bidder, the property owner shall pay the difference between the lowest bid price and the bid price of the selected contractor.

Property owners may seek proposals from non-program participating contractors. However, the program administrator must pre-approve the contractor prior to submitting a bid.

G. Contract Signing/Pre-Construction Conference

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

The program staff will then call a Pre-Construction Conference. Documents to be executed at the Pre-construction Conference include Contractors Agreement(s), a Restricted Covenant, Mortgage and Mortgage Note. The property owner, program staff representative, and contractor will execute the appropriate documents and copies will be provided as appropriate. A staff member will outline project procedures to which property owner must adhere. A Proceed to Work Order, guaranteeing that the work will commence within fifteen (15) calendar days of the date of the conference and be totally completed within ninety (90) days from the start of work, will be issued to each contractor at this Conference.

H. Progress Inspections

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

I. Change Orders

If it becomes apparent during construction that additional repairs are necessary or the described repair needs to be amended, the program inspector will inspect the areas in need of repair and prepare a change order describing the work to be done. The applicant and the contractor will review the change order with the program staff and agree on a price. Once all parties approve of the change order and agree on the price, they will sign documents amending the contract agreement to include the change order. Any costs exceeding the maximum program funding amount shall be the sole responsibility of the homeowner.

J. Payment Schedule

The contract will permit two payments if the project costs more than \$12,000. First payment is made when the project is one-half completed. Final payment upon completion. The contractor will submit a payment request. The applicant will sign a payment approval if both the applicant and program inspector are satisfied with the work performed. The municipality will then release the payment.

K. Final Inspection

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

L. Appeal Process

If an applicant does not approve a payment that the housing/building inspector has approved, the disputed payment will be appealed to the Township Council for a hearing. The Council will decide if the payment shall be released to the contractor or the contractor must complete additional work or correct work completed before the release of the payment. The municipality's decision will be binding on both the applicant and the contractor.

M. Record Restricted Covenant and Mortgage Documentation

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

N. File Closing

After the final payment is made, the applicant's file will be closed by the program staff.

CONTRACTOR RELATED PROCEDURES

A. Contractor Selection

Contractors must apply to the program staff to be placed on the pre-approved contractors list. Contractors seeking inclusion on the list must submit references from at least three recent general contracting jobs. Contractors also must submit documentation proving financial stability. Contractors must carry workmen's compensation coverage and liability insurance of at least \$100,000/\$300,000 for bodily injury or death and \$50,000 for property damage. Only program tradesmen will be permitted to perform specialty work such as plumbing, heating and electrical.

B. Number of Proposals Required

The property owner will select a minimum of three general contractors from a list of pre-approved contractors. Property owners may not select contractors who do not appear on the list.³ The approved work write-up will be submitted to the selected contractors by the program staff. Contractors must visit the property and submit bids within 14 days. The contract will be awarded to the lowest bidder⁴, provided that the housing/building inspector or the professional who drafted the work write-up certifies that the work can be completed at the price bid and that the bid is reasonably close to the cost estimate. Bids must fall within 20 percent of the cost estimate.

C. Contractor Requirements

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

MAINTENANCE OF RECORDS

A. Files To Be Maintained on Every Applicant

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

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

³ The program permits a property owner to seek proposals from non-program participating contractors. However, Program Staff must pre-approve the contractor prior to submitting a bid.

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

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

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

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

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

Individual files will be maintained throughout the process.

D. Rehabilitation Log

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

E. Monitoring

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

- Street Address
- Block/Lot/Unit Number
- Owner/Renter
- Income: Very Low/Low/Mod
- Final Inspection Date
- Funds expended on Hard Costs
- Development Fees expended
- Funds Recaptured
- Major Systems Repaired
- Unit Below Code & Raised to Code
- Effective date of affordability controls

- Length of Affordability Controls (yrs)
- Date Affordability Controls removed
- Reason for removal of Affordability Controls

PROGRAM MARKETING

Upon the initial implementation of the program, the municipality will market the program in accordance with their approved marketing plan.

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

INTRODUCTION: Rental Procedures

This Operating Manual has been prepared to assist in the administration of a For-Rent Program for the Borough of Rocky Hill. It will serve as a guide to the program staff. This manual describes the basic content and operation of the program, examines program purposes and provides the guidelines for implementing the program. It has been prepared with a flexible format allowing for periodic updates of its sections, when required, due to revisions in regulations and/or procedures. This manual explains the steps in the initial rental process and in the re-rental process. It describes the eligibility requirements for participation in the program, record keeping and overall program administration.

Implementation of any procedure, even if it is not included in this Operating Manual, shall be in accordance with the Federal Fair Housing Act and Equal Opportunities laws¹, the Uniform Housing Affordability Controls (UHAC) NJAC 5:80-26.1 et seq.², the substantive rules and the affordable housing regulations of the Borough of Rocky Hill (hereafter referred to as the "Regulations"). In accordance with the Federal Fair Housing Act and Equal Opportunities laws it is unlawful to discriminate against any person making application to buy or rent a home with regard to age, race, religion, national origin, sex, handicapped or familial status.

What is Affordable housing?

Affordable housing, unlike market-rate housing, is subject to affordability controls that restrict the price for a specified duration as mandated by relevant regulations. This duration typically spans 30 years or more. A rental unit is considered "affordable" under State regulations if the household pays 35% or less of its gross income on housing costs. In age-restricted units, households can spend up to 40% of their household income on housing expenses. Regulations for ownership, or for sale affordable housing, permit buyers to spend up to 33% of their gross household income on housing expenses.

Housing expenses are defined differently for ownership (for sale) Affordable Housing and rental housing.

In the case of ownership (for sale) Affordable Housing expenses are defined as:

- Primary mortgage principal, and interest.
- Local real estate taxes.
- Condominium or association dues, if any; and
- Homeowners insurance.

The following constitutes housing expenses for rental units:

- Rent; and
- Tenant-paid utilities.

Affordable housing is priced to be affordable to households earning up to 80% of the regional area median income by household size.

¹ https://www.hud.gov/program_offices/fair_housing_equal_opp/fair_housing_act_overview

² https://www.nj.gov/dca/services/lps/hss/admin_files/uhac/2006uhacmanual.pdf

Who Qualifies for Affordable Housing?

To be eligible for affordable housing in New Jersey, a household's income must be below the income limit for the region in which the affordable housing is located, either for low or moderate levels:

- A *moderate-income household* earns between 50 percent and 80 percent of the area median income by household size.
- A *low-income household* is classified as earning less than 50 percent of the area median income by household size.
- The Fair Housing Act included an additional requirement for *very low-income households*, classified as earning less than 30 percent of the area's median income by household size.

The 2008 New Jersey Fair Housing Act amendments require municipalities to provide at least 13% of affordable units post-2008 in their fair share plans to very low-income households earning 30 percent or less of median income by household size.

The six housing regions consist of up to four counties:

Region	Counties
1	Bergen, Hudson, Passaic, Sussex
2	Essex, Morris, Union, Warren
3	Hunterdon, Middlesex, Somerset
4	Mercer, Monmouth, Ocean
5	Burlington, Camden, Gloucester
6	Atlantic, Cape May, Cumberland, Salem

The Regional Income Limits Chart provides income limits for each of the six housing regions. Median incomes, and therefore income limits, differ by region. Income limits are updated annually in the Spring of each year.

Applicants do not have to currently live in the region if they are interested in applying for an affordable unit. An applicant's income qualification is determined by the Regional Income Limits for where the unit is located rather than where the applicant currently lives.

Affordable Housing Programs and Opportunities

A copy of the Borough of Rocky Hill Housing Element and Fair Share Plan is available at:

15 Montgomery Ave. Rocky Hill, NJ 08553.

Other Affordable Housing Programs and Opportunities

A wide variety of organizations and agencies administer affordable housing. Under the Fair Housing Act's jurisdiction, each New Jersey community has a Municipal Housing Liaison responsible for helping the local affordable housing program. Individuals interested in applying for affordable housing should contact the Municipal Housing Liaison in the community they are interested in living in. Some communities administer their affordable housing and have their own application process. If not, the Municipal Housing Liaison can direct applicants to developers, nonprofit agencies, State agencies, or consultants that may administer affordable housing within the community.

The *New Jersey Housing and Mortgage Finance Agency* have established New Jersey's Housing Resource Center, an online, searchable database of affordable housing in the State. The Housing Resource Center provides a listing of available, affordable housing. Available units are listed with contact and application information. Visit the Housing Resource Center at www.njhrc.gov.

The *Affordable Housing Professionals of New Jersey* maintains a web page with a comprehensive list of affordable housing opportunities in New Jersey. Please visit <https://ahpnj.org/housing-search> for more information.

Fair Housing and Equal Housing Opportunities

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

For more information on discrimination or if anyone feels they are a victim of discrimination, please get in touch with the New Jersey Division on Civil Rights at 1-866-405-3050.

AFFIRMATIVE MARKETING

Overview of the Requirements of an Affirmative Marketing Plan

All affordable units are required to be affirmatively marketed using the Affirmative Marketing Plan. An Affirmative Marketing Plan is a regional marketing strategy designed to attract households of all majority and minority groups, regardless of race, creed, color, national origin, ancestry, age, marital status, affectional or sexual orientation, familial status, disability, nationality, sex, gender identity or expression or source of lawful income used for mortgage or rental payments to housing units which are being marketed by an Administrative Agent or a developer, sponsor, owner or property manager of affordable housing. The primary objectives of an Affirmative Marketing Plan are to identify households who are least likely to apply for affordable housing and market to households throughout the entire housing region in which the units are located.

Every Affirmative Marketing Plan must include all of the following:

- Publication of at least one advertisement in a newspaper of general circulation within the housing region; and
- Publication on at least one housing search website, plus one additional digital strategy such as digital paid ads, social media or an additional housing search website.
- At least one additional regional marketing strategy, such as advertisements in a local publication, mailings to major employers, or community and regional organizations such as non-profit, religious, and civic organizations.

Online Advertising

To comply with the rules of the Fair Housing Act the developer, owner, or Administrative Agent of affordable units must affirmatively market units through newspaper, digital marketing, and housing search websites. To stay current with changes in technology and how the public searches for housing, the owner, developer, property manager, or other administrative entity will be required to post rental units onto the NJHMFA's Housing Resource Center (HRC) under P.L. 2020, c.51, effective November 1, 2020. Any affordable units listed for the first time, existing units expected to become available and open waiting lists for current and future units must be listed on the HRC. All postings should include a link to an online fillable pre-application or downloadable application and information on obtaining a paper application.

For each affordable housing rental opportunity within the city, the Affirmative Marketing Plan must include the following information:

- The address of the project and development name, if any
- The number of rental units
- The price ranges of the rental units
- The number of bedrooms in the units
- The name and contact information of the Administrative Agent
- A description of the Random Selection method that will be used to select applicants for affordable housing and the date on which the first Random Selection will be conducted.
- Disclosure of required application fees, if any.

Advertisements must contain the following information for each Affordable Housing opportunity:

- The location of and directions to the units
- A range of prices for the housing units
- The number of bedrooms in the units
- The maximum income permitted to qualify for the housing units
- The locations of applications for the housing units
- The website where interested households may complete a pre-application
- The name and contact information of the Administrative Agent
- A description of the Random Selection method that will be used to select applicants for affordable housing and the date on which the first Random Selection will be conducted.

It is also recommended that the following information be included in the advertisements:

- Last date applications will be accepted.
- A statement concerning the availability of credit, budget, and homeownership counseling services.
- If already adopted by ordinance, a statement concerning regional or veteran preference.
- "Visit www.njhrc.gov for more affordable housing opportunities."

Implementation of the Affirmative Marketing Plan

The affirmative marketing process for affordable units should begin at least four months before expected occupancy. In implementing the marketing program, the Administrative Agent shall undertake all the strategies outlined in the Affirmative Marketing Plan. Advertising and outreach shall occur during the first week of the marketing program and each month after that until all the units have been rented. The Administrative Agent shall market and advertise each project separately during each project's initial affirmative marketing. Applications for affordable housing shall be available in several locations through the Affirmative Marketing Plan. The period when applications will be accepted will be posted with the applications. Applications shall be mailed to prospective applicants upon request.

MATCHING HOUSEHOLDS WITH AVAILABLE UNITS

The Administrative Agent uses a two-step process to match available units with potential tenants and buyers of affordable homes. First, anyone interested in buying or renting an affordable unit must complete a pre-application. The pre-application is brief and designed to collect only the information necessary to assess a household's income and bedroom requirements for available units. Pre-applications may be submitted online or via paper.

Once a pre-applicant has been part of a random selection and has been potentially matched with an available unit, they will be required to complete a full application. The application collects detailed information on each household member, including their income, assets, and other information necessary to determine the household's eligibility according to the UHAC regulations.

The Random Selection Process

UHAC requires communities to include a “random selection” among interested applicants when an affordable housing unit is available. Random selection ensures “that no preference is given to one applicant over another except for purposes of matching household income and size with an appropriately priced and sized affordable unit.” The initial Random Selection for a given project may be conducted no sooner than sixty (60) days following the start of the Affirmative Marketing Plan.

The Affirmative Marketing Plan details the specific steps of the random selection process.

Identifying Candidates for Available Units

The Administrative Agent will use the following process to test each applicant against the available unit(s) in the order of their random selection.

1. Regional Preference Test. If applicable, pre-applicants that live or work in the Borough of Rocky Hill will be considered first as per the Township Affirmative Housing Ordinance establishing a preference for pre-applicants that live or work within the COAH Region.
2. Veteran Preference Test. If applicable to the available unit(s), pre-applicants who served in time of war or other emergency, as defined in section 1 of P.L.1963, c. 171 (C.54:4-8.10) and who apply within 90 days of the initial marketing period shall receive preference for the rental of the agreed-upon percentage of affordable units.
3. Bedroom Test. Next, the number of bedrooms in the available unit(s) will be tested against the random selection list. If the first pre-applicant qualifies for a unit with a different number of bedrooms, they will be skipped, and the next pre-applicant will be evaluated. Once a match is made between the available unit(s) and a pre-applicant, the following criteria will be tested.
4. Income Test. The first pre-applicant on the random selection list that meets the bedroom test will then be tested to ensure their reported income is sufficient to afford the housing expenses of the available unit. See *Maximum Monthly Expenses*.
5. If the database record for the pre-applicant is more than six months old, the AA will contact the pre-applicant to update their gross household income, household size, and bedroom requirement. Any changes will be made to the random selection list and the pre-applicant database.

Confirming the Interest of a Candidate

A pre-applicant that passes the Regional Preference, Veteran Preference (if applicable), selected through the randomization process, Bedroom, and Income Tests is considered a viable candidate for the available unit and will be contacted to determine their interest in the available unit. The Administrative Agent will provide the candidate with essential information about the unit, including current rent (or sales price). Other information may include amenities, parking availability, HOA/association dues, real estate taxes, and potential availability date. If the candidate is interested in the unit, they will be instructed by the Administrative Agent to contact the Landlord, Property Manager, or seller of the unit to visit the unit. Prospective buyers must provide a mortgage pre-approval letter before visiting an available unit before they are referred to the seller to view the unit.

If the candidate is interested in moving forward after seeing the unit, the Administrative Agent will make the full application available. Prospective buyers and renters are given 48 hours to decide if they want to move forward after visiting an available unit. Before completing a full application, prospective tenants must first meet the Landlord's tenant selection criteria. The candidate will be instructed to complete the full application and attach all the required source documents listed on the application.

Full Application & Income Certification Process

An applicant who has confirmed their interest in buying or renting an available, Affordable Housing unit will be required to complete a full application and provide the required documentation listed in the application for household certification. The application must be complete and signed before the Administrative Agent reviews an application. In addition, all applicable source documents are required before reviewing the application.

It may be necessary for the Administrative Agent to collect additional information and documentation from the applicant beyond the items listed above. The Administrative Agent will notify applicant households in writing of certification or denial within 20 days of the determination.

Once approved, a certified household for an ownership will have a contract of sale drawn up and executed with the seller. Then, the certified household will move through the purchasing process to closing with the guidance of their lender and chosen title company. For a certified household for a rental unit a lease agreement will be signed between the tenant and landlord.

See *Household Certification* for more information on how eligibility is determined.

HOUSEHOLD CERTIFICATION PROCESS

Before any household can rent or buy an affordable unit, the Administrative Agent must certify the household as eligible. Certification of a household involves verifying two critical pieces of data: 1) Household size and composition, including gender, and 2) The total household income. The certification process begins once the applicant submits a completed full application along with all required documentation. After the eligibility documents and supporting data have been collected, the Administrative Agent will review the information and calculate the household's income to determine eligibility.

Procedure for Income-Eligibility Certification

The Administrative Agent shall require each member of an applicant household who is 18 or older to provide documentation to verify their income. The household shall have ten (10) business days from the first notification to submit all required documents. Income verification documentation includes, but is not limited to, the following for every member of a household who is 18 years of age or older:

- Copies of driver's license or state IDs for all adults in the household
- Copies of social security cards for all members of the household
- Copies of birth certificates for all members of the household.
- Four (4) most recent consecutive pay stubs for each source of income for every working member of the household. Proof of employment income may include documentation of bonuses, overtime, or tips, or a letter from the employer stating the current annual income. For self-employed applicants, a current certified Profit and Loss Statement and Balance Sheet are required.
- Copies of full Federal and State income tax returns (all pages) and W2s for the preceding three (3) tax years for each working adult in the household.
- A letter or appropriate reporting form verifying monthly benefits, such as
 - Social Security income including children
 - Unemployment
 - Welfare or TANF
 - Disability or Worker's Compensation
 - Pension income
 - Where applicable, the most recent award letter for SSI or SSD.
- A notarized letter, court order, or statement verifying any other sources of income claimed by the applicant, such as alimony or child support.
- Six (6) consecutive months of complete statements (all pages) for all savings and checking accounts. This includes bank statements, passbooks, and income reports from banks or other financial institutions that hold or manage trust funds, money market accounts, certificates of deposit, stocks, or bonds.
- Evidence or reports of income from directly held assets, such as real estate or businesses.
- Other documentation that may be necessary to document any other source of income fully must be provided upon request.

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

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

Income

- Wages, salaries, tips, commissions
- Alimony
- Regularly scheduled overtime
- Pensions
- Social security
- Unemployment compensation
- Temporary Assistance to Needy Families (TANF)
- Verified regular child support
- Disability
- Net income from business or real estate
- Interest income from assets such as savings, certificates of deposit, money market accounts, mutual funds, stocks, bonds
- Imputed interest (using a current average annual rate of two percent) from non-income-producing assets, such as equity in real estate. Rent from real estate is considered income after deducting any mortgage payments, taxes, and property owner's insurance.
- Rent from real estate is considered income
- Any other forms of regular income reported to the Internal Revenue Service

Not Income

- Income received on behalf of foster children
- Rebates or credits received under low-income energy assistance programs
- Food stamps
- Relocation assistance benefits
- Income of live-in attendants
- Scholarships
- Student loans
- Personal property such as automobiles, clothing, household items
- Lump-sum additions to assets such as inheritances, lottery winnings, gifts, insurance settlements
- Part-time income of persons enrolled as full-time students
- Court-ordered payments for alimony or child support paid to another household shall be deducted from gross annual income

Student Income

Only the full-time income from a full-time job held by a full-time student is considered income. A full-time student is a household member enrolled in a degree-seeking program for 12 or more credit hours per semester. Part-time income is a job of less than a 35-hour per week.

The Real Estate Asset Limit

If an applicant's primary residence has no mortgage debt and is valued at or above the regional asset limit as published annually by the New Jersey Housing and Mortgage Finance Agency (NJHMFA) with the Annual Regional Income Limits Chart (see Appendix A), the household will be determined ineligible for certification.

However, if the applicant's existing monthly housing costs, including taxes, homeowner insurance, and condominium or homeowner association fees, exceed 38 percent of the household's eligible monthly income, the household will be exempt from the asset limit.

An applicant must provide a recent Market Value Appraisal or Realtor Comparative Market Analysis on the home they own unless the applicant has mortgage debt on the house or can demonstrate that the existing monthly housing costs exceed 38 percent of the household's eligible monthly income in which case the applicant is exempt from the asset limit.

Before obtaining a professional appraisal, the applicant should review the property's tax appraisal and current market value and compare them to the asset limit to avoid unnecessary expenses. The statewide asset limit is \$300,000. For instance, if homes are commonly sold in the applicant's neighborhood for over \$300,000, it is unlikely that an appraisal will determine a value below the asset limit.

Income from Real Estate

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

If an applicant owns real estate with mortgage debt, which is not to be used as rental housing, the Administrative Agent should determine the imputed interest from the property's value. The Administrative Agent should deduct outstanding mortgage debt from the documented market value established by a market value appraisal. Then, based on current money market rates, interest will be imputed on the determined value of real estate. The imputed interest will be added to the household's annual income.

Maximum Monthly Expenses

The percentage of funds that a household can contribute toward housing expenses is limited. However, an applicant may qualify for an exception based on the household's current housing cost (see below). Therefore, the Administrative Agent will strive to place an applicant in a unit with a monthly housing cost equal to or less than the applicant's current housing cost.

Maximum Monthly Expenses for Tenants

A certified household cannot lease a restricted rental unit requiring more than 35 percent of the verified household income (40 percent for age-restricted units) to pay rent and utilities. However, at the discretion of the Administrative Agent, this limit may be exceeded if:

- The household currently pays more than 35 percent (40 percent for a household seeking age-restricted units) of its gross household income for rent, and the proposed rent will reduce the household's housing costs;
- The household consistently paid more than 35 percent (40 percent for households eligible for age-restricted units) of eligible monthly income for rent in the past and has proven its ability to pay.
- The household is currently in substandard or overcrowded living conditions.
- The household documents the existence of assets with which the household proposes to supplement the rent payments or
- The household documents proposed third-party assistance from an outside source, such as a family member in a form acceptable to the Administrative Agent and the Owner of the unit; and
- The household receives budget counseling.

Housing Counseling

The Administrative Agent is responsible for providing referrals for counseling as a part of the Affirmative Marketing Plan and during the application process. Although housing counseling is recommended, a household must only attend counseling if their monthly housing expense exceeds UHAC standards. A HUD-approved housing counseling agency, or one approved by the NJ Department of Banking and Insurance, meets UHAC's requirements for an experienced Housing Counseling Agency. If the Administrative Agent is not authorized by HUD or the NJ Department of Banking and Insurance, the Agent will make referrals to one of the HUD-approved housing counseling agencies in New Jersey. This counseling to low- and moderate-income housing applicants will focus on budgeting, credit issues, and mortgage qualification and is free of charge. A list of non-profit counselors approved by HUD and the New Jersey Department of Banking and Insurance is included on DCA's website and is available from the Administrative Agent.

The Applicant Interview

The prospective applicant may meet with the Administrative Agent to review the certification and random selection processes in detail and ask any questions they may have about the project or the process. The Administrative Agent is prepared to complete the certification process via virtual meeting, telephone, mail, and email. If an interview is to be conducted, the Administrative Agent will attempt to achieve the following objectives:

- Confirm and update all information provided on the application.
- Explain program requirements, procedures for verifying information, and penalties for providing false information. Ask the head of household, co-head, spouse, and household members over 18 to sign the Authorization for Release of Information forms and other verification requests.
- Review the applicant's identification and financial information and documentation, ask questions to clarify the application information, and obtain any additional information needed to verify the household's income.
- Make sure the applicant has reported all sources for earned and benefit income and assets (including assets disposed of for less than fair market value in the past two years). In addition, the applicant must give a written certification as to whether any household member did or did not dispose of any assets for less than the fair market value during the past two years.

Approving or Rejecting a Household

Administrative Agents must notify applicant households of their eligibility within twenty (20) days of the Administrative Agent's determination. Households with a verified total household income that exceeds 80 percent of the current Regional Income Limit (Appendix A) for the appropriate family size are ineligible to buy or rent an affordable unit. A letter rejecting the household's application shall be mailed or emailed to the household.

Similarly, households with a verified total household income that is within the income limits but too low to afford any units administered by the Administrative Agent shall be sent a letter rejecting the household's application and referring them to housing counseling. In accordance with 5:80-26.14

Households with a verified total household income of less than 80 percent shall be issued a letter certifying eligibility. This certification is valid for 180 days. If the Administrative Agent cannot place the household in a restricted unit after 180 days, an extension may be granted once the household's eligibility is verified.

Once the applicant is certified and matched to an available unit, the Administrative Agent must secure from the applicant a signed and notarized acknowledgment of their requirements and responsibilities of renting or owning a restricted unit. In addition, UHAC's Disclosure Statement shall be forwarded to the applicants.

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

Dismissal of Applications

Applications can be dismissed for one or more of the following reasons:

- The application is not signed or submitted on time.
- The applicant commits fraud, or the application is not truthful or complete.
- The applicant cannot or does not provide documentation to verify their income or other required information when due.
- The household income does not meet a particular property's minimum or maximum income requirements.
- The applicant household owns a primary residence with no mortgage on the property valued at or above the regional asset limit as published annually.
- The applicant fails to respond to any inquiry promptly.
- The applicant is non-cooperative or abusive with the staff, property manager, or landlord.
- The applicant changes address or other contact information without informing the Administrative Agent in writing.
- The applicant does not meet the credit standard or other lawful requirements set forth by managers of rental properties.
- The applicant fails to verify attendance in a credit counseling program when required to do so by the program rules.
- The applicant does not promptly respond to periodic update inquiries.
- The applicant fails to sign the Compliance Certification, Certificate for Applicant, and Lease Document, as may be required.
- The applicant, once approved, fails to sign the lease or contract of sale promptly.

Applicants who are dismissed must re-apply. A minimum period of six months applies where the applicant has been denied for fraud, uncooperative behavior, or other serious matters.

Applicants will be removed from the applicant pool once approved for an affordable unit. Applicants are not removed from the applicant pool if they do not respond to a Notice of Availability.

ROLES AND RESPONSIBILITIES

Key Roles

The *Municipal Housing Liaison (MHL)* is a Borough of Rocky Hill employee. The MHL serves as the main point of contact for residents, developers, and stakeholders interested in learning more about the Township's efforts to create affordable housing. The *Administrative Agent (AA)* is responsible for the overall administration of affordable housing portfolio and various related affordable housing programs. The Administrative Agent is a private consultant:

Responsibilities of the Municipal Housing Liaison

The Municipal Housing Liaison is responsible for coordinating all the activities of the municipal government as it relates to the creation and administration of affordable housing units, in conjunction with the Township Affordable Housing Attorney, where appropriate (see Responsibilities of the Affordable Housing Attorney). The primary purpose of the Municipal Housing Liaison is to ensure that all affordable housing projects are established and administered according to applicable regulations. The duties of the Municipal Housing Liaison include the following:

- Monitor the status of all restricted units, regardless of any arrangements the Township may have with one or more Administrative Agents, it is the Municipal Housing Liaison's responsibility to know the status of all restricted units in the community.
- Serve as the Township primary point of contact for all inquiries from the State, Administrative Agents, developers, affordable housing sponsors, owners, property managers, and interested households. In addition, the Municipal Housing Liaison serves as the primary point of contact on affordable housing issues. Therefore, interested applicants should be provided with information on the types of affordable units within the Township and, where applicable, the name of the Administrative Agent who manages the units and the contact information for the Administrative Agent.
- Compile, verify, and submit annual reporting. Administrative Agents are responsible for collecting much of the data that is ultimately included in an annual monitoring report. However, the Municipal Housing Liaison's responsible for collecting and verifying this data and consolidating it into the annual report.

- Coordinate meetings with Administrative Agents and Developers/Affordable Housing Sponsors/Owners. When a new affordable unit or series of units is in the planning process, the Municipal Housing Liaison should coordinate a meeting between the Administrative Agent and the developer, affordable housing sponsor, or owner. This initial meeting aims to develop a clear division of labor between the parties and to transmit any components of the Operating Manual – including copies of all related local ordinances.

The Municipal Housing Liaison, in conjunction with the Affordable Housing Attorney, must have the affordable housing provisions of any Master Deed and Public Offering reviewed for consistency with UHAC regulations before they are recorded and submitted to DCA for approval.

Responsibilities of an Administrative Agent

The primary responsibility of an Administrative Agent is to establish and enforce affordability controls and ensure that units in their portfolio are rented to eligible households. Administrative Agents must:

- Secure written acknowledgment from all developers, affordable housing sponsors, and owners that no restricted unit can be offered or in any other way committed to any person other than a household duly certified by the Administrative Agent.
- Create and adhere to an Operating Manual. Administrative Agents are required to follow the policies and procedures of an Operating Manual, as applicable to the scope of services they have been contracted to perform.
- Implement the Affirmative Marketing Plan. The Administrative Agent is responsible for implementing the Affirmative Marketing Plan. Affirmative marketing includes conducting regional outreach and advertising for available affordable units. Advertising costs have been delegated to the developer in accordance with the adopted Affirmative Marketing Plan.
- Accept applications from interested households. Interested households will contact the Administrative Agent in response to marketing initiatives or by referral from the Municipal Housing Liaison. The Administrative Agent will supply applicants with applications, provide additional information on available units, and accept completed applications.
- Conduct a random selection of applicants for the rental of restricted units. The Administrative Agent is responsible for conducting the random selection in accordance with the Affirmative Marketing Plan and any related local ordinances and as described in the Operating Manual.

- Create and maintain a pool of applicant households. This includes contacting households in the applicant pool to determine continued interest and household size and income changes.
- Determine the eligibility of households. Collecting application materials and documentation from applicant households and analyzing it for eligibility is the responsibility of an Administrative Agent. A written determination of a household's eligibility must be provided within twenty (20) days of the Administrative Agent's determination of eligibility or non-eligibility. Whether or not the household is eligible for a unit, it is an Administrative Agent's responsibility to secure all information provided by the household in individual files and maintain strict confidentiality of all information regarding that household. In addition, an Administrative Agent is required to ensure that all certified applicants execute a Disclosure Statement acknowledging the rights and requirements of renting or owning an affordable unit.
- Establish and maintain effective communication with property managers and landlords.

Property managers and landlords of restricted units should be instructed and regularly reminded that the Administrative Agent is their primary point of contact. The Administrative Agent must immediately inform all property managers and landlords of any changes to the Administrative Agent's contact information or business hours. Property managers and landlords should be instructed to contact the Administrative Agent immediately:

- Immediately upon learning that an affordable rental unit will be vacated.
- For review and approval of annual rental increases.
- Provide annual notification of maximum rents. Each year, when AHPNJ releases its low-and moderate-income limits, rental households must be notified of the new maximum rent that may be charged for their unit. The Administrative Agent's contact information must be included in the notification if the tenant is overcharged.
- Serve as the custodian of all legal documents. An Administrative Agent is responsible for maintaining the originals of all legal instruments for the units in their portfolio. In addition, throughout the duration of a control period, an Administrative Agent must maintain a file containing its affordability control documents. This includes but is not limited to, the recorded Declarations of Covenants, Conditions, Restrictions, Deed Restrictions, Deeds, Recapture Mortgages, and Recapture Mortgage Notes.
- Serve as point of contact on all matters relating to affordability controls. It is recommended that the Administrative Agent develop a system to be notified by lenders when a unit is at risk of foreclosure. In the event of a foreclosure, the Administrative Agent should work with the foreclosing institution to ensure that the affordability controls are maintained. The Administrative Agent should seek the attorney's counsel on legal matters threatening the durability of affordability controls.
- Provide annual activity reports to the Municipal Housing Liaison for use in the annual required monitoring report. An Administrative Agent is responsible for collecting the reporting data on each unit in the Administrative Agent's portfolio.
- Maintain and distribute information on HUD-approved Housing Counseling Programs.

Responsibilities of the Affordable Housing Attorney

The Affordable Housing Attorney assists the Borough of Rocky Hill developing, administrating, and enforcing affordability controls, including but not limited to the following:

- Assisting the Municipal Housing Liaison with reviewing the affordable housing provisions of any Master Deed and Public Offering for consistency with UHAC regulations before they are recorded and submitted to DCA for approval.
- Providing all reasonable and necessary assistance to support the Administrative Agent's efforts to ensure compliance with the housing affordability controls, including reviewing legal documents and legal actions required on foreclosures and violations.

Responsibilities of Developers

When a new affordable unit or series of units is in the planning process, the affordable housing developer should contact the Municipal Housing Liaison, who shall coordinate a meeting with the Administrative Agent, where applicable, and the developer, affordable housing sponsor, or owner.

This initial meeting aims to develop a clear division of labor between the parties and to transmit any components of the Operating Manual – including copies of all related local ordinances- that the Township has already adopted.

The Administrative Agent will secure from the developer's written acknowledgment that no restricted unit can be offered or in any other way committed to any person other than a household duly certified by the Administrative Agent.

Responsibilities of Owners of Rental Affordable Rental Units

Open and direct communication between the Owners of affordable rental units, the Municipal Housing Liaison, and the Administrative Agent is essential to the ongoing administration of affordability controls. Although the Administrative Agent is required to serve as the primary point of contact with households, the Owner must provide the Municipal Housing Liaison and Administrative Agent with information on vacancies. Owners of rental developments are also responsible for working with the Administrative Agent to ensure that the Municipal Housing Liaison has all the necessary information to complete the annual reporting.

Responsibilities of Landlords and Property Managers

Landlords and property managers of affordable housing units must place a notice in all rental properties annually informing residents of the rent increase for the year and the contact information for the Administrative Agent.

APPLICATION PROCESS AND FEES

In compliance with the Fair Chance in Housing Act (FCHA), N.J.S.A. 46:8-52 to -64 effective January 1, 2022, criminal background information may be obtained after a conditional offer is made. Potential renters must be made aware that criminal background information will be obtained before a final rental offer is made. The application process for vacant rental units are as follows:

1. The Administrative Agent will conduct pre-screening for income eligibility and availability of applicants in the Applicant Pool and refer applicants, in lottery number order, to the leasing/management office;
2. Upon receipt of referral, the leasing/management staff can run a credit check and accept an application. This cannot include criminal background checks. Application fees required for candidates for affordable housing units may not exceed the fees charged to market candidates in the same project. If the application is approved, the landlord shall inform the administrative agent of the determination.
3. The Administrative Agent will conduct a full income certification and send the certification back to the leasing/management office. If approved, a landlord can make a conditional offer for the unit and conduct a criminal background check. If denied, the applicant and leasing/management staff will be notified in writing by the Administrative Agent.
4. If an applicant is denied based on their criminal background check (according to the Fair Chance in Housing Act criteria) both the applicant and administrative agent shall be notified in writing that a decision was made not to proceed with renting the unit to the applicant, to include a detailed explanation for the denial. If approved, a landlord can enter a lease and send the executed lease and certification back to the administrative agent.

Additional resources can be found on the Division on Civil Rights website: <https://www.njoag.gov/about/divisions-and-offices/division-on-civil-rights-home/fcha/>.

DETERMINING AFFORDABLE RENTS

Development Considerations and Compliance Issues

There are several regulations that must be considered from the *development perspective* before the rents of individual units can be calculated. The following is a summary of the requirements for affordable projects.

Bedroom Distribution. The standards on the distribution of unit sizes for affordable developments require that:

- The combined number of efficiency and one-bedroom units may be no greater than 20 percent of the total low- and moderate-income units;
- At least 30 percent of all low- and moderate-income units must be two-bedroom units;
- At least 20 percent of all low- and moderate-income units are three-bedroom units; and the remainder has been allocated

Pricing by Household Size. Initial rents are based on targeted “model” household sizes for each size home as determined by the number of bedrooms. Initial rents must adhere to the following rules. These maximum sales prices and rents are based on the Annual Regional Income Limits Chart at the time of occupancy.

The below rules are only to be used for setting initial rents. They are not guidelines for matching household sizes with unit sizes. The pricing of age-restricted units may not exceed affordability based on a two-person household.

Affordability	Size of Unit	Household Size Used to Determine Maximum Rent
A studio shall be affordable to a one-person household	Studio/Efficiency	1
A one-bedroom unit shall be affordable to a one-and one-half person household	1 Bedroom	1.5
A two-bedroom unit shall be affordable to a three-person household	2 Bedrooms	3
A three-bedroom unit shall be affordable to a four-and one-half person household	3 Bedrooms	4.5
A four-bedroom unit shall be affordable to a six-person household	4 Bedrooms	6

Determining Initial Rents

To determine the affordable rents the Administrative Agent uses the approved UHAC Affordable Housing calculators provided by the New Jersey Housing and Mortgage Finance Agency (NJHMFA).

Additional Regulations for Rental Developments

In addition to the regulations covered earlier in the Section Development Considerations and Compliance Issues, rental projects must also comply with the following regulations:

Split Between Low- and Moderate-income Rental Units. At least 50 percent (of the affordable units within each bedroom distribution (unit size) must be low-income units and at least 13 percent of the affordable units within each bedroom distribution must be affordable to households earning no more than 30 percent of the regional median income. The remainder of the affordable units must be affordable to moderate-income households.

Affordability Average. The average rent for all affordable units cannot exceed 52 percent of the regional median income. At least one rent for each bedroom type must be offered for both low-income and moderate-income units. Calculation of the affordability average is available on DCA's website.

Maximum Rent. The maximum rent of restricted rental units within each affordable development shall be affordable to households earning no more than 60 percent of the regional median income.

Determining Rent Increases

Annual rent increases are permitted in affordable units. Rent increases are permitted at the anniversary of tenancy according to New Jersey Housing and Mortgage Finance Agency's Annual Regional Income Limits Chart, available on New Jersey Housing and Mortgage Finance Agency's website. These increases must be filed with and approved by the Administrative Agent. Property managers or landlords who have charged less than the permissible increase may use the maximum allowable rent with the next tenant with permission of the Administrative Agent. The maximum allowable rent would be calculated by starting with the rent schedule approved as part of initial lease-up of the development and calculating the annual approved increase from the initial lease-up year to the present. Rents may not be increased more than once a year, may not be increased by more than one increment at a time, and may not be increased at the time of new occupancy if this occurs less than one year from the last rental. No additional fees may be added to the approved rent without the express written approval of the Administrative Agent.

VIOLATION, DEFAULTS AND REMEDIES

In the event of a threatened breach of any of the regulations governing the affordable unit by an Owner of a rental development, the Administrative Agent shall have all the remedies provided at law or equity, including the right to seek injunctive relief or specific performance, it being recognized by both parties that it will cause irreparable harm to the municipality, in light of the public policies set forth in the Fair Housing Act and the obligation for the provision of low- and moderate-income housing. Upon the occurrence of a breach of any of the regulations governing the affordable units by an Owner of a rental development, the municipality shall have all remedies provided at law or equity, including but not limited to foreclosure, acceleration of all sums due under a mortgage,

recoupment of any funds from a sale in the violation of the regulations, injunctive relief to prevent further violation of the regulations, entry on the premises, and specific performance.

Appeals

Appeals from all decisions of an Administrative Agent shall be made in writing to the Commissioner of the Executive Director of the NJ Housing Mortgage and Finance Agency:

NJ HMFA
Executive Director 637 South Clinton Avenue
P.O. Box 18550
Trenton, NJ 08625

The Executive Director's written decision, which shall be made within 15 days of receipt of an appeal, shall be a final administrative action.

MAINTENANCE OF RECORDS & APPLICANT FILES

Pursuant to NJAC 5:80-26.14(a)8, NJAC 5:80-26.15(c) and NJAC 5:80-26.17 current records must be maintained by the Administrative Agent and outdated records must be given to the municipality for safe-keeping. A file must be created and maintained on each restricted unit for its control period.

Administrative Agents maintain detailed records on all marketing initiatives.

Files To Be Maintained on Every Applicant

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

- Application Form.
- Tenant Information Form
- Income Verification
- Letter of Certification of Eligibility or Letter of Determination of Ineligibility.

Files To Be Maintained on Every Unit

The Administrative Agent will maintain files on every unit for the length of the affordability controls. The unit file will contain at a minimum:

- Base rent
- Identification as low- or moderate-income
- Description of number of bedrooms and physical layout
- Floor plan
- Application materials, verifications and certifications of all present owners, pertinent correspondence
- Copy of lease
- Disclosure Statement

Files to Be Maintained on Every Project

The Administrative Agent will maintain files on every project for the length of the affordability controls. The project file will contain at a minimum:

- Condominium Master Deed
- Condominium Public Offering
- Crediting Information
- Original deed restriction
- Affordability control documents, including Declarations of Covenants, Conditions and Restrictions, Deed Restrictions, Deeds, Recapture Mortgages, Recapture Mortgage Notes, Disclosure Statement

Files To Be Maintained on The Applicant Pool

- Any changes to the applicant pool
- Any action taken with regard to the applicant pool
- Any activity that occurs that affects a particular applicant
- Current applications for all applicants whose status is active in the applicant pool
- The application, the initial rejection notice, the applicant's reply to the notice, a copy of the Administrative Agent's final response to the applicant, and all documentation of the reason the applicant's name was removed from the applicant pool.

Monitoring

The information required for each unit includes but is not limited to the following:

- A Recorded Deed for each project
- Street Address
- Block/Lot/Qualifier/Unit Number
- Housing Type
- Income: Very Low/Low/Moderate
- Initial Rental Price
- % of affordability
- Bedroom Type
- Age-restricted
- Handicap accessible/adaptable
- Date of Certificate of occupancy
- Effective date of affordability controls
- Length of affordability controls (years)
- Date Affordability controls removed

Appendix C

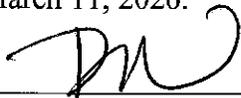
HUD APPROVED COUNSELING AGENCIES



EXHIBIT F

CERTIFICATION

I, Rebecca P. Newman, Borough Clerk of the Borough of Rocky Hill do hereby certify the foregoing to be a true and correct copy of a Resolution adopted by the Borough Council on March 11, 2026.



Rebecca P. Newman, RMC
Borough Clerk

Borough of Rocky Hill Fourth Round Affirmative Fair Housing Marketing Plan

March 2026

INTRODUCTION

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

In accordance with the Fair Housing Act Adopted New Rules: N.J.A.C. 5:99 - 2.5, a municipality shall set aside a portion of its affordable housing trust fund for the purpose of providing affordability assistance to low- and moderate-income households in affordable units included in a municipal fair share plan, in accordance with N.J.A.C. 5:99-2.5. Affordability assistance means the use of funds to render housing units more affordable to low- and moderate-income households and includes, but is not limited to, down payment assistance, security deposit assistance, low interest loans, rental assistance, assistance with homeowner's association or condominium fees and special assessments, common maintenance expenses, and assistance with emergency repairs and rehabilitation to bring deed-restricted units up to code. N.J.A.C. 5:99-2.5.

I. TYPES OF AFFORDABILITY ASSISTANCE

The types of affordability assistance offered are listed below. The specifics of each type are summarized in Exhibit 1. No ongoing or monthly assistance options are currently available.

- A. **EMERGENCY AND HEALTH/SAFETY REPAIRS** – Affordability Assistance funding is available to assist owners of low-and moderate-units to make emergency and/or health and safety related repairs that they do not have the financial resources to make otherwise. Funding will not be provided for standard maintenance items, work covered by the homeowner association, damage covered by homeowner insurance and/ or minor repairs such as small areas of peeling paint or other items that can be addressed easily by the homeowner. This funding will help preserve the affordable deed restricted housing stock and the residents who reside in the homes. Only units in the Municipality's Fair Share Plan (portfolio of affordable units) are eligible to apply. The maximum combined grant available to any one affordable home will be \$10,000.
- B. **ENERGY EFFICIENCY PROGRAM (EEP)** - This program makes available zero interest forgivable loans to income-qualified Owners of deed restricted affordable homes in the Municipality. The following Energy Efficiency upgrades/replacements are eligible:
 - HVAC or heat pump equipment;
 - Hot water heater;
 - Windows and doors

The maximum combined grant available to any one affordable home will be \$10,000. By replacing existing heating /cooling (HVAC) systems, windows, doors and/or hot water heaters with new, high

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March 2026

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energy efficiency standards, the goal of this program is to save energy and reduce the energy-related costs for low- and moderate-income households, while maintaining a high level of comfort.

- C. **CREATE ADDITIONAL VERY LOW-INCOME UNITS** – Affordability assistance may be utilized to create additional very low-income units by converting a moderate or low-income unit into a very low-income unit in new developments. The affordability assistance will result in additional very low-income units beyond what is required by state affordable housing rules. The Municipality may negotiate with developers of inclusionary developments to determine the appropriate amount of subsidy required to make the unit affordable to a very low-income household.
- D. **FIRST MONTHS RENT ASSISTANCE (SECURITY DEPOSIT ASSISTANCE)** - This program makes available grants to income-qualified tenants of deed restricted affordable apartments in the Municipality in an amount equal to the amount of rent that the landlord charges for the first month of occupancy. The grant will be available to all new tenants of very low-, low- and moderate- income rental units. The Maximum grant will be \$2,500.00
- E. **DOWN PAYMENT ASSISTANCE** - The Municipality Down Payment Assistance Program is designed to help low- and moderate-income households achieve the goal of homeownership. This program will provide a no interest, forgivable loan to homebuyers of deed restricted affordable properties within the Municipality to use as a principal down payment and/or closing costs. The goal of the program is to provide financial assistance to income-qualified homebuyers moving to the Municipality. The maximum grant is \$10,000.00
- F. **HOMEOWNERSHIP ASSISTANCE PROGRAM** - The Program is designed to help low- and moderate-income homeowners retain stable finances. This program will provide a no interest, forgivable loan to homeowners of deed restricted affordable properties within the Municipality who are in arrears with mortgage payments, taxes, utility payments, special assessments, or homeowners' fees. Funds are made available through the Municipality's Affordable Housing Trust Fund. The goal of the program is to provide financial assistance to income-qualified homeowners. The maximum grant is \$10,000.00.

ELIGIBILITY

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

1. There are affordability assistance funds remaining in the Housing Trust Fund for the year.
2. The applicant owns a deed restricted affordable unit in the Municipality that they maintain as their primary residence.
3. The applicant rents a deed restricted affordable unit in the Municipality.
4. The applicant has not received an affordability assistance in the past. (Only one award per household is permitted. This requirement can be waived on a case-by-case basis)
5. Applicants applying for repairs will require income certification at the time of application.

6. Applicants applying for repairs, must show proof that property taxes, municipal utilities and, if applicable, mortgage and homeowner association fee are paid current.
7. Applicants applying for repairs must show proof that the needed improvements will remediate a serious threat to the health and/or safety of the building's residents.

REPAYMENT TERMS & REPAYMENT AGREEMENT

When required, loans for properties participating in the Affordability Assistance Program shall be secured through a Mortgage and Mortgage Note in favor of the municipality and executed by the property owner. The Mortgage and Mortgage Note will be executed at closing. The original mortgage note shall be retained by the Municipality Clerk and kept in the unit file. The Administrative Agent will send the affordability assistance Mortgage requiring recording to the Municipality. Upon receipt the Municipality will file said document with the County Clerk's office.

When required, the following is the term of the mortgage:

All loans are zero interest, forgivable loans. If property is sold prior to the fifth year, the loan becomes due upon change in ownership. After the fifth year, the loan shall be forgiven by 20% each year, up to year 10. After year 10, the loan will be completely forgiven. Mortgages, the Control Period and five year time period for the Emergency Repair and Energy Efficiency grants begin on the date all work is completed and approved, and for the Down Payment Assistance and Homeownership Assistance Program the period begins on the date the funds are released.

II. PROGRAM ADMINISTRATION

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

1. EMERGENCY AND HEALTH/SAFETY REPAIRS PROGRAM PROCEDURES

- Homeowner submits application for assistance along with proof of work items needed. Refer to section on Requirements of Work Items.
- The Administrative Agent income certifies applicant and confirms property taxes, municipal utilities and, existing mortgage and homeowner association fee are paid current.
- Building inspector visits home to document the need for emergency repair and to prepare the work specifications to be reviewed by the appropriate code official.
- Upon eligibility determination and site visit- the Administrative Agent will send homeowner:
 - ✓ Eligibility letter (including paragraph on municipal contractor payment process to show to the contractor)
 - ✓ Work specifications
 - ✓ Instructions to obtain and provide proposal from 3 contractors (willing to be paid by municipality at job completion). Homeowner to identify contractor selected to do the job and provide that contractor's business registration, Consumer Affairs home improvement license and certificate of insurance listing program as certificate holder. The homeowner will have to fund any amount over the program funding limit, payable directly to the contractor.

- Once homeowner provides the above items, the Administrative Agent will send the homeowner's certificate of eligibility and contractor selection to the Municipality to pass a resolution authorizing funding assistance. Upon receipt of the approved municipal resolution, provide the homeowner the construction agreement for the homeowner and contractor to sign, as well as program mortgage & note for the homeowner to sign in front of notary and return to program.
- The Municipality is not a party to any contract between homeowner and contractor and the Municipality does not ensure that work performed by contractor is completed to satisfaction of homeowner. The construction agreement is between the homeowner and contractor; the Municipality is not a party to the agreement for purposes of any claims by the parties against one another.
- Upon construction completion, the homeowner will provide to the Program:
 - ✓ Written homeowner's approval of satisfactory job completion.
 - ✓ Invoice from contractor identifying the work items they completed.
 - ✓ Copies of municipal permits and closed out permits via municipal Certificate of Approval for the applicable items installed.
- If the work does not require a permit, certification of work by the contractor will be accepted.
- The Administrative Agent will submit the contractor invoice to the municipality for payment and forward the mortgage to the municipality to file (record) with the county clerk.

Emergency and Health/Safety Repairs Program Eligibility Certification Process

In order to be eligible for assistance, households in each unit to be assisted must be determined to be income eligible. All adult members, 18 years of age and older, of the household must be fully certified as income-eligible before any assistance will be provided by the Program. The Administrative Agent will income qualify applicants in accordance with the Uniform Housing Affordability Controls (UHAC) at N.J.A.C. 5:80-et seq., except for the regional maximum asset limit issued annually in the *Affordable Housing Regional Income Limits by Household Size*.

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

A. WHAT IS CONSIDERED INCOME

The following income sources are considered income and will be included in the income eligibility determination:

- Wages, salaries, tips, commissions
- Regularly scheduled overtime
- Unemployment compensation (verify the remaining number of weeks they are eligible to receive)
- Social Security
- Pensions
- Disability
- Alimony
- Verified regular child support (received)

- Interest income from assets such as savings, certificates of deposit, money market accounts, mutual funds, stocks, bonds
- Imputed interest (using a current average annual rate of two percent) from non-income producing assets, such as equity in real estate. Rent from real estate is considered income, after deduction of any mortgage payments, real estate taxes, property owner's insurance.
- TANF (Temporary Assistance For Needy Families)
- Net income from business or real estate
- Rent from real estate is considered income
- Any other forms of regular income reported to the Internal Revenue Service

B. WHAT IS NOT CONSIDERED INCOME

The following income sources are not considered income and will not be included in the income eligibility determination:

- Court ordered payments for alimony or child support paid to another household shall be deducted from gross annual income
- Part-time income of dependents enrolled as full-time students
- Lump-sum additions to assets such as inheritances, lottery winnings, gifts, insurance settlements
- Food stamps
- Rebates or credits received under low-income energy assistance programs
- Payments received for foster care
- Relocation assistance benefits
- Income of live-in attendants
- Scholarships
- Student loans
- Personal property such as automobiles

C. HOW TO VERIFY INCOME

To calculate income, the current gross income of the applicant is used to project that income over the next 12 months. Income verification documentation should include, but is not limited to the following for each and every member of a household who is 18 years of age or older:

- Four current consecutive pay stubs, including bonuses, overtime or tips, or a letter from the employer stating the present annual income figure or if self-employed, a current Certified Profit & Loss Statement and Balance Sheet.
- A signed copy of regular IRS Form 1040 (Tax computation form), 1040A or 1040EZ (as applicable) and state income tax returns filed for the last three years prior to the date of interview or notarized tax waiver letter for respective tax year(s)
- A Form 1040 Tax Summary for the past three tax years can be requested from the local Internal Revenue Service Center or by calling 1-800-829-1040.
- If applicable, a letter or appropriate reporting form verifying monthly benefits such as:
 1. Social Security or SSI - Current award letter or computer printout letter
 2. Unemployment - verification of Unemployment Benefits

3. Welfare -TANF current award letter
4. Disability - Worker's compensation letter or
5. Pension income (monthly or annually) - a pension letter
6. A letter or appropriate reporting form verifying any other sources of income claimed by the applicant, such as alimony or child support - copy of court order or recent original letters from the court (includes separation agreement or divorce papers) or education scholarship/stipends - current award letter;
 - Reports from the last two consecutive months that verify income from assets to be submitted by banks or other financial institutions managing savings and checking accounts (bank statements and passbooks), trust funds, money market accounts, certificate of deposit, stocks or bonds (In brokerage accounts - most recent statements and/or in certificate form - photocopy of certificates). Examples include copies of all interest and dividend statements for savings accounts, interest and non-interest-bearing checking accounts, and investments;
 - Evidence or reports of income from directly held assets, such as real estate or businesses owned by any household member 18 years and older.
 - Interest in a corporation or partnership - Federal tax returns for each of the preceding three tax years.
 - Current reports of assets - Market Value Appraisal or Realtor Comparative Market Analysis and Bank/Mortgage Co. Statement indicating Current Mortgage Balance. For rental property attach copies of all leases.

D. ADDITIONAL INCOME VERIFICATION PROCEDURES

1. STUDENT INCOME

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

2. INCOME FROM REAL ESTATE

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

If an applicant owns real estate, other than primary residence, the Program Case Manager should determine the imputed interest from the value of the property. The Program Case Manager should deduct outstanding mortgage debt from the documented market value established by either a market value appraisal or by applying the property tax equalization market value method, as well as real estate commission if property was to be sold. Based on current money market rates, interest will be imputed on the determined value of the real estate.

E. OTHER ELIGIBILITY REQUIREMENTS

Applicant to submit the following in the application package:

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

F. REQUIREMENTS OF UTILITIES & TAXES PAID CURRENT

All applicants' water/sewer and tax accounts must be paid current.

G, REQUIREMENTS OF WORK ITEMS

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

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

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

G. ELIGIBILITY CERTIFICATION

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

- The Municipality Emergency Repair Assistance Program will provide a maximum loan of \$10,000.00. to each eligible homeowner. If property is sold prior to the fifth year, the loan becomes due upon change in ownership. After the fifth year, the loan shall be forgiven by 20% each year, up to year 10. After year 10, the loan will be completely forgiven.

2. ENERGY EFFECIENCY UPGRADES

A. ELIGIBILITY CERTIFICATION

After the Administrative Agent Program staff determines that the household is income eligible and meets all other eligible requirements, the Administrative Agent Program Manager will complete and sign the Eligibility Certification. This certification is valid for six months starting from date of eligibility

certification. A Construction Agreement must be signed within this time period. If not, the Program Manager must reevaluate the household's eligibility.

- The Municipality Energy Efficiency Program will provide a maximum loan of up to \$15,000 to each eligible homeowner. If property is sold prior to the fifth year, the loan becomes due upon change in ownership. After the fifth year, the loan shall be forgiven by 20% each year, up to year 10. After year 10, the loan will be completely forgiven.

3. CREATION OF ADDITIONAL VERY LOW-INCOME UNITS PROGRAM PROCEDURE

- A. Terms to be negotiated between landlord/developer and the Municipality.
- B. Upon approval of terms by both parties, Municipal attorney prepares Resolution authorizing award and terms, including changes in unit designation(s) from conversion of moderate and low-income units to very low-income units; revisions to restrictive covenant language, etc. Administrative Agent shall assist attorney upon request. See Exhibit 1.
- C. Municipality adopts Resolution.
- D. Municipality sends assistance directly to landlord/developer.
- E. Administrative Agent records assistance on master reporting spreadsheet.

4. FIRST MONTHS RENT ASSISTANCE PROCEDURES

The Municipality will designate a portion of all development fees collected and interest earned towards a First Months Rent Grant program. This grant will be available to an income eligible renter with good credit standing who qualifies for a low- or moderate-income rental unit in one of the Municipality's deed restricted units or its Rental Housing Rehabilitation Program as per the following guidelines:

- The First Months Rent will be in the form of a grant equal to the first month's rental amount determined by the landlord and will be paid to the landlord on behalf of the tenant.
- The Municipality's First Months Rent Affordability Assistance Program will be administered by the Administrative Agent. After an applicant is income qualified by the Administrative Agent pursuant to New Jersey Fair Housing rules and UHAC, or cannot be qualified due to a need for assistance, an affordability assistance application will be completed and forwarded with all necessary documentation to the Administrative Agent. The affordability assistance recipient will sign a contract with municipality which states the amount of funds granted, procedures and duration and conditions of affordability assistance. All tenants of affordable units within the Municipality will be advised of the availability of the Municipality's Affordability Assistance Program. An income eligible occupant or applicant for an affordable unit within the municipality may not be denied participation in the Affordability Assistance Program(s) unless funding is no longer available.
- If the unit is a Rental Housing Rehabilitation Program unit, and a 10-year deed restriction was recorded on the unit at the completion of rehabilitation work and the restriction is still in effect at the time of the tenant's application for First Months Rent.
- The Municipality First Months Rent Program will provide a maximum grant in the amount of the first month's rent, not to exceed \$2,500.00.

5. DOWN PAYMENT ASSISTANCE PROCEDURES

The Municipality Down Payment Assistance Program is designed to help low- and moderate-income households achieve the goal of homeownership. This program will provide a no interest, forgivable loan to homebuyers of deed restricted affordable properties within the Municipality to use as a principal down

payment and/or closing costs. The goal of the program is to provide financial assistance to income-qualified homebuyers moving to the Municipality.

ELIGIBLE PARTICIPANTS

Applicants for this loan program must be income-qualified by the Administrative Agent for the Municipality and must be under contract to purchase a deed restricted home in the Municipality. This means that the applicant must have made application to buy a home, been income-qualified and selected to purchase an affordable home within the Municipality, and signed a contract with the seller.

ELIGIBLE PROPERTIES

Properties must be within the Municipality and be deed restricted in accordance with the U.H.A.C. guidelines. The price of the home will be limited by the deed restriction to be affordable to either a low or moderate-income household.

LEVEL OF FINANCING

The Municipality Down Payment Assistance Program will provide a maximum loan of \$10,000.

TERMS AND CONDITIONS

The loan is given as a zero-interest loan. If property is sold prior to the fifth year, the loan becomes due upon change in ownership. After the fifth year, the loan shall be forgiven by 20% each year, up to year 10. After year 10, the loan will be completely forgiven. The loan will be secured by a second mortgage and note.

Recipients of Down Payment Assistance Program funds are required to maintain the unit as their principal residence for the duration of the loan period and abide by all other requirements of the deed restriction and UHAC. In the event the property is sold or disposed of during the term of the loan, the outstanding loan amount in accordance with the schedule above shall be immediately due and payable to the Municipality according to the terms of the Mortgage and Mortgage Note.

SECURITY INSTRUMENTS

Loans for all properties participating in the Down Payment Assistance Program shall be secured through a Mortgage and Mortgage Note (see Exhibit 3) in favor of the municipality executed by the property owner. The Municipality will record said documents with the County Clerk's office upon the completion of the closing of title. The Mortgage and Mortgage Note will be executed at closing. The original mortgage note shall be retained by the Municipality Clerk and kept in the unit file.

6. HOMEOWNERSHIP ASSISTANCE PROCEDURES

The Program is designed to help low and moderate-income homeowners retain stable finances. This program will provide a no interest, forgivable loan to homeowners of deed restricted affordable properties within the Municipality who are in arrears with mortgage payments, taxes, utility payments, special assessments, or homeowners' fees. Funds are made available through the Municipality's Affordable Housing Trust Fund. The goal of the program is to provide financial assistance to income-qualified homeowners. This program will provide a no interest, forgivable loan to homebuyers of deed restricted affordable properties within the Municipality.

ELIGIBLE PARTICIPANTS

Applicants for this loan program must be income-qualified by the Administrative Agent for the Municipality and must be the owner of an affordable housing unit in the Municipality.

ELIGIBLE PROPERTIES

Properties must be within the Municipality and be deed restricted in accordance with the U.H.A.C. guidelines.

LEVEL OF FINANCING

The Municipality Homeownership Assistance Program will provide a maximum loan of \$10,000.

TERMS AND CONDITIONS

The loan is given as a zero-interest loan. If property is sold prior to the fifth year, the loan becomes due upon change in ownership. After the fifth year, the loan shall be forgiven by 20% each year, up to year 10. After year 10, the loan will be completely forgiven. The loan will be secured by a second mortgage and note.

Recipients of Homeownership Assistance Program funds are required to maintain the unit as their principal residence for the duration of the loan period and abide by all other requirements of the deed restriction and UHAC. In the event the property is sold or disposed of during the term of the loan, the outstanding loan amount in accordance with the schedule above shall be immediately due and payable to the Municipality according to the terms of the Mortgage and Mortgage Note.

SECURITY INSTRUMENTS

Loans for all properties participating in the Homeownership Assistance Program shall be secured through a Mortgage and Mortgage Note in favor of the municipality executed by the property owner. The Municipality will record said documents with the County Clerk's office upon the completion of appropriate forms. The Mortgage and Mortgage Note will be executed at closing. The original mortgage note shall be retained by the Municipality Clerk and kept in the unit file.

EXHIBIT 1:

**SUMMARY OF AFFORDABILITY ASSISTANCE
PROGRAM TERMS**

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

	Emergency Repair Program	Energy Efficiency Program
Purpose	Assist with documented emergency repairs, health and/or safety items that are a threat to the building residents. Unit must be a deed restricted affordable unit and applicant must be income certified at the time of the application.	Assistance with energy efficiency upgrades to reduce energy expenses
Maximum Amount	Up to \$10,000	Up to \$10,000
Program Terms	Deferred payment 0 % interest loan (secured with mortgage), forgivable 20% per year between years 5 and 10.	Deferred payment 0 % interest loan (secured with mortgage), forgivable 20% per year between years 5 and 10.
Justification Required	Yes	Yes
Additional Criteria	Need detailed cost proposal from licensed contractor. Contractor paid after work is complete	Need detailed cost proposal from licensed contractor. Contractor paid after work is complete
Assistance to:	Homeowner	Homeowner
Advertising	Annual newsletter to owners	Annual newsletter to owners

	Create Additional Very Low-Income Rental Units	Rental Program Assistance
Purpose	Converting moderate or low-income unit into very low income in new or existing affordable developments.	Assist with first month's rent payment to landlord. Unit must be a deed restricted affordable unit and applicant must be income certified at the time of the application.
Maximum Amount	Determined on case-by-case basis. See sample formula in program narrative	Up to \$2,500
Program Terms	Direct subsidy to developer; does not need to be repaid, in lieu of providing new very low-income units from prior low- or moderate-income units.	Grant, no repayment
Justification Required	No	Yes
Additional Criteria	No	No
Assistance to:	Property Owner	Tenant
Advertising	Borough will inform new affordable housing developers.	Administrative Agent will inform new renters.

Down Payment Program Assistance		
Purpose	Assist with down payment assistance towards purchase of deed restricted affordable properties	Assist with delinquent mortgage payments, HOA fees, taxes and/or utilities
Maximum Amount	Up to \$10000	Up to \$10,000
Program Terms	Deferred payment 0 % interest forgivable loan (secured with mortgage)	Deferred payment 0 % interest forgivable loan (secured with mortgage)
Justification Required	Yes	Yes
Additional Criteria	Yes, Application	Yes, Application and documentation of late payments
Assistance to:	Homebuyer	Homeowner
Advertising	Administrative Agent will inform new homebuyers.	Administrative Agent will inform new homebuyers.

EXHIBIT 2:

AFFORDABILITY ASSISTANCE APPLICATION

APPLICATION FOR AFFORDABILITY ASSISTANCE

APPLICANT INFORMATION

You Must Report All Persons Living In Your Household:

Homeowner (First, Last Name)	
Social Security Number	
Co-Owner (First, Last Name)	
Social Security Number	
Street Address	
City, State, Zip	
Home / Cell Telephone	
Work Telephone and Ext.	
Email Address:	
Additional Household Member 1	
• Age	
Additional Household Member 2	
• Age	
Additional Household Member 3	
• Age	

PROPERTY INFORMATION

Name of Owner(s) as it Appears on the Property's Deed:	
<u>Co-Owner</u>	
<u>Original Mortgage Amount</u>	
<u>Approximate Present Balance</u>	
<u>Monthly Payment</u>	

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

INCOME DATA -EMPLOYMENT:

(You must report all income received for all household members)

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

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

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

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

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

Name and Address of Financial Institution	Account Number	Current Value	Annual Income

ACKNOWLEDGEMENT

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

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

Homeowner Signature

Date

Co-Owner Signature

Date

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

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

OFFICE USE ONLY:

Employment Income: _____

Other Income: _____

Total Household Income: _____

in Household: _____

% of Median: _____

Approved Date: _____

EXHIBIT 3:

**DOWN PAYMENT ASSISTANCE
PROGRAM DOCUMENTS**

OVERVIEW

The Payment Assistance Program is designed to help low and moderate income households achieve the goal of homeownership. This program will provide a *no interest, deferred payment forgivable loan* to homebuyers of deed restricted affordable properties within the unit to use as a principal down payment. Funds are made available through the Affordable Housing Trust Fund. The goal of the program is to provide financial assistance to income-qualified homebuyers moving to the unit.

ELIGIBLE PARTICIPANTS

Applicants for this loan program must be income-qualified by the Administrative Agent and must be under contract to purchase a deed restricted home. This means that the applicant must have made application to buy a home, been income-qualified and selected to purchase an affordable home within Rocky Hill, and signed a contract with the seller.

ELIGIBLE PROPERTIES

Properties must be single family homes within Rocky Hill. The price of the home will be limited by the deed restriction to be affordable to either a low or moderate-income household.

LEVEL OF FINANCING

The Down Payment Assistance Program will provide a maximum of \$10,000.00

PROGRAM FINANCING

TERMS AND CONDITIONS

The loan is given as a zero-interest forgivable loan. If property is sold prior to the fifth year, the loan becomes due upon change in ownership. After the fifth year, the loan shall be forgiven by 20% each year, up to year 10. After year 10, the loan will be completely forgiven.

Recipients of Down Payment Assistance Program funds are required to maintain the unit as their principal residence for the duration of the loan period and abide by all other requirements of their deed restriction (located in their deed or Affordable Housing Agreement) and UHAC.

The mortgage must be listed on the HUD1 Settlement Statement and will be subordinate to the purchase money mortgage in order of priority.

SECURITY INSTRUMENTS

Loans for all properties participating in the Down Payment Assistance Program shall be secured through a Mortgage and Mortgage Note in favor of the municipality executed by the property owner. The Borough will record said documents with the County Clerk's office upon the completion of the closing of title. The Mortgage and Mortgage Note will be executed at closing. The original mortgage note shall be retained by the Borough Clerk and kept in the unit file.

TITLE INSURANCE

The Municipality requires that the applicant provide at the closing title insurance with the

municipality being named as additional insured as to the mortgage and note for the amount of the loan.

ADMINISTRATION

Questions about the Program should be directed the Program Administrator.

APPENDICES:

APPENDIX A: Program Menu

APPENDIX B: Repayment Loan Agreement Resolution

APPENDIX C: Repayment Loan Agreement

APPENDIX D: Down Payment Assistance Program Mortgage

APPENDIX E: Down Payment Assistance Program Mortgage Note

APPENDIX A

**DOWN PAYMENT ASSISTANCE
PROGRAM MENU**

DOWN PAYMENT ASSISTANCE PROGRAM FOR _____

ELIGIBLE PARTICIPANTS (check all that apply):

- A household certified by the Administrative Agent

- A household certified by the Administrative Agent who is also a first time homebuyer

- A household certified by the Administrative Agent who is also a homebuyer who has not owned a home for __ years

- Other (describe) _____

ADDITIONALLY THE MUNICIPALITY REQUIRES (check all that apply) TO BE ELIGIBLE FOR THE DOWN PAYMENT ASSISTANCE PROGRAM:

- No credit check

- A credit rating of _____ or higher for all adults who will appear on the deed

- An averaged credit rating of _____ or higher for all adults who will appear on the deed

- Other _____

PROGRAM FINANCING

The municipality requires a note and recorded secondary mortgage in favor of the municipality for any household receiving down payment assistance through this program. The mortgage is subordinate to a first purchase money mortgage.

The original mortgage note will be retained by the Borough Clerk and kept in the unit file.

The Municipality requires that the applicant provide at closing title insurance with the municipality being named as additional insured as to all loan documents and mortgage note for the full amount of the loan.

THE MORTGAGE NOTE TERMS ARE (check one):

- The loan is given as a zero-interest forgivable loan payable at time of closing of the affordable housing unit and is secured by a second mortgage and note. If property is sold prior to the fifth year, the loan becomes due upon change in ownership. After the fifth year, the loan shall be forgiven by 20% each year, up to year 10. After year 10, the loan will be completely forgiven.

APPENDIX B

**REPAYMENT LOAN AGREEMENT
RESOLUTION**

APPENDIX B

**RESOLUTION AUTHORIZING AN AFFORDABLE HOUSING DOWNPAYMENT ASSISTANCE LOAN
REPAYMENT AGREEMENT WITH THE OWNER OF AN AFFORDABLE HOUSING UNIT LOCATED AT:**

WHEREAS, _____ owns property located at _____, Block No. _____, Lot No. _____, which property is governed by the statutes, ordinances, rules and regulations restricting ownership and use of the property as an Affordable Housing unit which, among other restrictions, restricts the property owner in financing the property or otherwise encumbering the property by way of mortgage, home equity loan, or other form of financing; and

WHEREAS, the property owner has requested a Down Payment Assistance Program loan from the Affordable Housing Trust Fund; and

WHEREAS, the Borough is willing to extend a loan to the property owner toward the payment of Down Payment Assistance Loan in the amount of _____ in order to allow the owner to purchase a deed restricted affordable unit; and

WHEREAS, it is appropriate for the Borough to enter into an Agreement with the property owner setting forth the terms of the agreement at this time;

NOW THEREFORE BE IT RESOLVED on this _____ day of _____, _____, by the Borough Council of _____, County of _____, State of New Jersey, that:

1. The Mayor, Manager, Clerk and attorney are hereby authorized to execute a Homeownership Assistance Program Agreement with the owner of an Affordable Housing unit located at _____, Block No. _____, Lot No. _____.
2. A copy of the fully executed Agreement shall be kept on file with the Clerk. The original shall be kept in the unit file by the Administrative Agent.

I do hereby certify that the foregoing is a true copy of a resolution passed by the _____ at a meeting duly held on the _____ day of _____, _____.

Clerk

APPENDIX C

**DOWN PAYMENT ASSISTANCE PROGRAM
AGREEMENT**

APPENDIX C

DOWN PAYMENT ASSISTANCE REPAYMENT AGREEMENT

THIS AGREEMENT made on the ____ day of _____, ____ is between _____(hereafter "Buyer") whose address is _____ and _____, with offices at _____, NJ (hereafter "Municipality"):

WHEREAS, Owner is purchasing property located at _____, described more specifically as Block No. ____ Lot No. _____, located in the _____ development (hereafter "Property"); and

WHEREAS, the Property is governed by the statutes, ordinances, rules and regulations restricting ownership and use of the Property as an Affordable Housing unit which, among other restrictions, restricts the Buyer in financing the Property or otherwise encumbering the Property by way of mortgage, home equity loan, or other forms of financing; and

WHEREAS, the Municipality is willing to extend a loan to Buyer towards the down payment on the price of the home in the amount of _____ to allow the buyer to procure a First Purchase Money Mortgage; and

WHEREAS, the Buyer will sign a mortgage note and record a mortgage on the Property in the principal amount of \$_____; and

WHEREAS, the parties wish to memorialize the agreement between them by way of this Affordable Housing Loan Repayment Agreement (hereinafter "Agreement");

NOW THEREFORE IT IS AGREED on this ____ day of _____, _____, by and between the parties as follows:

1. Buyer acknowledges that s/he is aware, and herein reaffirms his/her or their understanding, that the Property is and will continue to be governed by the Affordable Housing rules, regulations and restrictions because it is an Affordable Housing unit under the control of the *Municipality*.
2. Buyer understands at the time of purchase that the restrictions on the Property, which state that s/he cannot make application for any second money mortgages or refinance any first money mortgages as it may apply to the Affordable Housing unit in excess of the

Attest:

Municipality

Attest:

STATE OF NEW JERSEY:

SS

COUNTY OF _____ :

I CERTIFY that on _____, 20____, _____ personally came before me and acknowledged under oath, to my satisfaction, that he/she:

- (a) was the maker of the attached instrument; and,
- (b) executed this instrument as his or her own act.

Signed and sworn to before me

On _____, _____

STATE OF NEW JERSEY:

SS

COUNTY OF _____:

I CERTIFY that on _____, _____ personally came before me and acknowledged under oath, to my satisfaction, that:

(a) s/he is the Borough Clerk of _____, the municipal corporation named in this document;

(b) s/he is the attesting witness to the signing of this document by _____, _____(title)_____ of _____(municipality)_____;

(c) this document was signed and delivered by _____(municipality)_____ as its voluntary act duly authorized by a proper resolution of the Borough (*Council or Committee*);

(d) s/he knows the proper seal of the _____ which was affixed to this document; and

(e) s/he signed this proof to attest to the truth of these facts.

Signed and sworn to before me

On _____, 20____

APPENDIX D

**FORM OF MORTGAGE SECURING
PAYMENT OF DOWN PAYMENT
ASSISTANCE PROGRAM NOTE**

DEED-RESTRICTED AFFORDABLE HOUSING UNIT WITH RESTRICTIONS ON RESALE AND REFINANCING

THIS MORTGAGE, made on this the ____ day of _____, ____ by and between _____, (the "OWNER") and _____(Municipality"), in connection with the property described herein (the "PROPERTY");

Article 1. REPAYMENT MORTGAGE NOTE

In consideration of value received, the Owner has signed a Down Payment Assistance Program Mortgage Note (the "Note") dated _____. The Owner promises to pay to the Municipality amounts due under the Down Payment Assistance Program Mortgage Note, and to abide by all obligations contained therein.

Article 2. MORTGAGE AS SECURITY FOR AMOUNT DUE

This Mortgage is given to the Municipality as security for the payment required to be paid as described in the Mortgage Note, the sum of \$[insert amount].

Article 3. PROPERTY DESCRIPTION

All of the land and improvements thereon located in the municipality of _____ in the County of _____, State of New Jersey (hereinafter the "Property"), described more specifically as Block No. _____ Lot No. _____, and known by the street address:

Article 4. RIGHTS GIVEN TO MUNICIPALITY

The Owner gives the Municipality those rights stated in this Mortgage, and all the rights the law gives to the Municipality under Uniform Housing Affordability Controls, which are found in New Jersey Administrative Code at Title 5, chapter 80, subchapter 26 (N.J.A.C. 5:80-26.1, *et seq*). The rights given to the Municipality are covenants running with the land. Upon performance of the promises contained in Note and Mortgage, the Municipality will prepare and deliver to the then current owner of record a document of release.

Article 5. DEFAULT

The Municipality may declare the Owner in default on this Mortgage and on the Note if:

1. The Owner attempts to add or convey an interest in the Property without giving prior written notice to the Municipality or fails to maintain the property as their principle residence;
2. The ownership of the Property is changed for any reason other than in the course of an exempt sale;
3. The Owner fails to make any payment required by the Note;
4. The holder of any lien on the Property starts foreclosure proceedings; or
5. Bankruptcy, insolvency or receivership proceedings are commenced by or against the Owner.

Article 6. MUNICIPALITY'S RIGHTS UPON DEFAULT

If the Municipality declares that the Note and this Mortgage are in default, the Municipality shall have all of the rights given by law or set forth in this Mortgage.

Article 7. NOTICES

ALL NOTICES MUST BE IN WRITING AND PERSONALLY DELIVERED OR SENT BY CERTIFIED MAIL, RETURN RECEIPT REQUESTED, TO THE ADDRESSES GIVEN IN THIS MORTGAGE. ADDRESS CHANGES MAY BE MADE UPON WRITTEN NOTICE, MADE IN ACCORDANCE WITH THIS ARTICLE 7.

Article 8. NO WAIVER BY MUNICIPALITY

The Municipality may exercise any right under this Mortgage or under any law, even if the Municipality has delayed in exercising that authority, or has agreed in an earlier instance not to exercise that right. The Municipality does not waive its right to declare the Owner is in default by making payments or incurring expenses on behalf of the Owner.

Article 9. EACH PERSON LIABLE

The Mortgage is legally binding upon each Owner individually and all their heirs, assigns, agents and designees who succeed to their responsibilities. The Municipality may enforce any of the provisions of the Note and of this Mortgage against any one or more liable individual.

Article 10. SUBORDINATION

This Mortgage will not be subordinate, and will not be subordinated by the Municipality, to any mortgage, refinancing, equity loan, secured letter of credit, or any other obligation secured by the Property, except with respect to (a) any such obligation which was duly recorded prior to the recording hereof, and (b) any such obligation which, when added to all other such obligations recorded against the Property, shall result in total debt secured by the Property being an amount less than the maximum resale price that would be applicable were the Control Period still in effect.

Article 11. AMENDMENTS

No amendment or change to the Note and this Mortgage may be made, except in a written document signed by both parties and approved by the administrative agent appointed pursuant to N.J.A.C. 5:80-26.1 et seq.

Article 13. SIGNATURES

By executing this Mortgage on page 3, hereof, the Owner agrees to all of its terms and conditions.

Article 14. ACKNOWLEDGEMENT

The Owner acknowledges receipt of a true copy of this Mortgage, at no charge to the State.

IN WITNESS WHEREOF, the Owner(s) has executed this Mortgage for the purposes stated herein.

ATTEST: _____

Signature of (Owner)

Signature (Co-Owner)

STATE OF NEW JERSEY)

) ss:

COUNTY OF _____)

BE IT REMEMBERED, that on this the _____ day of _____, 20__ the subscriber _____ appeared personally before me *(If more than one person signed the foregoing mortgage and appeared before me, the words "the subscriber" and "the Owner" shall include all such persons)* and who, being duly sworn by me, deposed and made proof to my satisfaction (i) that he/she is the Owner named in the foregoing mortgage and (ii) and that he/she has executed said mortgage with respect to the Property and for the purposes described and set forth therein.

Sworn to and subscribed before me, _____ on the date set forth above.

NOTARY PUBLIC

DEED RESTRICTED AFFORDABLE HOUSING UNIT WITH DEED RESTRICTIONS ON RESALE AND REFINANCING

THIS NOTE is dated as of _____, _____. For value received _____ (referred to "Owner") promises to pay to B _____, which has its principal offices at with offices at _____ (the "Municipality"), the amounts specified in this Note and promises to abide by the terms contained below.

Article 1. REPAYMENT MORTGAGE

As security for the payment of amounts due under this Note and the performance of all promises contained in this Note, the Owner is giving the Municipality a "Mortgage To Secure Payment of Down Payment Assistance Program Note" (the "MORTGAGE"), dated _____, of the property described below (the "PROPERTY"). The Mortgage covers real estate owned by the Owner. The Mortgage will not be subordinate, and will not be subordinated by the Municipality, to any mortgage, refinancing, equity loan, secured letter of credit, or any other obligation secured by the Property, except with respect to (a) any such obligation which was duly recorded prior to the recording hereof, and (b) any such obligation which, when added to all other such obligations recorded against the Property, shall result in total debt secured by the Property being an amount less than the maximum resale price (MRP) that would be applicable were the Control Period still in effect.

Article 2. OWNERS PROMISE TO PAY AND OTHER TERMS

The loan will be a zero interest, deferred payment forgivable loan. If property is sold prior to the fifth year, the loan becomes due upon change in ownership. After the fifth year, the loan shall be forgiven by 20% each year, up to year 10. After year 10, the loan will be completely forgiven.

Article 3. PROPERTY DESCRIPTION

All of the land and improvements thereon located in the municipality of _____ in the County of _____, State of New Jersey, described more specifically as Block No. ____ Lot No. ____, and known by the street address: _____.

Article 4. WAIVER OF FORMAL ACTS

The Owner waives its right to require the Municipality to do any of the following before enforcing its rights under this Note:

1. To demand payment of amount due (known as Presentment).
2. To give notice that amounts due have not been paid (known as Notice of Dishonor).
3. To obtain an official certificate of non-payment (known as Protest).

Article 5. RESPONSIBILITY UNDER NOTE

All Owners signing this Note are jointly and individually obligated to pay the amounts due and to abide by the terms under this Note. The Municipality may enforce this Note against any one or more of the Owners or against all Owners together.

The Owner agrees to the terms of this Note by signing below.

ACKNOWLEDGEMENT

Owner acknowledges receipt of a true copy of the Mortgage and this Note at no charge.

Dated:

ATTEST:

By:

Signature (Owner)

Signature (Co-Owner)

STATE OF NEW JERSEY)

) ss.:

COUNTY OF _____)

On this the _____ day of _____, 20__ before me came _____, who acknowledges and makes proof to my satisfaction that she is the Owner named within this Note, and that she has executed said Note for the purposes set forth therein, sworn to and subscribed by her in my presence on this date.

Sworn to and subscribed before me this the _____ day of _____, 20__.

A Notary Public/Attorney of the State of New Jersey

EXHIBIT 4:

RENTAL ASSISTANCE PROGRAM DOCUMENTS



AFFORDABILITY ASSISTANCE PROGRAM

DATE:

REQUEST FOR A GRANT FOR RENTAL ASSISTANCE

Please be advised that I herewith submit a request for a GRANT from the above program and I hereby certify that I do not have the required funds available:

Print Name:	
Present address:	
Address of unit to be rented:	
Monthly rent:	\$
Security Deposit Required:	\$
Funds requested:	\$
Payable to: (Landlord)	

Copy of "CERTIFICATION OF ELIGIBLE HOUSEHOLD" ATTACHED: Dated: _____

REPAYMENT METHOD: The Rental Assistance will be in the form of a grant equal to the first month's rent amount to be determined by the landlord paid to the landlord on behalf of the tenant.

I hereby certify that I am unable to provide these funds required and the grant of these funds will assist me in obtaining an affordable housing unit. These statements are true and correct, to the best of my knowledge.

Applicant for Grant

Date

APPROVALS (for office use only):

Administrative Agent Signature and Date		
Signature and Date		
TREASURER Signature and Date		
CHECK #:	AMT:	DATE:

EXHIBIT 5:

EMERGENCY REPAIR PROGRAM DOCUMENTS

APPLICATION FOR REHABILITATION ASSISTANCE EMERGENCY REPAIR PROGRAM

APPLICANT INFORMATION

YOU MUST REPORT ALL PERSONS LIVING IN YOUR HOUSEHOLD

Homeowner (First, Last Name)	
Social Security Number	
Co-Owner (First, Last Name)	
Social Security Number	
Street Address	
City, State, Zip	
Home / Cell Telephone	
Work Telephone and Ext.	
Email Address:	
Additional Household Member 1	
• Age	
Additional Household Member 2	
• Age	
Additional Household Member 3	
• Age	

PROPERTY INFORMATION

Name of Owner(s) as it Appears on the Property's Deed:	
Co-Owner	
Original Mortgage Amount	
Approximate Present Balance	
Monthly Payment	

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

INCOME DATA

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

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

Other Household Member #1 Name:	
First Employer Name:	
Address of Employer:	

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

Other Household Member #2 Name:	
First Employer Name:	
Address of Employer:	
Position:	
# of Years Employed	
Gross Income (before Taxes):	\$ Circle one: Monthly Bi-Weekly Weekly
Second Employer Name:	
Address of Employer:	
Position:	
# of Years Employed	
Gross Income (before Taxes):	\$ Circle one: Monthly Bi-Weekly Weekly
OTHER INCOME	PLEASE ENTER MONTHLY AMOUNT BELOW
Social Security	\$

Child Support	\$
Unemployment	\$
Welfare	\$
Disability	\$
Pension	\$
Interest/Stocks/Bonds	\$
Other (Explain)	\$

IF ADDITIONAL HOUSEHOLD MEMBERS ARE EMPLOYED, PLEASE ATTACH ANOTHER SHEET AND PROVIDE EMPLOYMENT INFORMATION

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

Name and Address of Financial Institution	Account Number	Current Value	Annual Income

11/11/2023

ACKNOWLEDGEMENT:

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

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

X _____
Homeowner Signature

Date

X _____
Co-Owner Signature

Date

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

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

OFFICE USE ONLY :

Employment Income:

Other Income:

Total Household Income:

in Household:

% of Median:

Approved Date:

EXHIBIT G



**BOROUGH OF ROCKY HILL
SOMERSET COUNTY**

RESOLUTION-2026-56

A Resolution Endorsing an Amended Housing Element and Fair Share Plan

WHEREAS, pursuant to the Fair Housing Act, N.J.S.A. 52:27D-301, *et seq.* ("FHA"), the Borough of Rocky Hill is required to the Amended Housing Element & Fair Share Plan ("Plan") by March 15, 2026, and

WHEREAS, the Planning Board adopted an Amended Housing Element & Fair Share Plan dated March 10, 2026, a copy of which is annexed hereto as Exhibit A; and

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

NOW, THEREFORE, BE IT RESOLVED on this 11th day of March, 2026, by the Council of the Borough of Rocky Hill, Somerset County, State of New Jersey, as follows:

1. The Amended Housing Element and Fair Share Plan attached hereto as Exhibit A is hereby endorsed by the Borough Council.

This resolution shall take effect immediately.

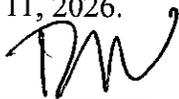
ATTEST:

By: 
Rebecca P. Newman, RMC
Borough Clerk

By: 
Robert Uhrik, Mayor

CERTIFICATION

I, Rebecca P. Newman, Borough Clerk of the Borough of Rocky Hill do hereby certify the foregoing to be a true and correct copy of a Resolution adopted by the Borough Council on March 11, 2026.



Rebecca P. Newman, RMC
Borough Clerk

FOURTH ROUND HOUSING ELEMENT AND FAIR SHARE PLAN

Rocky Hill Borough
Somerset County, New Jersey

May 2025 – Revised February 2026

Adopted by the Planning Board on March 10, 2026

Prepared By:

H|G|A

Heyer, Gruel & Associates
Community Planning Consultants
236 Broad Street, Red Bank, NJ 07701
(732) 741-2900

FOURTH ROUND HOUSING ELEMENT AND FAIR SHARE PLAN

Rocky Hill Borough
Somerset County, New Jersey

May 2025 – Revised February 2026

Prepared By:

Heyer, Gruel & Associates
Community Planning Consultants
236 Broad Street, Red Bank, NJ 07701
(732) 741-2900

The original of this report was signed and
sealed in accordance with N.J.S.A. 45:14A-12



Michael Davis, AICP, P.P. #6533

With contributing content by Brooke Schwartzman and Gabrielle Thurm

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EXECUTIVE SUMMARY

The following Fourth Round Housing Element and Fair Share Plan has been prepared for Rocky Hill Borough in the County of Somerset in accordance with the Fair Housing Act as most recently amended (P.L.2024, c.2).

Rocky Hill is a 0.6 square mile community located in upper-central New Jersey, within the southern portion of Somerset County that abuts the neighboring County of Mercer. Most of the Borough's municipal boundary is shared with Montgomery Township except to the northeast where Franklin Township is located. Primary Somerset County Routes 605 and 518 run through the Borough.

The Borough can be characterized as an agricultural suburb and, according to the State Development and Redevelopment Plan (SDRP), is located in a handful of Planning Areas, including: Suburban Planning Area 2; Environmentally Sensitive Planning Area 5; and Open Space Planning Area 8.

According to the 2020 Census, Rocky Hill Borough's population was 743, which represents an increase of 8.9% from 2010. In 2020, the Borough's median age was 41.5 years, representing a 9.6% decrease from the median age of 45.9 years in 2010. The Borough's average household size in 2020 was 2.51 persons, which was less than the average at the County level (2.64 persons).

The housing stock of the Borough is predominantly single-family detached dwelling units. Approximately 88% of the housing stock was built prior to 1970, making these dwellings older than fifty years. According to the guidelines originally established by COAH, the Borough is located in Housing Region 3, a region that consists of Hunterdon, Middlesex, and Somerset counties. Based on the 2025 Regional Income Limits (released by Affordable Housing Professionals of New Jersey on May 5, 2025), the median income in Region 3 for a four-person household is \$153,400, the moderate-income is \$122,720, the low-income is \$76,700, and the very-low-income level is \$46,020.

Affordable housing obligations in New Jersey are divided into "housing rounds," as will be discussed in detail later in this Plan. Each municipality in New Jersey has a constitutional obligation to provide their fair share of the calculated regional need for affordable housing within the respective housing round. These obligations to construct new affordable housing are known as the "Prospective Need" obligation. Municipalities also have an obligation to rehabilitate units that are deemed substandard, pursuant to the criteria of the Fair Housing Act. This obligation is known as the Present Need, or Rehabilitation Share. The housing rounds are as follows: Prior Round (1987-1999), Third Round (1999-2025), and Fourth Round (2025-2035).

The Borough of Rocky Hill has participated in each of the three housing rounds. In the Third Round, the Borough entered into a Settlement Agreement with Fair Share Housing Center to establish the town's Third Round affordable housing obligation. The subsequent compliance efforts were approved by the Court in a

Conditional Judgement of Compliance and Repose, dated March 15, 2022, confirming the town would satisfy its Third Round obligations if it followed the conditions of the JOR. Rocky Hill did implement all of the court's conditions.

The Borough was able to fully meet its Prior Round and Third Round obligations through credit-worthy units that are existing, under construction, or proposed as well as rental bonus credits, an affordable housing overlay, and a Regional Contribution Agreement.

The Borough has a Fourth Round obligation as follows:

Rehabilitation Share: 4

Prospective Need: 37

The 37-unit Prospective Need obligation will be adjusted to create a Realistic Development Potential for the Borough based on the Vacant Land Assessment.

INTRODUCTION

The need to provide a realistic opportunity for the construction of affordable housing in New Jersey, the country's most densely populated state, has been recognized for decades. In the case of Southern Burlington County NAACP v. the Township of Mount Laurel 67 N.J. 151 (1975), (commonly known as Mount Laurel I), the New Jersey Supreme Court established the doctrine that developing municipalities in New Jersey have a constitutional obligation to create a realistic opportunity for their fair share of low and moderate income housing.

In Southern Burlington County NAACP v. Township of Mount Laurel, 92 N.J. 158, 456 A.2d 390 (1983), decided on January 20, 1983 (commonly known as Mount Laurel II), the Supreme Court responded to the response of municipalities to Mount Laurel II. The builder's remedy created a mechanism for developers to sue non-compliant municipalities and force them to comply. Mount Laurel II also created the Judgment of Repose to incentivize municipalities to comply. A Judgment of Repose protected municipalities from potential lawsuits and those who would claim entitlement to a builder's remedy or other relief based upon the claim that the municipality was noncompliant.

In the wake of Mount Laurel II, developers sued municipalities seeking builder's remedies. The wave of builder's remedy lawsuits created the impetus for legislation to protect municipalities from builder's remedies. A decision by Judge Serpentelli, one of three judges appointed by Chief Justice Wilentz to implement Mount Laurel II, increased the need for a legislative cure. More specifically, in 1984, Judge Serpentelli issued the "AMG decision" (AMG Realty Co. v. Warren Twp), which established a formula for any developer to determine the fair share obligation of any municipality.

The pressure of builder's remedy suits, combined with the ease in determining the fair share of any municipality through the AMG formula, culminated in the enactment of the New Jersey Fair Housing Act in 1985. The Fair Housing Act (FHA) is found at N.J.S.A. 52:270-301, et seq. The FHA established the Council on Affordable Housing (COAH) as an administrative alternative to builder's remedy lawsuits and the concomitant jurisdiction of the courts. COAH was given the responsibility of dividing the state into housing regions, determining regional and municipal fair share affordable housing obligations, and adopting regulations that would establish the guidelines and approaches that municipalities may use in addressing their affordable housing need.

In 2008, the Legislature amended the FHA to add requirements for very low-income housing. Very low-income households are those in which the gross household income is 30% or less than the region's median household income. Low-income households are those with incomes no greater than 50% of the region's median household income. Moderate-income households are those with incomes no greater than 80% and no less than 50% of the region's median household income. Each is adjusted for household size and is in relation to the median gross income of the housing region in which the municipality is located.

FIRST AND SECOND ROUNDS

The First and Second Rounds under COAH are collectively referred to as the "Prior Round." The Prior Round obligation is the cumulative 1987-1999 fair share obligation. The First Round consists of the six-year period between 1987 and 1993 for which COAH first established a formula for determining municipal affordable housing obligations (N.J.A.C. 5:92-1 *et seq.*). Then in 1994, COAH established amended regulations (N.J.A.C. 5:93-1.1 *et seq.*) and produced additional municipal affordable housing obligations for the years 1993 to 1999. This second round of obligations is known as the Second Round. When COAH adopted regulations for Round 2, it made the Round 1 and 2 obligations cumulative for both periods.

THIRD ROUND

Housing rounds were originally established by the Fair Housing Act as six-year periods, but in 2001 the Legislature extended the rounds to 10-year periods. This should have meant that the Third Round ran from 1999 to 2009. However, COAH didn't establish new rules for the Third Round until the end of 2004 (N.J.A.C. 5:94-1 and 95-1 *et seq.*). The Third Round time period was therefore extended to 2014. The Third Round rules established a new method for calculating a municipality's affordable housing obligation, known as "growth share." This method required municipalities to project future residential and non-residential development, and then derive their obligation from that growth.

After the New Jersey Appellate Court invalidated several components of the Third Round rules, COAH released revised rules in 2008. The Third Round was once again extended to 2018 to provide municipalities with the time to apply the amended rules and establish mechanisms to meet their obligations. The revised

Third Round rules, like the initial Third Round, rules established the obligations based on a growth share approach.

On October 8, 2010, in response to numerous legal challenges to the second iteration of COAH's Third Round regulations, the Appellate Divisions ruled that COAH could not allocate obligations through a "growth share" formula and directed COAH to use similar methods to those used in the First and Second Rounds. COAH proposed Third Round regulations a third time in 2014 using a formula similar to the ones it had used in the first and second rounds. However, when COAH met to consider adopting these rules on October 20, 2014, it deadlocked.

On March 10, 2015, the New Jersey Supreme Court decided In re Adoption of N.J.A.C. 5:96 & 5:97 by the N.J. Council on Affordable Housing, 221 N.J. 1 (2015) (Mount Laurel IV), wherein it responded to COAH's failure to adopt defensible rules for Round 3. This decision changed the landscape by which municipalities are required to comply with their constitutional obligation to provide their fair share of affordable housing. The Supreme Court held that since COAH was no longer functioning, trial courts were to resume their role as the forum of first instance for evaluating municipal compliance with Mount Laurel obligations, and also established a transitional process for municipalities to seek temporary immunity and ultimately a Judgment of Compliance and Repose ("JOR") from a Court, which was the "judicial equivalent" of Substantive Certification from COAH.

On January 18, 2017, the Supreme Court decided In Re Declaratory Judgment Actions Filed by Various Municipalities, County of Ocean, Pursuant To The Supreme Court's Decision In In re Adoption of N.J.A.C. 5:96, 221 N.J. 1 (2015) ("Mount Laurel V"), which held that need having accrued during the Gap Period (1999-2015) was part of the Present Need, not Prospective Need. The Supreme Court held that there is an obligation with respect to that period for households that came into existence during that gap that are eligible for affordable housing, that are presently (as of 2015) in need of affordable housing, and that are not already counted in the traditional present need.

As the methodology and obligations from the Gap and Prospective Need had not been fully adjudicated at that time, various trial judges issued opinions on the appropriate methodology and 354 municipalities reportedly settled with Fair Share Housing Center wherein they negotiated the obligations for Round 3.

Municipal obligations were therefore broken down in Round Three Housing Element and Fair Share Plans as Present Need/Rehabilitation, Prior Round (1987-1999), and Third Round and Gap Period (1999-2015). Municipalities that received their Final Judgment of Compliance and Repose were guaranteed immunity from builders' remedy lawsuits through the end of the Third Round, June 30, 2025.

FOURTH ROUND

On March 18, 2024, the affordable housing legislation known jointly as Senate Bill S50 and Assembly Bill A4 passed both houses of the legislature. Governor Murphy signed the bill (P.L.2024, c.2) into law on March

Plans will follow the same general format as they have with certain updates to their requirements dealing with various types of housing and the bonus credit calculation system. Notably, HEFSPs are required to be consistent with the State Development and Redevelopment Plan (SDRP) (a new draft SDRP was released in late 2024 and has yet to be adopted) and the Highlands Regional Master Plan for conforming municipalities. As part of the HEFSP, municipalities shall include an assessment of the degree to which the municipality has met its fair share obligation from the prior rounds of affordable housing (i.e. First, Second, and Third Rounds).

ROCKY HILL BOROUGH'S HISTORY OF AFFORDABLE HOUSING

The Borough of Rocky Hill has a long history of compliance with COAH regulations. During the First Round, it was determined that Rocky Hill had no affordable housing obligation. The Borough petitioned COAH for Second Round Certification on July 23, 1998 and received substantive certification on January 3, 2001. The Borough's Second Round Certification expired on January 3, 2007.

The Borough participated in the Third Round Certification process. The Borough Planning Board adopted a Third Round Housing Element and Fair Share Plan on November 11, 2008. Rocky Hill petitioned COAH on December 30, 2008 and was deemed complete on February 9, 2009. Rocky Hill received Third Round Substantive Certification by COAH on May 14, 2009. However, the Third Round Rules were invalidated by the Court and all Substantive Certifications that had been granted up to that point, Rocky Hill's included, were voided.

In response to Mount Laurel IV, the Borough filed a Complaint for Declaratory Judgement ("DJ Action") on July 15, 2015 (Docket No. SOM-L-901-15) seeking a declaration of compliance with the Mount Laurel doctrine in accordance with Mount Laurel IV.

In January 2017, the Borough conducted a Vacant Land Assessment, which determined that the Borough had a Realistic Development Potential (RDP) of 12 units. Due to negotiations with Fair Share Housing Center (FSHC) and David Schafer, the owner of Block 10 Lot 19, the RDP was increased to 16 units.

On December 18, 2017, the Borough executed a Settlement Agreement with FSHC¹ which included the Borough's Vacant Land Assessment. However, prior to the scheduled Fairness Hearing, that was proposed to be held on May 3, 2018, the Borough filed a voluntary stipulation of dismissal, and the case was dismissed on April 26, 2018.

On May 3, 2018, Schafer filed a builders' remedy lawsuit against the Borough, captioned David K. Schafer v. Borough of Rocky Hill et als., Docket No. SOM-L-587-18, which resulted in the Settlement Agreement between the Borough of Rocky Hill and David K. Schafer. Through settlement discussions, the parties agreed to rezone Block 10 Lot 19 with an affordable housing overlay zone that permits a development of 78 units with a 20% set aside for affordable housing.

In providing more detail on American households, the American Community Survey includes the sub-groups of non-traditional households, including "Other Family" and "Non-Family" households. "Other Family" households accounted for 16% of all households, broken down into 12.5% female householders with no spouse or partner present and 3.4% male householders with no spouse or partner present. "Non-Family" households are defined as those that consist of a householder living alone or sharing the home exclusively with people to whom he/she is not related. Non-family households comprise approximately 42.6% of all households in the Borough.

	Total	Percent
Total Households	319	100%
Family Households	183	57.4%
Married couple family	132	41.4%
With children	67	21.0%
Without children	65	20.4%
Other Family	51	16.0%
Male householder, no spouse	11	3.4%
With children	0	0.0%
Without children	11	3.4%
Female householder, no spouse	40	12.5%
With children	26	8.2%
Without children	14	4.4%
Nonfamily household	136	42.6%
Male householder	82	25.7%
Living alone	69	21.6%
Not living alone	13	4.1%
With children	0	0.0%
Female householder	54	16.9%
Living alone	35	11.0%
Not living alone	19	6.0%
With children	0	0.0%

Source: 2018-2023 American Community Survey 5-Year Estimates, Tables B11005 and B11010

A Fairness Hearing was held on February 24, 2022, at which a Consent Order of Fairness was entered by the Court on February 24, 2022, modifying the terms of the Borough's Settlement Agreement with David K. Schafer and deemed the Settlement Agreement between the Borough and David K. Schafer as fair and reasonable to low and moderate households.

On March 8, 2022, the Court issued a Consent Order which reinstated the Borough's Mount Laurel Declaratory Judgement Action and modified the terms of the Settlement Agreement between the Borough and Fair Share Housing Center and the Settlement Agreement between the Borough and David K. Schafer.

An Amended Fairness and Compliance hearing was held on March 14, 2022, at which point the Court approved the Settlement Agreements between the Borough and FSHC, and the Borough and David K. Schafer subject to the terms of the March 8, 2022 issued Court Order (see Appendix D). The Borough was granted a Conditional Order of Judgement of Compliance and Repose (CJOR) on March 15, 2022. The conditions of the CJOR were:

- The Borough must adopt and endorse a Housing Element and Fair Share Plan
- The Borough must adopt an Affordable Housing and Mandatory Set-Aside Ordinance
- The Borough must appoint a duly-certified Administrative Agent

The Rocky Hill Planning Board adopted a new Third Round HEFSP on June 14, 2022. The plan was then endorsed by the Borough Council June 20, 2022. Their affordable housing ordinance was adopted June 20, 2022. Also on that date, Heyer, Gruel & Associates was appointed the administrative agent for the Borough.

PLANNING FOR AFFORDABLE HOUSING

Pursuant to both the FHA (N.J.S.A. 52:27D-310, et seq.) and the Municipal Land Use Law (MLUL) (N.J.S.A. 40:55D-28), municipalities in New Jersey are required to include a housing element in their master plans. The principal purpose of the housing element is to describe the specific, intended methods that a municipality plans to use in order to meet its low- and moderate-income housing needs. Further, the housing element is meant to demonstrate the existing zoning or planned zoning changes that will allow for the provision of adequate capacity to accommodate household and employment growth projections, to achieve the goal of access to affordable housing for present and future populations. The statutorily required contents of the housing element are:

- a. An inventory of the municipality's housing stock by age, condition, purchase or rental value, occupancy characteristics, and type, including the number of units affordable to low and moderate-income households and substandard housing capable of being rehabilitated;
- b. A projection of the municipality's housing stock, including the probable future construction of low- and moderate-income housing, for the next ten years, taking into account, but not necessarily

- limited to, construction permits issued, approvals of applications for development and probable residential development of lands;
- c. An analysis of the municipality's demographic characteristics, including but not necessarily limited to, household size, income level and age;
 - d. An analysis of the existing and probable future employment characteristics of the municipality;
 - e. A determination of the municipality's present and prospective fair share for low- and moderate-income housing and its capacity to accommodate its present and prospective housing needs, including its fair share for low- and moderate-income housing, as established pursuant to section 3 of P.L.2024, c.2 (C.52:27D-304.1);
 - f. A consideration of the lands that are most appropriate for construction of low- and moderate-income housing and of the existing structures most appropriate for conversion to, or rehabilitation for, low- and moderate-income housing, including a consideration of lands of developers who have expressed a commitment to provide low- and moderate-income housing;
 - g. An analysis of the extent to which municipal ordinances and other local factors advance or detract from the goal of preserving multigenerational family continuity as expressed in the recommendations of the Multigenerational Family Housing Continuity Commission, adopted pursuant to paragraph (1) of subsection f. of section 1 of P.L.2021, c.273 (C.52:27D-329.20);
 - h. For a municipality located within the jurisdiction of the Highlands Water Protection and Planning Council, established pursuant to section 4 of P.L.2004, c.120 (C.13:20-4), an analysis of compliance of the housing element with the Highlands Regional Master Plan of lands in the Highlands Preservation Area, and lands in the Highlands Planning Area for Highlands conforming municipalities. This analysis shall include consideration of the municipality's most recent Highlands Municipal Build Out Report, consideration of opportunities for redevelopment of existing developed lands into inclusionary or 100 percent affordable housing, or both, and opportunities for 100 percent affordable housing in both the Highlands Planning Area and Highlands Preservation Area that are consistent with the Highlands regional master plan; and
 - i. 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.

PART 1: HOUSING ELEMENT**DEMOGRAPHIC CHARACTERISTICS****Population**

Table 1 below depicts the population trends experienced in Rocky Hill Borough, Somerset County, and the State of New Jersey in the 93-year period between 1930 and 2023. In 2023, there were 814 residents in Rocky Hill Borough, which indicates an increase of 71 people (9.6%) from 2020. Rocky Hill Borough has experienced fluctuations in the population size over the past 93 years, with the largest increase occurring in 1970 (73.7%) and the largest decrease the following decade, with a decrease of 200 residents (-21.8%). Overall, the Borough has seen a growth of 302 residents during this time frame, reflecting a 59% increase in its population. These trends diverge from the County and State level trends, where steady growth was experienced. The Borough's overall growth (59%) was proportionally significantly less than that of the County (94.6%) and State (129.2%).

Table 1: Population Trends, 1930-2023 Rocky Hill Borough, Somerset County, and New Jersey									
Year	Rocky Hill Borough			Somerset County			New Jersey		
	Population	Change		Population	Change		Population	Change	
		Number	Percent		Number	Percent		Number	Percent
1930	512	-	-	65,132	-	-	4,041,334	-	-
1940	404	-108	-21.1%	74,390	862	1.3%	4,160,165	118,831	2.9%
1950	537	133	32.9%	99,052	4,193	5.6%	4,835,329	675,164	16.2%
1960	528	-9	-1.7%	143,913	8,846	8.9%	6,066,782	1,231,453	25.5%
1970	917	389	73.7%	198,372	10,740	7.5%	7,171,112	1,104,330	18.2%
1980	717	-200	-21.8%	203,129	10,469	5.3%	7,365,011	193,899	2.7%
1990	693	-24	-3.3%	240,279	7,178	3.5%	7,730,188	365,177	5.0%
2000	662	-31	-4.5%	297,490	10,830	4.5%	8,414,350	684,162	8.9%
2010	682	20	3.0%	323,444	6,255	2.1%	8,791,894	377,544	4.5%
2020	743	61	8.9%	345,361	940	0.3%	9,288,994	497,100	5.7%
2023	814	71	9.6%	346,203	1,294	0.4%	9,261,699	-27,295	-0.3%
Total Change	-	302	59.0%	-	61,607	94.6%	-	5,220,365	129.2%

Source: 1930-2020 U.S. Decennial Census; 2018-2023 American Community Survey 5-Year Estimates, Table S0101

Population Composition by Age

The median age of the residents in Rocky Hill Borough in 2020 was 41.5 years, which shows a 9.6% decrease from the 2010 median age of 45.9 years. Analysis of age group characteristics provides insight into the actual changes in population. This comparison is helpful in determining the impacts these changes have on housing needs, community facilities and services for the municipality. As detailed in Table 2 below, the entire composition of Rocky Hill Borough experienced notable shifts in the years between 2010 and 2020. The most significant shift occurred in the population aged 15 to 34, which collectively saw a 47-person (40.5%) increase. Simultaneously, the Borough experienced an increase in its population under 14 years old (12.2%). This data suggests that a large portion of the Borough's residents now include school-age children, which will require the Borough to consider planning tools and approaches that support the community.

Population	2010		2020		Change (2010 to 2020)	
	Number	Percent	Number	Percent	Number	Percent
Under 5 years	30	4.4%	49	6.6%	19	63.3%
5 to 14	101	14.8%	98	13.2%	-3	-3.0%
15 to 24	59	8.7%	109	14.7%	50	84.7%
25 to 34	57	8.4%	54	7.3%	-3	-5.3%
35 to 44	88	12.9%	93	12.5%	5	5.7%
45 to 54	113	16.6%	99	13.3%	-14	-12.4%
55 to 64	108	15.8%	92	12.4%	-16	-14.8%
65 and over	126	18.5%	149	20.1%	23	18.3%
Total population	682	100.00%	743	100.00%	61	8.9%
Median Age	45.9		41.5		-4.4	-9.6%

Source: U.S. Decennial Census, 2010 and 2020

Somerset County experienced population fluctuation as well. The County saw the greatest shift of roughly 37.3% in its population aged 55 and over, which was proportionally significantly higher than the increase experienced at the Borough level (3.0%). The County experienced rather significant decreases in its population aged 14 and below (-10.4%) as well as those aged 35 to 54 (-9.9%), in contrast with the age trends occurring in the Borough. This data is displayed in Table 3 below.

Population	2010		2020		Change (2010 to 2020)	
	Number	Percent	Number	Percent	Number	Percent
Under 5 years	19,237	5.9%	16,368	4.7%	-2,869	-14.9%
5 to 14	46,651	14.4%	42,693	12.4%	-3,958	-8.5%
15 to 24	35,998	11.1%	42,844	12.4%	6,846	19.0%
25 to 34	36,425	11.3%	39,522	11.4%	3,097	8.5%
35 to 44	48,863	15.1%	44,757	13.0%	-4,106	-8.4%
45 to 54	57,513	17.8%	51,035	14.8%	-6,478	-11.3%
55 to 64	38,755	12.0%	52,112	15.1%	13,357	34.5%
65 and over	40,002	12.4%	56,030	16.2%	16,028	40.1%
Total population	323,444	100.0%	345,361	100.0%	21,917	6.8%
Median Age	40.2		42		1.8	4.5%

Source: U.S. Decennial Census, 2010 and 2020

Households

A household is defined as one or more persons, either related or not, living together in a housing unit. In 2020 there was a total of 278 households in Rocky Hill Borough. Over half of the Borough's households comprised two or less people. In fact, Two-person households were the most common household size at both the Borough (29.5%) and County (29.8%) levels, followed by one-person households. The average household size of the Borough in 2020 was 2.51, which was slightly lower than that of the County's average of 2.64.

	Rocky Hill Borough		Somerset County	
	Number	Percent	Number	Percent
1-person household	64	23.0%	28346	22.6%
2-person household	82	29.5%	37,422	29.8%
3-person household	47	16.9%	23,153	18.4%
4-person household	45	16.2%	22,767	18.1%
5-person household	19	6.8%	8,674	6.9%
6-person household	15	5.4%	3,441	2.7%
7-or-more-person household	6	2.2%	1795	1.4%
Total Households	278	100.0%	125598	100.0%
Average Household Size	2.51		2.64	

Source: US Decennial Census, 2020

According to the United States Census, family households are defined as two or more persons living in the same household, related by birth, marriage, or adoption. As shown in Table 5, most (57.4%) of all households in the Borough in 2023 were categorized as family households. Approximately half of the married-couple families within the Borough had children under the age of 18.

In providing more detail on American households, the American Community Survey includes the sub-groups of non-traditional households, including "Other Family" and "Non-Family" households. "Other Family" households accounted for 16% of all households, broken down into 12.5% female householders with no spouse or partner present and 3.4% male householders with no spouse or partner present. "Non-Family" households are defined as those that consist of a householder living alone or sharing the home exclusively with people to whom he/she is not related. Non-family households comprise approximately 42.6% of all households in the Borough.

	Total	Percent
Total Households	319	100%
Family Households	183	57.4%
Married couple family	132	41.4%
With children	67	21.0%
Without children	65	20.4%
Other Family	51	16.0%
Male householder, no spouse	11	3.4%
With children	0	0.0%
Without children	11	3.4%
Female householder, no spouse	40	12.5%
With children	26	8.2%
Without children	14	4.4%
Nonfamily household	136	42.6%
Male householder	82	25.7%
Living alone	69	21.6%
Not living alone	13	4.1%
With children	0	0.0%
Female householder	54	16.9%
Living alone	35	11.0%
Not living alone	19	6.0%
With children	0	0.0%

Source: 2018-2023 American Community Survey 5-Year Estimates, Tables B11005 and B11010

Income

As measured in 2023, Rocky Hill Borough had a slightly lower median household income compared to Somerset County, but significantly higher compared to the State of New Jersey. The median income in Rocky Hill Borough was \$127,344, which was roughly \$8,616 less than that of the County and \$26,294 greater than that of the State. The per capita income in Rocky Hill Borough was comparable to that of the County, and well higher than that of the State. This data is outlined in Table 6 below.

Table 6: Per Capita and Household Income, 2023 Rocky Hill Borough, Somerset County, and New Jersey		
	Per Capita Income	Median Household Income
Rocky Hill Borough	\$77,165	\$127,344
Somerset County	\$70,321	\$135,960
New Jersey	\$53,118	\$101,050

Source: 2018-2023 American Community Survey 5-Year Estimates, Table S1901

In 2023 roughly 70% percent of all households in the Borough earned an income of \$100,000 or more, as compared to roughly 64% of households in the County. The income range that accounted for the most Borough households was the \$200,000 or more bracket, which comprised 34.2% of households in Rocky Hill; this was also the case across Somerset County as a whole, but at a lower percentage of 32.7%. The second largest income bracket in the Borough was \$100,000 to \$149,999, comprising 25.7% of households. At the County level, this same income bracket accounted for a lesser 18.5% of households. However, households with an income of \$150,000 to \$199,999 were more prevalent in the County than the Borough. This suggests that the County's household income distribution is slightly skewed toward these higher income brackets as compared to the Borough, which may at least partially help explain the difference between the median income reported at the Borough (\$127,344) and County (\$135,960) levels.

	Rocky Hill Borough		Somerset County	
	Number ¹	Percent	Number ¹	Percent
Less than \$10,000	0	0%	3,366	2.6%
\$10,000 to \$14,999	0	0%	1,812	1.4%
\$15,000 to \$24,999	11	3%	4,531	3.5%
\$25,000 to \$34,999	21	7%	4,402	3.4%
\$35,000 to \$49,999	10	3%	6,991	5.4%
\$50,000 to \$74,999	17	5%	12,169	9.4%
\$75,000 to \$99,999	40	13%	13,464	10.4%
\$100,000 to \$149,999	82	26%	23,950	18.5%
\$150,000 to \$199,999	29	9%	16,441	12.7%
\$200,000 or more	109	34%	42,333	32.7%
Total Households	319	100.0%	129,459	100.0%
Median Household Income	\$127,344		\$135,960	

Source: 2018-2023 American Community Survey 5-Year Estimates, Table B19001

¹Due to the data being estimates, the number in each row does not add up with the "total" row.

Poverty Status

Of the 814 people in Rocky Hill Borough for which poverty status was determined, 35 (4.3%) individuals lived in poverty in 2023; this was considerably lower than the County's poverty rate of 5.5%. Of Rocky Hill Borough's population that fell below the poverty level in 2023, nearly three-quarters were between the ages of 18 to 64; at the County level this group made up slightly more than half of the population in poverty. Proportionally the Borough had a higher percentage of the population 65 years and up living in poverty. This data is presented in Table 8 below.

	Rocky Hill Borough		Somerset County	
	Number	% of Total Persons	Number	% of Total Persons
Total persons	814	100.0%	343,350	100.0%
Total persons below poverty level	35	4.3%	18851	5.5%
Under 18	0	0.0%	5409	1.6%
18 to 64	25	3.1%	10027	2.9%
65 and over	10	1.2%	3415	1.0%

Source: 2018-2023 American Community Survey 5-Year Estimates, Table S1701

Household Costs

Tables 9 and 10 below show the expenditures for housing as a percentage of household income for those who own and rent in Rocky Hill Borough and Somerset County. In 2023 a majority of Borough residents lived in homes they owned, which was the same at the County level as well. General affordability standards set a limit at 30% of gross income to be allocated for owner-occupied housing costs and 28% of gross income to be allocated for renter-occupied housing costs. Approximately 23.6% of Borough residents who owned the units they occupied spent 30% or more of their household income on housing, as compared to 23.4% of Borough residents who rented the units they occupied. These figures were on par with those of the County.

	Rocky Hill Borough		Somerset County	
	Number	Percent	Number	Percent
Total Owner-Occupied Housing Units	242	100.0%	95,974	100.0%
Less than 20.0%	120	49.6%	51,439	53.6%
20.0 to 24.9%	48	19.8%	12,752	13.3%
25.0 to 29.9%	17	7.0%	8,478	8.8%
30.0 to 34.9%	4	1.7%	5,063	5.3%
35.0% or more	53	21.9%	18,242	19.0%
Not computed	0	0.0%	440	0.5%

Source: 2018-2023 American Community Survey 5-Year Estimates, Table DP04

	Rocky Hill Borough		Somerset County	
	Number	Percent	Number	Percent
Total Renter-Occupied Housing Units	77	100.00%	33,045	100.00%
Less than 10.0%	19	24.7%	1,083	3.3%
10.0 to 14.9%	3	3.9%	2,650	8.0%
15.0 to 19.9%	13	16.9%	4,276	12.9%
20.0 to 24.9%	16	20.8%	4,407	13.3%
25.0 to 29.9%	8	10.4%	4,085	12.4%
30.0 to 34.9%	3	3.9%	2,733	8.3%
35.0 to 39.9%	0	0.0%	1,946	5.9%
40.0 to 49.9%	6	7.8%	2,327	7.0%
50.0% or more	9	11.7%	8,102	24.5%
Not computed	0	0.0%	1,436	4.3%

Source: 2018-2023 American Community Survey 5-Year Estimates, Table B25070

EXISTING HOUSING CONDITIONS**Housing Unit Data**

Rocky Hill Borough's housing stock is largely comprised of structures built prior to the year 1970. In 2023, Rocky Hill had a total of 319 occupied housing units, roughly 75.9% of which were owner-occupied and 24.1% of which were renter-occupied. The Borough experienced housing booms in 1939 or earlier and the 1960s, during which approximately 40.8% and 32.3% of the Borough's housing structures were constructed, respectively. According to 2018-2023 American Community Survey Estimates, the Borough has seen very few housing structures built since 2000. The median year of construction for the housing stock in Rocky Hill Borough is 1955. This data is outlined in Tables 11 and 12 below.

	Number	% of Total Housing Units	% of Occupied Housing Units
Total Housing Units	319	100.00%	-
Occupied Housing Units	319	100.0%	100.00%
Owner Occupied	242	75.9%	75.9%
Renter Occupied	77	24.1%	24.1%
Vacant Housing Units	0	0.0%	0.0%

Source: 2018-2023 American Community Survey 5-Year Estimates, Table DP04

	Number	Percent
Total Housing Units	319	100.00%
Built 1939 or earlier	130	40.8%
Built 1940 to 1949	11	3.4%
Built 1950 to 1959	37	11.6%
Built 1960 to 1969	103	32.3%
Built 1970 to 1979	13	4.1%
Built 1980 to 1989	16	5.0%
Built 1990 to 1999	3	0.9%
Built 2000 to 2009	0	0.0%
Built 2010 to 2013	3	0.9%
Built 2014 or later	3	0.9%
Median Year Structure Built	1955	

Source: 2018-2023 American Community Survey 5-Year Estimates, Tables B25034 and B25035

Housing Type and Size

In 2023, single-family detached housing made up the vast majority of the Borough's housing stock at 72.4%. Five-to-nine-unit structures were the next most common housing type, representing 12.9% of the Borough's housing stock. The median number of rooms within housing structures in the Borough was 7.3, with 67.1% of housing units having a minimum of 7 rooms and less than 2% of housing units having 2 or less rooms.

Units in Structure	Total	Percent
1, detached	231	72.4%
1, attached	24	7.5%
2	12	3.8%
3 or 4	11	3.4%
5 to 9	41	12.9%
10 to 19	0	0.0%
20 or more	0	0.0%
Mobile home	0	0.0%
Boat, RV, van, etc.	0	0.0%
Total Housing Units	319	100.00%
Rooms	Total	Percent
1 room	0	0.0%
2 rooms	5	1.6%
3 rooms	19	6.0%
4 rooms	30	9.4%
5 rooms	24	7.5%
6 rooms	27	8.5%
7 rooms	67	21.0%
8 rooms	63	19.7%
9 or more rooms	84	26.3%
Total Housing Units	319	100.00%
Median number of rooms	7.3	

Source: 2018-2023 American Community Survey 5-Year Estimates, Tables DP04 and B25024

Housing Growth and Projections

In terms of residential growth, the issuance of building permits serves as one of the indicators that help to determine housing needs in a given municipality. Table 15 below illustrates the number of building permits that were issued over the 10-year period between January 2014 through November 2024, when the Borough issued building permits authorizing the development of 4 housing units. The entirety of the permits issued during this time frame were for single- and two-family homes.

Further, throughout the same 10-year period, Rocky Hill issued permits authorizing the demolition of 10 units, which averages to approximately 1 unit per year. The average development rate is approximately 40% of the demolition rate (i.e., a home net decrease of around 60%). If the demolition rate were to remain relatively constant over the next approximately 10-year period, an additional 10 residential units could be expected to be demolished between January 2025 and the end of 2035, resulting in a projected net decrease of 6 units.

Year	1 & 2 Family	Multi Family	Mixed-Use	Total
2014	0	0	0	0
2015	1	0	0	1
2016	0	0	0	0
2017	0	0	0	0
2018	0	0	0	0
2019	2	0	0	2
2020	0	0	0	0
2021	1	0	0	1
2022	0	0	0	0
2023	0	0	0	0
2024	0	0	0	0
Total 2014-2024	4	0	0	4
10-Year Average				0.4
10-Year Permit Projection (2025-2035)				4

Source: State of New Jersey Department of Community Affairs Building Permits: Yearly Summary Data

Year	1 & 2 Family	Multi Family	Mixed-Use	Total
2014	0	0	0	0
2015	0	0	0	0
2016	0	0	0	0
2017	9	0	0	9
2018	0	0	0	0
2019	1	0	0	1
2020	0	0	0	0
2021	0	0	0	0
2022	0	0	0	0
2023	0	0	0	0
2024	0	0	0	0
Total 2014-2024	10	0	0	10
10-Year Average				1
10-Year Demolition Projection (2025-2035)				10

Source: State of New Jersey Department of Community Affairs Building Permits: Yearly Summary Data

Housing Values and Contract Rents

According to the 2018-2023 American Community Survey, approximately three-quarters (75.2%) of the owner-occupied housing stock in Rocky Hill Borough in 2023 was valued at over \$500,000, as compared to 52.8% of the County's housing stock. In addition, the Borough's median home value (\$608,200) exceeded that of the County (\$523,900) by an estimated \$84,300. This data is outlined in Table 17 below.

	Rocky Hill Borough		Somerset County	
	Number	Percent	Number	Percent
Total	242	100.0%	96,414	100.0%
Less than \$50,000	0	0.0%	1038	1.1%
\$50,000 to \$99,999	0	0.0%	538	0.6%
\$100,000 to \$149,999	0	0.0%	1,528	1.6%
\$150,000 to \$199,999	0	0.0%	1,778	1.8%
\$200,000 to \$299,999	2	0.8%	8,670	9.0%
\$300,000 to \$499,999	58	24.0%	32,002	33.2%
\$500,000 to \$999,999	172	71.1%	40,917	42.4%
\$1,00,000 and greater	10	4.1%	9943	10.3%
Median Value	\$608,200		\$523,900	

Source: 2018-2023 American Community Survey 5-Year Estimates, Tables B25075 and B25077

As shown on Table 18 below, it is estimated that 58.3% of owner-occupied units in the Borough were financed by a primary mortgage, contract to purchase, or similar debt. Of these units, approximately 15.6% were tied to either a second mortgage or home equity loan, and the remaining 82.3% were associated with just a primary mortgage. Proportionally there were slightly more owner-occupied housing units with a mortgage at the County level; more specifically, 65.1% of such units had a primary mortgage, while 34.9% of units did not. Of those units in the County tied to a primary mortgage, 85.3% did not have any additional lines of credit associated with the unit, while 11.5% were associated with either a second mortgage or home equity loan, and 0.1% were associated with both a second mortgage and a home equity loan.

	Rocky Hill Borough			Somerset County		
	Number	% of Total Units	% of Mortgage Units	Number	% of Total Units	% of Mortgage Units
Total Owner-Occupied Units	242	100.00%	-	96,414	100.00%	-
Owner-Occupied Housing Units with a Mortgage	141	58.3%	100.00%	62,719	65.1%	100.00%
With either a second mortgage or home equity loan	22	9.1%	15.6%	7,233	7.5%	11.5%
Second mortgage only	0	0.0%	0.0%	765	0.8%	1.2%
Home equity loan only	22	9.1%	15.6%	6,416	6.7%	10.2%

Both second mortgage and home equity loan	0	0.0%	0.0%	52	0.1%	0.1%
No second mortgage and no home equity loan	116	47.9%	82.3%	53,478	55.5%	85.3%
Owner-Occupied Housing units without a mortgage	101	41.7%	-	33695	34.9%	-

Source: 2018-2023 American Community Survey 5-Year Estimates, Table B25081

As shown in Table 19 below, the median contract rent in Rocky Hill in 2023 was \$1,567, which was roughly \$187 lower than the County median rent of \$1,754. Within the Borough, the highest percentage of renters paid between \$1,500 to \$1,999 for monthly rent (53.2%), followed by \$1,000 to \$1,499 (39%). At the County level 34.5% of renters paid between \$1,500 to \$1,999 for monthly rent, and there was a significantly higher occurrence of renters paying above \$2,500. This data suggests that rent in the Borough is more affordable than throughout the County as a whole.

	Rocky Hill Borough		Somerset County	
	Number	Percent	Number	Percent
Total Renter-Occupied Units	77	100.0%	33045	100.00%
Less than \$500	0	0.0%	833	2.5%
\$500 to \$999	3	3.9%	1762	5.3%
\$1,000 to \$1,499	30	39.0%	7626	23.1%
\$1,500 to \$1,999	41	53.2%	11284	34.1%
\$2,000 to \$2,499	0	0.0%	5906	17.9%
\$2,500 to \$2,999	3	3.9%	2765	8.4%
\$3,000 or More	0	0.0%	1725	5.2%
No Rent Paid	0	0.0%	1144	3.5%
Median Contract Rent	\$1,567		\$1,754	

Source: 2018-2023 American Community Survey 5-Year Estimates, Tables B25056 and B25058

Housing Conditions

Table 20 below details the conditions of the Borough's housing stock in 2023. Overcrowding and age, plumbing, and kitchen facilities are used to determine housing deficiency. In 2023, over three-quarters (78.1%) of the Borough's housing stock relied on utility gas for heating, followed by electricity (11.9%). A total of 2 (0.6%) occupied housing units experienced overcrowding (more than one person per room). Throughout the Borough, there were no occupied housing units that lacked complete plumbing, 5 units that lack complete kitchen facilities (1.6%), and only 6 (1.9%) units lacked telephone service.

	Number	Percent
House Heating Fuel-Occupied Housing Units		
Total	319	100.0%
Utility gas	249	78.1%
Bottled, tank, or LP gas	0	0.0%

Electricity	38	11.9%
Fuel oil, kerosene, etc.	32	10.0%
Coal or coke	0	0.0%
Wood	0	0.0%
Solar energy	0	0.0%
Other fuel	0	0.0%
No fuel used	0	0.0%
Occupants per Room – Occupied Housing Units		
Total	319	100.0%
1.00 or Less	317	99.4%
1.01 to 1.50	2	0.6%
1.51 or More	0	0.0%
Facilities – Total Units		
Total	319	100.0%
Lacking complete plumbing facilities	0	0.0%
Lacking complete kitchen facilities	5	1.6%
Telephone Service – Occupied Housing Units		
Total	319	100.0%
No Service	6	1.9%

Source: 2018-2023 American Community Survey 5-Year Estimates, Tables DP04, B25047 and B25051

EMPLOYMENT DATA

Tables 21, 22, and 23 below detail the changes in employment between the years 2010 and 2023 in Rocky Hill Borough, Somerset County, and New Jersey, respectively. Throughout this thirteen-year period, the Borough saw an overall 4.3% decrease in its unemployment rate; although the Borough experienced a 4.7% spike in unemployment between 2019 and 2020 due to the COVID-19 pandemic, it has rebounded to a considerably lower unemployment rate in recent years. This overall trend is mirrored at both the County and State level as well, although in comparison the Borough has consistently exhibited a lower unemployment rate throughout this time period. In 2023, the Borough's unemployment rate was 2.1%, which was 1.7% lower than the County (3.8%) and 2.3% lower than the State (4.4%).

Year	Labor Force	Employment	Unemployment	Unemployment Rate
2010	294	275	19	6.4%
2011	276	267	9	3.4%
2012	383	355	28	7.3%
2013	371	353	18	4.9%
2014	366	353	13	3.6%
2015	372	357	15	4.0%
2016	373	358	15	4.0%
2017	378	365	13	3.4%
2018	373	363	10	2.7%
2019	376	368	8	2.1%
2020	365	340	25	6.8%
2021	365	350	15	4.1%
2022	380	366	14	3.7%
2023	379	371	8	2.1%

Source: NJ Dept. of Labor & Workforce Development Labor Force Estimates, Municipal Historical Annual Data, 2010-2023

Table 22: Employment and Residential Labor Force, 2010 to 2023				
Somerset County				
Year	Labor Force	Employment	Unemployment	Unemployment Rate
2010	173,796	160,410	13,386	7.7%
2011	174,457	161,574	12,883	7.4%
2012	175,718	162,589	13,129	7.5%
2013	174,177	162,926	11,251	6.5%
2014	173,073	164,080	8,993	5.2%
2015	173,052	165,261	7,791	4.5%
2016	173,010	166,058	6,952	4.0%
2017	176,878	170,323	6,555	3.7%
2018	175,985	170,157	5,828	3.3%
2019	178,476	173,271	5,205	2.9%
2020	174,098	161,076	13,022	7.5%
2021	175,044	165,578	9,466	5.4%
2022	179,197	173,376	5,821	3.2%
2023	182,817	175,899	6,918	3.8%

Source: NJ Dept. of Labor & Workforce Development Labor Force Estimates, County Historical Annual Data, 2010-2023

Table 23: Employment and Residential Labor Force, 2010 to 2023				
New Jersey				
Year	Labor Force	Employment	Unemployment	Unemployment Rate
2010	4,559,778	4,118,982	440,796	9.7%
2011	4,561,786	4,134,708	427,078	9.4%
2012	4,576,286	4,147,221	429,065	9.4%
2013	4,528,019	4,147,661	380,358	8.4%
2014	4,493,894	4,191,318	302,576	6.7%
2015	4,494,606	4,237,876	256,730	5.7%
2016	4,492,821	4,271,201	221,620	4.9%
2017	4,614,953	4,406,151	208,802	4.5%
2018	4,604,787	4,420,713	184,074	4.0%
2019	4,687,390	4,525,044	162,346	3.5%
2020	4,638,386	4,200,980	437,406	9.4%
2021	4,648,814	4,337,793	311,021	6.7%
2022	4,736,213	4,552,563	183,650	3.9%
2023	4,829,671	4,615,722	213,949	4.4%

Source: NJ Dept. of Labor & Workforce Development Labor Force Estimates, State Historical Annual Data, 2010-2023

Employment Status

It is estimated that nearly two-thirds (69.7%) of Rocky Hill Borough's population over the age of 16 was in the labor force in 2023, which was directly in line with the County's rate. Of the Borough's labor force, 100% of workers were civilians and a vast majority (93.9%) was employed. At the County level, 99.9% of workers were civilians and 95.2% of the labor force was employed, indicating that the Borough and County exhibited similar trends. This data is shown in Table 24 below.

	Rocky Hill Borough			Somerset County		
	Number	% of 16+ Population	% of Labor Force	Number	% of 16+ Population	% of Labor Force
Population 16 years and over	660	100.0%	-	282,215	100.0%	-
In labor force	460	69.7%	100.0%	196,752	69.7%	100.0%
Civilian Labor Force	460	69.7%	100.0%	196,608	69.7%	99.9%
Employed	432	65.5%	93.9%	187,223	66.3%	95.2%
Unemployed	28	4.2%	6.1%	9,385	3.3%	4.8%
Armed Forces	0	0.0%	0.0%	144	0.1%	0.1%
Not in labor force	200	30.3%	-	85,463	30.3%	-

Source: 2018-2023 American Community Survey 5-Year Estimates, Table DP03

Class of Worker and Occupation

According to the 2018-2023 American Community Survey Estimates, the majority of workers (68.5%) living in Rocky Hill Borough were a part of the private wage and salary worker group. This group includes people who work for wages, salary, commission, and tips for a private for-profit employer. The next largest category was private not-for-profit wage and salary workers (16.2%), followed by those who were self-employed or an unpaid family worker (8.1%). This data is outlined in Table 25 below.

	Number	Percent
Total Civilian Employed Workers (Age 16+)	432	100.0%
Private Wage and Salary Worker	296	68.5%
Private not-for-profit wage and salary workers	70	16.2%
Local Government Worker	12	2.8%
State Government Worker	19	4.4%
Federal Government Worker	0	0.0%
Self-Employed Worker or Unpaid Family Worker	35	8.1%

Source: 2018-2023 American Community Survey 5-Year Estimates, Table S2408

The occupational breakdown shown in Table 26 below includes only private wage and salary workers. Borough residents who worked within the private wage field were concentrated heavily in Management,

Business, Science, and Arts occupations as well as Sales and Office occupations. Collectively, the two fields accounted for just over 84% of the entire resident workforce over the age of 16.

	Number	Percent
Employed Civilian Population 16 Years and Over	432	100.0%
Management, business, science and arts occupations	303	70.1%
Service occupations	47	10.9%
Sales and office occupations	61	14.1%
Natural resources, construction and maintenance occupations	5	1.2%
Production Transportation and material moving occupations	16	3.7%

Source: 2018-2023 American Community Survey 5-Year Estimates, Table DP03

As portrayed in Table 27, the industry that employed the greatest number of Rocky Hill residents in 2020 was the Educational Services, and Health Care and Social Assistance sector, which accounted for 27.1% of the Borough's resident workforce. The second most common industry during this time was the Professional, scientific, and management, and administrative and waste management services sector, which accounted for 19.7% of jobs occupied by Borough residents.

Industry	Number	Percent
Employed Civilian Population 16 Years and Over	432	100.00%
Agriculture, forestry, fishing and hunting, mining	0	0.0%
Construction	10	2.3%
Manufacturing	31	7.2%
Wholesale Trade	38	8.8%
Retail Trade	6	1.4%
Transportation and Warehousing, and Utilities	30	6.9%
Information	16	3.7%
Finance and insurance, and real estate and rental and leasing	32	7.4%
Professional, scientific, and management, and administrative and waste management services	85	19.7%
Educational services, and health care and social assistance	117	27.1%
Arts, entertainment, and recreation, and accommodation and food services	46	10.6%
Other Services, except public administration	15	3.5%
Public administration	6	1.4%

Source: 2018-2023 American Community Survey 5-Year Estimates, Table DP03

Commuting to Work

In 2023, it is estimated that 67.3% of the employed population that did not work from home commuted up to 30 minutes to their place of work. Approximately one-quarter of the Borough's workers commuted

between 30 minutes and an hour, with the last 7.7% of the population traveling over an hour to get to work. A vast majority (62.9%) of the Borough's working population drove alone as their primary means of travel to work. Roughly 8.4% of workers carpooled or utilized public transportation, a taxicab, motorcycle, bike, or other means of transportation to commute to work, 1.4% walked to work, while the remaining 27.3% of the population worked from home. This data is outlined in Tables 28 and 29 below.

	Number	Percent
Workers who did not work at home	312	100.0%
Less than 5 minutes	3	1.0%
5 to 9 minutes	49	15.7%
10 to 14 minutes	47	15.1%
15 to 19 minutes	34	10.9%
20 to 24 minutes	39	12.5%
25 to 29 minutes	38	12.2%
30 to 34 minutes	17	5.4%
35 to 39 minutes	10	3.2%
40 to 44 minutes	18	5.8%
45 to 59 minutes	33	10.6%
60 to 89 minutes	22	7.1%
90 or more minutes	2	0.6%
Mean Travel Time to Work (minutes)	25.4	

Source: 2018-2023 American Community Survey 5-Year Estimates, Table DP03 and B08303

	Number	Percent
Workers 16 years and over	429	100.0%
Car, truck, van - Drove Alone	270	62.9%
Car, truck, van - Carpooled	28	6.5%
Public Transportation	5	1.2%
Walked	6	1.4%
Taxicab, Motorcycle, Bike, or Other	3	0.7%
Worked at home	117	27.3%

Source: 2018-2023 American Community Survey 5-Year Estimates, Table DP03

Covered Employment

There is currently very limited information available on actual job opportunities within municipalities. The Department of Labor and Workforce Development collects information on covered employment, which is employment and wage data for private employees covered by unemployment insurance. The following table provides a snapshot of private employers located within Rocky Hill. The first table reflects the number of jobs covered by private employment insurance from 2013 through 2023, however data was not available for 2022 and 2023.

According to data from the New Jersey Department of Labor and Workforce Development, the highest number of covered jobs in Rocky Hill between 2013 and 2023 was in 2016 when 530 jobs were covered by unemployment insurance. Private employment has decreased substantially in Rocky Hill since 2013, with its largest loss occurring between 2019 and 2020 (-28.7%).

Year	Number of Jobs	# Change	% Change
2013	433		
2014	454	21	4.8%
2015	473	19	4.2%
2016	530	57	12.1%
2017	488	-42	-7.9%
2018	490	2	0.4%
2019	407	-83	-16.9%
2020	290	-117	-28.7%
2021	320	30	10.3%

In-Borough Establishments and Employees by Industry: 2022

Table 31 below depicts the average annual number of establishments and employees by industry sector that exist within the Borough, as reported in the Quarterly Census of Employment and Wages (QCEW) published by the New Jersey Department of Labor and Workforce Development (NJDLWD). The QCEW provides a quarterly accounting of employment, establishments, and wages throughout the State of New Jersey, and accounts for over 95% of available jobs in the state. The annual municipal reports group data according to the North American Industry Classification System (NAICS). The QCEW considers an establishment to be a single economic unit, which is located at one physical location and engaged in one type of economic activity. The NJDLWD specifies that establishments differ from firms or companies in the sense that the latter can have multiple establishments.

Industry ID and Description		2023 Average ¹	
		Units	Employment
11	Agriculture	0	0
21	Mining	0	0
22	Utilities	0	0
23	Construction	0	0
31	Manufacturing	0	0
42	Wholesale Trade	0	0

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44	Retail Trade	0	0
48	Transp/Warehousing	0	0
52	Finance/Insurance	3	10
53	Real Estate	0	0
54	Professional/Technical	0	0
56	Admin/Waste Remediation	0	0
61	Education	0	0
62	Health/Social	4	18
71	Arts/Entertainment	0	0
72	Accommodations/Food	4	83
81	Other Services	0	0
	Private Sector Totals	0	0
61	Local Government Education	0	0
	Local Government Totals	1	15
	State Government Totals	0	0
	Federal Government Totals	1	4

Source: NJ Dept. of Labor & Workforce Development Labor Force, Quarterly Census of Employment and Wages (QCEW), Municipal Report by Sector (NAICS Based), 2022

¹ Data has been suppressed (-) for industries with few units or where one employer is a significant percentage of employment or wages of the industry.

Probable Future Employment Opportunities

The North Jersey Transportation Planning Authority (NJTPA) completes regional forecasts for the New York/New Jersey metropolitan area every four years for population, households, and employment. The most recent report was released in 2021, documenting projections between 2015 and 2050. The 2021 report predicts that the Borough's population (0.2%), households (0.3%), and employment (0.1%) will see steady annualized growth through 2050. It is estimated that the population will see an overall 6.0% increase, while households will increase by 10.9% and employment will increase by 4.1%.

Table 32: Population and Employment Projections, 2015 to 2050					
Rocky Hill Borough					
Category	2015	2050 (Projected)	Annualized Percent Change	Overall Projected Change	
				Number	Percent
Population	695	817	0.50%	122	17.6%
Households	279	348	0.60%	69	24.7%
Employment	410	510	0.60%	100	24.4%

Source: NJTPA Municipal Forecasts, dated 9/13/2021

PART 2: FAIR SHARE PLAN**INTRODUCTION**

The following Fair Share Plan ("Plan") details Rocky Hill's Prior Round (1987-1999), Third Round (1999-2025), and Fourth Round (2025-2035) Prospective Need obligations, as well as the Borough's Fourth Round Present Need. This Plan proposes mechanisms by which the Borough can realistically provide opportunities for affordable housing for those moderate-, low-, and very low- income households.

The Borough's affordable housing obligations are as follows:

Prior Round Obligation	25
Third Round Obligation	56
Fourth Round Prospective Need	37
Fourth Round Present Need / Rehabilitation Obligation	4

SUITABILITY ANALYSIS

Pursuant to N.J.A.C. 5:93-1.3, sites that are designated to produce affordable housing shall be available, approvable, developable, and suitable according to the following criteria:

- "Available site" means a site with clear title, free of encumbrances which preclude development for low- and moderate-income housing. N.J.A.C. 5:93-1.3.
- "Approvable site" means a site that may be developed for low- and moderate-income housing in a manner consistent with the rules or regulations of agencies with jurisdiction over the site. A site may be approvable although not currently zoned for low- and moderate-income housing.
- "Developable site" means a site that has access to appropriate water and sewer infrastructure, and is consistent with the applicable area wide water quality management plan (including the wastewater plan) or is included in an amendment to the area wide water quality management plan submitted to and under review by the DEP.
- "Suitable site" means a site that is adjacent to compatible land uses, has access to appropriate streets and is consistent with the environmental policies delineated in N.J.A.C. 5:93-4.

STATE PLAN CONFORMANCE

In accordance with the amended Fair Housing Act, Housing Elements and Fair Share Plans shall provide an analysis of consistency with the State Development and Redevelopment Plan (SDRP), including water, wastewater, stormwater, and multi-modal transportation based on guidance and technical assistance from the State Planning Commission.

Sites that are located in the Metropolitan Planning Area 1 or Suburban Planning Area 2 of the SDRP, or are located in an existing sewer service area, are the preferred location for municipalities to address their fair share obligation.

New Jersey adopted its last SDRP in 2001. A draft amendment to the SDRP was prepared in 2011 but ultimately never adopted. The Office of Planning Advocacy released a new draft SDRP on December 4, 2024. The State is currently going through the Plan conformance process.

The New Jersey State Development and Redevelopment Plan identifies the majority of the Borough as Metropolitan Planning Area 1. There is one State Plan Centers in Rocky Hille and nearby centers are located in Montgomery Township and Princeton Borough.

The adopted 2001 SDRP identifies the following intents of the Metropolitan Planning Area:

- Provide for much of the state’s future redevelopment.
- Revitalize cities and towns.
- Promote growth in compact forms.
- Stabilize older suburbs.
- Redesign areas of sprawl.
- Protect the character of existing stable communities.

The 2024 draft SDRP maintains and expands upon the 2001 intensions:

- Provide for much of the state’s future growth in compact development and redevelopment.
- Revitalize cities, towns and neighborhoods, and in particular overburdened neighborhoods.
- Address existing legacy issues such as air pollution, urban heat islands, lead contamination, Brownfields, urban highways, and combined sewer systems.
- Prevent displacement and gentrification.
- Promote growth that occurs in Centers, other appropriate areas that are pedestrian friendly, and in compact transit-oriented forms.
- Rebalance urbanization with natural systems.
- Promote increased biodiversity and habitat restoration.
- Stabilize and enhance older inner ring suburbs.
- Redesign and revitalize auto oriented areas.
- Protect and enhance the character of existing stable communities.

The policy objectives for the Metropolitan Planning Area include:

- **Land Use:** Promote redevelopment and development in Cores and neighborhoods of Centers and in Nodes that have been identified through cooperative regional planning efforts. Promote diversification of land uses, including housing where appropriate, in single use developments and

enhance their linkages to the rest of the community. Ensure efficient and beneficial utilization of scarce land resources throughout the Planning Area to strengthen its existing diversified and compact nature.

- **Housing:** Provide a full range of housing choices through redevelopment, new construction, rehabilitation, adaptive reuse of nonresidential buildings, and the introduction of new housing into appropriate nonresidential settings. Preserve the existing housing stock through maintenance, rehabilitation and flexible regulation.

MULTIGENERATIONAL FAMILY HOUSING CONTINUITY COMMISSION

A previous amendment to the Fair Housing Act requires “an analysis of the extent to which municipal ordinances and other local factors advance or detract from the goal of preserving multigenerational family continuity as expressed in the recommendations of the Multigenerational Family Housing Continuity Commission, adopted pursuant to paragraph (1) of subsection f. of section 1 of P.L.2021, c.273 (C.52:27D-329.20).” As of the date of this Housing Plan there have been no recommendations by the Multigenerational Family Housing Continuity Commission in which to provide an analysis.

ADDITIONAL REQUIREMENTS

The amended Fair Housing Act includes a number of changes associated with the application of various categories of credits. The below walks through the current standards applicable to the Borough’s Fourth Round obligation.

Age-Restricted Housing

A municipality may not satisfy more than 30% of the affordable units, exclusive of bonus credits, to address its prospective need affordable housing through the creation of age-restricted housing.

Transitional Housing

Transitional housing units, which will be affordable for persons of low- and moderate-income, were not previously categorized by the Fair Housing Act as a standalone housing type. The amended legislation includes such transitional housing units as a new category which may be included in the HEFSP and credited towards the fulfillment of a municipality’s fair share obligations. This is limited to a maximum of 10% of the municipality’s obligations, however.

Veterans Housing

Up to 50% of the affordable units in any particular project may be prioritized for low- and moderate-income veterans.

Families with Children

A minimum of 50% of a municipality’s actual affordable housing units, exclusive of bonus credits, must be made available to families with children.

Rental Units

A minimum of 25% of a municipality's actual affordable housing units, exclusive of bonus credits, shall be satisfied through rental units. At least half of that number shall be available to families with children.

Very-Low Income Requirement

At least 13% of the housing units made available for occupancy by low-income and moderate-income houses shall be reserved for low-income households earning 30% or less of the median income pursuant to the Fair Share Housing Act, N.J.S.A. 52:27D-301, et seq. Half of the very low-income units will be made available to families with children.

Low/Moderate Income Split

At least 50% of the units addressing the Borough's obligation shall be affordable to very-low income and low-income households, and the remaining may be affordable to moderate-income households.

Affordability Controls

Newly created rental units shall remain affordable to low-and moderate-income households for a period of not less than 40 years, 30 years for for-sale units, and 30 years for housing units for which affordability controls are extended for a new term of affordability, provided that the minimum extension term may be limited to no less than 20 years as long as the original and extended terms, in combination, total at least 60 years.

Affirmative Marketing

The affordable units shall be affirmatively marketed in accordance with UHAC and applicable law, to include the community and regional organizations identified in the agreement as well as the posting of all affordable units on the New Jersey Housing Resource Center website in accordance with applicable law.

Uniform Housing Affordability Controls (UHAC)

All affordable units created through the provisions of this Plan shall be developed in conformance with the Uniform Housing Affordability Controls (UHAC) pursuant to N.J.A.C. 5:80-26.1 et seq. as amended.

Unit Adaptability

All new construction units shall be adaptable in conformance with P.L.2005, c.250/N.J.S.A. 52:27D-311a and -311b and all other applicable laws.

Inclusionary Development Requirements

Pursuant to UHAC N.J.A.C. 5:80-26.5(b), in inclusionary developments, the affordable units shall be integrated with the market-rate units. The affordable units shall not be concentrated in less desirable locations, nor shall the affordable units be physically clustered so as to segregate the affordable units and market-rate units. Affordable units must be interspersed throughout the development, except that age-

restricted and supportive housing units may be physically clustered if the clustering facilitates the provision of on-site medical services or on-site social services.

Construction of the affordable units in inclusionary developments shall be phased in compliance with N.J.A.C. 5:80-26(b)4.

Bonus Credits

Bonus credits shall not exceed 25% of a municipality's prospective need obligation, nor shall a municipality receive more than one type of bonus credit for any one unit. Bonus credits may be granted on the following schedule:

Unit Type	Unit Credit	Bonus Credit
Each unit of low- or moderate-income housing for individuals with special needs or permanent supportive housing, as those terms are defined in section 2 of P.L. 2004, c.70 (C.34:1B-21.24).	1	1
Each low- or moderate-income ownership unit created in partnership sponsorship with a non-profit housing developer.	1	0.5
Each unit of low- or moderate-income housing located within a one-half mile radius, or one-mile radius for projects located in a Garden State Growth Zone, as defined in section 2 of P.L.2011, c.149 (C.34:1B-243), surrounding a New Jersey Transit Corporation, Port Authority Transit Corporation, or Port Authority Trans-Hudson Corporation rail, bus, or ferry station, including all light rail stations. ¹	1	0.5
A unit of age-restricted housing, provided that a bonus credit for age-restricted housing shall not be applied to more than 10 percent of the units of age-restricted housing constructed in compliance with the Uniform Housing Affordability Controls promulgated by the New Jersey Housing and Mortgage Finance Agency in a municipality that count towards the municipality's affordable housing obligation for any single 10-year round of affordable housing obligations.	1	0.5
A unit of low- or moderate-income housing constructed on land that is or was previously developed and utilized for retail, office, or commercial space.	1	0.5
Each existing low- or moderate-income rental housing unit for which affordability controls are extended for a new term of affordability, in compliance with the Uniform Housing Affordability Controls promulgated by the New Jersey Housing and Mortgage Finance Agency, and the municipality contributes funding towards the costs necessary for this preservation.	1	0.5
Each unit of low- or moderate-income housing in a 100 percent affordable housing project for which the municipality contributes toward the costs of the project. ²	1	1
Each unit of very low-income housing for families above the 13 percent of units required to be reserved for very low-income housing pursuant to section 7 of P.L.2008, c.46 (C.52:27D-329.1).	1	0.5
Each unit of low- or moderate-income housing created by transforming an existing rental or ownership unit from a market rate unit to an affordable housing unit. ³	1	1

¹ The distance from the bus, rail, or ferry station to a housing unit shall be measured from the closest point on the outer perimeter of the station, including any associated park-and-ride lot, to the closest point of the housing project property.

² This contribution may consist of: (a) real property donations that enable siting and construction of the project or (b) contributions from the municipal affordable housing trust fund in support of the project, if the contribution consists of no less than three percent of the project cost.

³ A municipality may only rely on this bonus credit as part of its fair share plan and housing element if the municipality demonstrates that a commitment to follow through with this market to affordable agreement has been made and: (a) this agreement has been signed by the property owner; or (b) the municipality has obtained ownership of the property.

REVIEW OF PREVIOUS ROUND COMPLIANCE

As part of any Housing Element and Fair Share Plan, a municipality shall include an assessment of the degree to which the municipality has met its fair share obligation from the previous rounds of affordable housing obligations as established by prior court approval or approval by COAH and determine to what extent this obligation is unfulfilled or whether the municipality has credits in excess of its previous round obligations. If a previous round obligation remains unfulfilled, or a municipality never received an approval from the court or COAH for any previous round, the municipality shall address such unfulfilled previous round obligation in its Housing Element and Fair Share Plan.

In addressing previous round obligations, the municipality shall retain any sites that, in furtherance of the previous round obligation, are the subject of a contractual agreement with a developer, or for which the developer has filed a complete application seeking subdivision or site plan approval prior to the date by which the Housing Element and Fair Share Plan are required to be submitted, and shall demonstrate how any sites that were not built in the previous rounds continue to present a realistic opportunity.

Prior Round Compliance 1987-1999

The Borough had a Prior Round obligation of 25 units. Per the court-approved Third Round settlement agreement and the Borough's Third Round JOR, Rocky Hill has met their Prior Round obligation through the following mechanisms:

Summary of Rocky Hill's Prior Round Obligation of 25	
RCA with New Brunswick <i>(funds transferred in 2001)</i>	9
Eden Acres Group Home <i>(Supportive & Special Needs Housing)</i>	4
ARC of Somerset Group Home <i>(Supportive & Special Needs Housing)</i>	6
Rental Bonus Credits <i>(From ARC of Somerset Group Home)</i>	6
Total Prior Round	25

Regional Contribution Agreement (RCA) with New Brunswick

In the Prior Round, municipalities could enter into an RCA with another municipality within the same housing region. The program allowed one municipality ("sending" municipality) to pay a fee to another municipality

("receiving" municipality), which would agree to provide affordable housing units that fulfilled up to half of the sending municipality's COAH obligation. In 2000, Rocky Hill entered into a RCA with the City of New Brunswick and transferred 9 units of its 25-unit obligation to New Brunswick. The Borough transferred \$180,000 to New Brunswick in 2001 for the rehabilitation of 9 units (\$20,000 per unit).

The Borough will apply 9 credits towards its Prior Round obligation.

Supportive and Special Needs Housing

Eden Acres Group Home

Eden Acres Group Home, located at 97 Princeton Avenue (Block 14 Lot 2.01), was completed in 1996. The alternative living development previously consisted of 4 very low-income rental units (bedrooms). In 2018, Eden Acres sold the property and structure was converted into a single-family dwelling. For a period of 22 years, the property functioned as a group home and therefore it can be considered as credit-worthy under the Prior Round obligation since it was existing and functioning during that time period.

ARC of Somerset Group Home

ARC of Somerset Group Home, located at 7 Young Drive (Block 5 Lot 1.01), was completed in 2002. The group home is a Licensed Group Home by the New Jersey Department of Human Services, Division of Developmental Disability. The owner of the group home is The Arc of Somerset County, located at 141 S. Main Street in Manville, NJ. The group home consists of 6 very-low-income units. The Borough also received 6 rental bonus credits for this development, receiving a total of 12 credits for this development.

Third Round Compliance

The Borough had a Third Round obligation of 56 units. As part of their Third Round compliance process, the Borough received a Vacant Land Adjustment due to its lack of vacant and developable land. Per the court-approved Third Round settlement agreement and the Borough's Third Round JOR, Rocky Hill has met their Third Round obligation through the following mechanisms:

Summary of Rocky Hill's Third Round of 56	
Summary of Rocky Hill's Third Round RDP of 18	
Princeton Avenue Inclusionary Zoning: <i>Block 10, Lot 19</i>	18
Total Units	18
THIRD ROUND RDP COMPLIANCE TOTAL	
18	
Summary of Rocky Hill's Third Round Unmet Need of 38	
Mandatory Set Aside Ordinance and Accessory Apartments Ordinance:	38

- *Suitable*: The property has access to Princeton Avenue and is within State Planning Area 2: Suburban, which encourages growth.
- *Developable*: The site is located within the Sewer Service Area. The site is a total of 15.7 acres with 9.2 acres of buildable land. The remaining portion of the property, 6.5 acres, is encumbered by restrictive geology and threatened and endangered species habitat.
- *Approvable*: A settlement agreement was executed between the property owner and the Borough on January 17, 2026. The settlement agreement directs the rezoning of the property for inclusionary residential development with 30-year deed restrictions on the affordable units. A concept plan was also attached to the settlement agreement. The subject property is within the R-1C Age Restricted/Traditional Neighborhood Development Zone. The Borough previously adopted the Princeton Avenue Affordable Housing Overlay Zone in December 2021. The Overlay Zone is to be amended to permit a maximum of 90 residential units, of which 20% will be set aside and deed restricted as affordable housing family units, consistent with the Settlement Agreement.

Unmet Need

Accessory Apartments

The Borough has an existing Accessory Apartment Ordinance (§80-99), located within the Borough's Development Regulations. Pursuant to the executed Settlement Agreement with FSHC, the Borough will repeal this ordinance and adopt an amended accessory apartment ordinance to allow the conversion of existing illegal apartments throughout the Borough to conforming deed restricted affordable accessory apartments. No subsidy from Rocky Hill will be required.

Mandatory Set Aside Ordinance

The Borough adopted Ordinance No. 2-2018 on April 9, 2018 which created the Mandatory Affordable Housing Set Aside Ordinance. The Ordinance requires that any residential development of five or more units that occurs at a density above six units per acre arising as a result of a density or use variance or rezoning or approval of a redevelopment plan or rehabilitation plan shall be required to provide a minimum affordable housing set aside of 20% for for-sale projects, and 15% for rental projects. The Borough will revise and amend the Mandatory Set Aside Ordinance, as necessary.

FOURTH ROUND PRESENT NEED / REHABILITATION OBLIGATION

Present Need was previously determined in N.J.A.C. 5:93-1.3 to be the sum of a municipality's indigenous need, the deficient housing units occupied by low- and moderate-income households, and the reallocated present need, which is the portion of a housing region's present need that is redistributed throughout the housing region. Under the Second Round rules, evidence for deficient housing included: year structure was built, persons per room, plumbing facilities, kitchen facilities, heating fuel, sewer service, and water supply. (N.J.A.C. 5:92, Appendix A).

The Third Round Rules (N.J.A.C. 5:97-1.1 et seq.) reduced the number of criteria of evidence of deficient housing to three: pre-1960 over-crowded units, which are units that have more than 1.0 persons per room; incomplete plumbing, and incomplete kitchen facilities. (N.J.A.C. 5:97, Appendix B). This reduction in the number of criteria was found to be by the Appellate Division to be within the Council's discretion and was upheld in the Supreme Court's decision in Mount Laurel IV.

The previously discussed Mount Laurel IV decision found that the reallocated need is no longer a component in the determination of Present Need. Therefore, the Present Need now equates to indigenous need, which means the obligation is based on deficient housing as determined by pre-1960 over-crowded units, incomplete plumbing, and incomplete kitchen facilities.

The Borough intends to address its 4-unit Fourth Round Rehabilitation Obligation through a partnership with a local rehabilitation program which is yet to be determined.

ROUND 4 OBLIGATION (1999-2025)

On January 29, 2025, the Borough adopted Resolution 2025-33, accepting their Fourth Round Prospective Need obligation of 37. On October 20, 2024, the New Jersey Department of Community Affairs ("DCA") released a report outlining the Fourth Round (2025-2035) Fair Share methodology and its calculations of low- and moderate-income obligations for each of the State's municipalities. The obligations were calculated in alignment with the formulas and criteria found in P.L.2024, c.2.

The amended Fair Housing Act affirms that the DCA report is not binding on any municipality and that "a municipality shall determine its present and prospective fair share obligation for affordable housing in accordance with the formulas established in sections 6 and 7 of P.L.2024, c.2...by resolution..." The January 29, 2025 resolution adopted by the Borough determined a Rehabilitation Obligation of 4 and a Prospective Need of 37.

As outlined the following section, the Borough proposes to meet its entire Fourth Round obligation.

Vacant Land Adjustment

Municipalities can request an adjustment to their obligation based on the determination that there is not sufficient vacant or developable land within the municipality. As permitted by N.J.A.C. 5:93-4 and the Fair

Housing Act, a municipality can submit a Vacant Land Adjustment (VLA) that examines the amount of parcels available for development. The end result of the Vacant Land Adjustment is the determination of the Borough's Realistic Development Potential (RDP) for new affordable housing units. After subtracting out the RDP from the obligation, the remaining calculation is known as the "unmet need."

The amended Fair Housing Act requires municipalities seeking a VLA to identify sufficient parcels likely to redevelop during the current round of obligations to address at least 25% of the prospective need obligation that has been adjusted.

2022 Vacant Land Adjustment

The Borough of Rocky Hill conducted a VLA in 2022 which resulted in a RDP of 16 units. These 16 units were addressed in the Third Round through the Princeton Avenue Affordable Housing Overlay Zone on Block 10, Lot 19.

2025 Vacant Land Adjustment

Just as the Borough lacked sufficient land to satisfy its Round 3 obligation, it lacks sufficient land to satisfy the 37-unit obligation for Round 4. An updated Vacant Land Adjustment was prepared in April 2025. The revised VLA reviewed the Borough's Third Round VLA and updated it in preparation of this Fourth Round HEFSP. The conditions of the properties identified in the Third Round have not changed, and because the Third Round HEFSP addressed the RDP identified at that time, those properties are not applied again to the Fourth Round. As a result, the Fourth Round VLA established an RDP of 0 and an Unmet Need of 37 units.

Unmet Need

Accessory Apartments

The Borough has an existing Accessory Apartment Ordinance (§80-99), located within the Borough's Development Regulations. Pursuant to the executed Settlement Agreement with FSHC, the Borough will repeal this ordinance and adopt an amended accessory apartment ordinance to allow the conversion of existing illegal apartments throughout the Borough to conforming deed restricted affordable accessory apartments. No subsidy from Rocky Hill will be required.

Mandatory Set Aside Ordinance

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SPENDING PLAN

The Borough will prepare a Spending Plan in accordance with the provisions of the amended FHA. A municipality may not spend or commit to spend any affordable housing development fees, including Statewide non-residential fees collected and deposited into the municipal affordable housing trust fund, without first obtaining the approval of the expenditure as part of its compliance certification.

SUMMARY OF FAIR SHARE COMPLIANCE

Summary of Rocky Hill's Obligation	
	Total
Fourth Round Present Need Obligation	4
Partnership with Rehab Program	4
Prior Round Obligation	25
RCA with New Brunswick	9
Eden Acres Group Home	4
ARC of Somerset Group Home	6
<i>Rental Bonus</i>	6
TOTAL PRIOR ROUND	25
Third Round RDP	18
Princeton Avenue Inclusionary Zoning	18
TOTAL THIRD ROUND	18
Fourth Round RDP	0
Mandatory Set Aside and Accessory Apartment Ordinances for unmet need	-
TOTAL FOURTH ROUND	0