



**BOROUGH COUNCIL**  
**Borough of Florham Park**  
**Wednesday, March 11<sup>th</sup>, 2026**

**Special Meeting Minutes**

---

**CALL TO ORDER & PLEDGE OF ALLEGIANCE**

Mayor Taylor called the Special Meeting of the Borough Council to order at 6:01 p.m. Mayor Taylor led the Pledge of Allegiance.

**COMPLIANCE WITH OPEN PUBLIC MEETINGS ACT**

The Borough Clerk stated that all requirements of the Open Public Meetings Act have been met.

Mayor Taylor asked Borough Clerk Danielle Lewis to call the roll of the governing body:

<b>Governing Body</b>	<b>Present</b>	<b>Absent</b>
Carpenter	✓	
Malone	✓	
Santoro	✓	
Marchal	✓	
Cicarelli	✓	
Johnstone	✓	
Mayor Taylor	✓	

Additional Borough Officials present were Borough Administrator Shelby Snow, Borough Clerk Danielle Lewis, Borough Attorney Joseph Bell, Affordable Housing Attorney Jonathan Testa, and Borough Planner Katherine Sarmad.

**ORDINANCES FOR PUBLIC HEARING AND ADOPTION**

**Councilwoman Santoro** read **Ordinance #26-02** by title as follows:

- #26-02** An Ordinance of the Mayor and Borough Council of the Borough of Florham Park in the County of Morris, State of New Jersey, Amending Chapter 250 "Zoning" of the Borough Code of Ordinances, to Repeal Existing Sections 7.3 "Mandatory Development Fees", 7.4 "Mandatory Set-Aside", 7.5 "Affordable Housing Regulations", and Replace Them In Their Entirety

**Mayor Taylor** opened the public hearing on Ordinance #26-02. No one wished to be heard.

**Councilwoman Santoro** moved for the adoption of **Ordinance #26-02** as read by title on second reading. The motion was seconded by **Councilman Carpenter**.

**Roll Call Vote:**

<b>Council Member</b>	<b>Yes</b>	<b>No</b>	<b>Abstain</b>	<b>Absent</b>
Carpenter	X			
Malone	X			
Santoro	X			
Marchal	X			
Cicarelli	X			
Johnstone	X			
<b>Total</b>	6			

**Councilwoman Santoro** read **Ordinance #26-03** by title as follows:

- #26-03** An Ordinance of the Mayor and Borough Council of the Borough of Florham Park in the County of Morris, State of New Jersey, to Adopt a Redevelopment Plan for 50 Hanover Road, Block 303, Lots 5 and 12, and to Amend the Zoning Ordinance and Zoning Map to Incorporate Such Redevelopment Plan

**Mayor Taylor** opened the public hearing on Ordinance #26-03. No one wished to be heard.

**Councilwoman Santoro** moved for the adoption of **Ordinance #26-03** as read by title on second reading. The motion was seconded by **Councilman Marchal**.

**Roll Call Vote:**

<b>Council Member</b>	<b>Yes</b>	<b>No</b>	<b>Abstain</b>	<b>Absent</b>
Carpenter	X			
Malone	X			
Santoro	X			
Marchal	X			
Cicarelli	X			
Johnstone	X			

<b>Total</b>	6			
--------------	---	--	--	--

**Councilwoman Santoro** read **Ordinance #26-04** by title as follows:

**#26-04** An Ordinance of the Mayor and Borough Council of the Borough of Florham Park in the County of Morris, State of New Jersey, Amending Chapter 250 "Zoning" of the Borough Code of Ordinances, to Add a New Article XXVIII Entitled "UMU-Overlay (University Mixed-Use Overlay) Zone"

**Mayor Taylor** opened the public hearing on Ordinance #26-04. No one wished to be heard.

**Councilwoman Santoro** moved for the adoption of **Ordinance #26-04** as read by title on second reading. The motion was seconded by **Councilman Marchal**.

**Roll Call Vote:**

<b>Council Member</b>	<b>Yes</b>	<b>No</b>	<b>Abstain</b>	<b>Absent</b>
Carpenter	X			
Malone	X			
Santoro	X			
Marchal	X			
Cicarelli	X			
Johnstone	X			
<b>Total</b>	6			

**Councilwoman Santoro** read **Ordinance #26-05** by title as follows:

**#26-05** An Ordinance of the Mayor and Borough Council of the Borough of Florham Park in the County of Morris, State of New Jersey, Amending Chapter 250 "Zoning" of the Borough Code of Ordinances, Article XIII, MF-4 Multifamily Residential Zones to Add Standards for One-Bedroom Townhomes and to Permit Cellular (Wireless) Telecommunications Antenna as a Conditional Use

**Mayor Taylor** opened the public hearing on Ordinance #26-05. No one wished to be heard.

**Councilwoman Santoro** moved for the adoption of **Ordinance #26-05** as read by title on second reading. The motion was seconded by **Councilman Carpenter**.

**Roll Call Vote:**

<b>Council Member</b>	<b>Yes</b>	<b>No</b>	<b>Abstain</b>	<b>Absent</b>
Carpenter	X			
Malone	X			
Santoro	X			
Marchal	X			
Cicarelli	X			
Johnstone	X			
<b>Total</b>	<b>6</b>			

**CONSENT AGENDA – RESOLUTIONS FOR APPROVAL**

Council President Carpenter made a motion to approve the presented Resolutions via a single motion of the Council. The motion was seconded by Councilman Santoro.

- #26-68** ADOPTING THE BOROUGH OF FLORHAM PARK AFFORDABLE HOUSING TRUST FUND FOURTH ROUND SPENDING PLAN
- #26-69** ADOPTING AN “AFFIRMATIVE MARKETING PLAN”
- #26-70** ENDORSING THE BOROUGH OF FLORHAM PARK’S AMENDED FOURTH ROUND HOUSING ELEMENT AND FAIR SHARE PLAN
- #26-71** ADOPTING AND/OR REAFFIRMING A REHABILITATION PROGRAM MANUAL, AN AFFORDABILITY ASSISTANCE PROGRAM POLICIES AND PROCEDURES MANUAL, AND AN AFFORDABLE HOUSING ADMINISTRATIVE AGENT POLICIES AND PROCEDURES MANUAL

**Roll Call Vote:**

<b>Council Member</b>	<b>Yes</b>	<b>No</b>	<b>Abstain</b>	<b>Absent</b>
Carpenter	X			
Malone	X			
Santoro	X			
Marchal	X			
Cicarelli	X			
Johnstone	X			
<b>Total</b>	<b>6</b>			

## **PUBLIC COMMENT**

*John Winters:*

Mr. Winters asked if Resolution #26-69 and Resolution #26-71 are just reaffirming the Borough's plans, and was told yes.

Borough Planner Katherine Sarmad said the Borough has the support of the Fair Share Housing Center and that the Borough also has the vicinage judge's support.

## **ADJOURNMENT**

It was regularly moved by Councilman Carpenter and seconded by Councilwoman Santoro and unanimously approved that the meeting be adjourned at 6:08 p.m.



Danielle M. Lewis, RMC, CMC  
Borough Clerk  
March 11<sup>th</sup>, 2026

Explanation: This Ordinance amends Chapter 250, repealing existing Sections 7.3 “Mandatory Development fees”, 7.4 “Mandatory Set-Aside”, 7.5 “Affordable Housing regulations”, and replacing them in their entirety



**BOROUGH OF FLORHAM PARK  
COUNTY OF MORRIS, STATE OF NEW JERSEY  
ORDINANCE #26-02**

**AN ORDINANCE OF THE MAYOR AND BOROUGH COUNCIL OF THE BOROUGH OF FLORHAM PARK IN THE COUNTY OF MORRIS, STATE OF NEW JERSEY, AMENDING SECTION 250 “ZONING” OF THE BOROUGH CODE OF ORDINANCES, TO REPEAL EXISTING SECTIONS 7.3 “MANDATORY DEVELOPMENT FEES”, 7.4 “MANDATORY SET-ASIDE”, 7.5 “AFFORDABLE HOUSING REGULATIONS”, AND REPLACING THEM IN THEIR ENTIRETY**

**WHEREAS**, the Amended Fair Housing Act (P.L. 2024), created a new process for municipalities to come into constitutional compliance with their affordable housing obligations, and which the Borough of Florham Park filed a Declaratory Judgement action, MRS-L-157-25, on January 21, 2025 to participate in that process; and

**WHEREAS**, the Borough has a Fourth Round obligation of 305, as set forth in the Order by the Hon. Janine M. Allen, JSC filed April 29, 2025; and

**WHEREAS**, the Borough of Florham Park Planning Board adopted the Housing Element and Fair Share Housing Plan (HEFSP) of the Borough of Florham Park Master Plan, dated June 11, 2025, on June 23, 2025; and

**WHEREAS**, the Borough participated in Settlement hearings and Session hearings before the Affordable Housing Dispute Resolution Program (“the Program”) and the presiding Program judge over the case, the Hon. Menelaos W. Toskos, on November 13, 2025, December 19, 2025, and December 29, 2025; and

**WHEREAS**, as a result of the Program, the Borough worked in good faith and resolved the challenged issues with FSHC via a negotiated Mediation Agreement, which was fully executed by both parties on December 31, 2025; and

**WHEREAS**, as a term to that Mediation Agreement, the Borough has agreed to amend its HEFSP and to implement certain zoning and redevelopment plan ordinances to address its Fourth Round obligation, and more specifically, to adopt new Affordable Housing Ordinances that reflect the updated Uniform Housing Affordability Control (UHAC) under NJAC 5:80-26.1 and Fourth Round Regulations under NJAC 5:99;

**NOW, THEREFORE, BE IT ORDAINED**, by the Mayor and Council of the Borough of Florham Park, Morris County, New Jersey, that the Land Development Regulations set forth in Chapter 250 entitled "Zoning", are amended as follows:

**SECTION 1.** Chapter 250 is hereby amended to repeal existing Section 7.3 "Mandatory Development fees", to be replaced in its entirety, as follows:

**SECTION 250-7.3 Mandatory Development Fees.**

**A. Purpose**

- (1) 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.

**B. Basic Requirements**

- (1) The municipality previously adopted a development fee ordinance, which established the Municipal Affordable Housing Trust Fund.
- (2) The municipality shall not spend development fees until the court has approved a plan for spending such fees.

**C. Residential Development Fees**

(1) 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.

(2) 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.
- v. Developers of single-family residential structures which are undergoing additions and renovations shall be exempt from paying a development fee, provided the addition is less than 50% of the floor area prior to the expansion. Additions that are greater than 50% of the floor area shall be subject to the fee.
- vi. Within that portion of the MF-4 and C-4 Districts which are zoned to provide Affordable Housing (Block 1201, Lot 4; Block 4201, Lots 28, 29 and 30), developers shall be exempt from paying a development fee.
- vii. Owner-occupied residential structures demolished and replaced, of equal building area or within 10% larger building area, as a result of a fire, flood, or natural disaster shall be exempt from paying a development fee.

D. Non-Residential Development Fees

(1) 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.

- (2) 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.
- (3) 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.
- (4) 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.
- (5) 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.

#### E. Collection Procedures

- (1) 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.
- (2) 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.
- (3) 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.

- (4) 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.
- (5) 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.
- (6) 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.
- (7) 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).
- (8) 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.

#### F. Appeal of development fees

- (1) A developer may challenge residential development fees imposed by filing a challenge with the County Board of Taxation. Pending a review and determination by 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.
- (2) 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.

#### G. Affordable Housing Trust Fund

- (1) 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.
- (2) 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.
- (3) 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.
- (4) 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.
- (5) All interest accrued in the housing trust fund shall only be used on eligible affordable housing purposes approved by the Court.

#### H. Use of Funds

- (1) 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.

- (2) Funds shall not be expended to reimburse the municipality or activities that occurred prior to the authorization of a municipality to collect development fees.
- (3) 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.
- (4) 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.

#### I. Monitoring

- (1) 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.

#### J. Ongoing Collection of Fees

- (1) 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.
- (2) 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).

- K. 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 2.** Chapter 250 is hereby amended to repeal existing Section 7.4 "Mandatory Set-Aside", to be replaced in its entirety, as follows::

**SECTION 250-7.4 Mandatory Set-Aside**

A. 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, a site plan application not otherwise in the Borough's Housing Element and Fair Share Plan, 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.

**SECTION 3.**Chapter 250 is hereby amended to repeal existing Section 7.5 "Affordable Housing regulations", to be replaced in its entirety, as follows::

**SECTION 250-7.5 Affordable Housing Ordinance**

A. Purpose, Applicability, and Interpretation

- A. This Chapter of the Code sets forth regulations regarding the creation, use, occupancy, administration and preservation of very low-, low- and moderate-income affordable housing units in the Borough of Florham Park consistent with the Mount Laurel doctrine; the New Jersey Fair Housing Act, as amended by P.L. 2024, c.2, N.J.S.A. 52:27D-301 et seq., (hereinafter the "Act," "FHA" or "FHA-2"); the regulations promulgated pursuant thereto by the New Jersey Department of Community Affairs, Division of Local Planning Services ("LPS") at N.J.A.C. 5:99 et seq., ("Affordable Housing Rules"), and the Housing and Mortgage Finance Agency's (HMFA) Uniform

Housing Affordability Controls at N.J.A.C. 5:80-26.1 et seq.; and the ; and the municipality's Fourth Round Housing Element and Fair Share Plan ("HEFSP").

- B. This Chapter 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 in accordance with applicable statutory and regulatory requirements. This Chapter of the Code 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.
- C. The Borough of Florham Park 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.
- D. This Chapter implements and incorporates the relevant provisions of the HEFSP and addresses the requirements of the Mt. Laurel doctrine, 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, et seq., as may be amended and supplemented.
- E. Applicability
  - (1) Except where specifically exempted hereinafter, the provisions of this Chapter shall apply to all affordable housing developments and affordable housing units that currently exist and that are proposed to be created pursuant to the municipality's most recently adopted HEFSP.
  - (2) Except where specifically exempted hereinafter, this Chapter shall apply to all developments that contain very low-, low- and moderate-income housing units included in the Municipal HEFSP, as well as any unanticipated future development or redevelopment projects that will include, are proposed to provide or required by the municipality to provide very low-, low- and moderate-income housing units.
  - (3) Projects receiving federal Low Income Housing Tax Credit financing shall be required to follow the UHAC unless exempt pursuant to N.J.A.C. 5:80-26.1, including but not limited to developments with anticipated funding from the Federal Low-Income Housing Tax Credit (LIHTC) pursuant to Section 42 of the Internal Revenue Code. Developers, landlords and program sponsors shall be required to comply with administration and affirmative marketing of the affordable units within such developments.
  - (4) A waiver from any provision of this Chapter may be granted by the County-level Mount Laurel Judge, the Program or any trial court if it would advance the interests of low-and moderate-income households or if strict compliance would cause an unreasonable result.

F. Interpretation

- (1) In the event of any ambiguity, the provisions of this Chapter shall be interpreted and liberally construed in favor of the Municipality.
- (2) For any subject matter that is not otherwise addressed hereinafter, or is not otherwise covered by the Act, the Affordable Housing Rules or the UHAC, the Municipality may rely upon the provisions of COAH's prior round regulations at N.J.A.C. 5:93 and 5:97 that were deemed valid by binding Court precedent and that are most favorable to the municipality.
- (3) The provisions of the Mount Laurel doctrine; the Act; the regulations promulgated pursuant thereto by the New Jersey Department of Community Affairs, LPS; the Affordable Housing Rules; the HMFA Uniform Housing Affordability Controls at N.J.A.C. 5:80-26.1 et seq.; and the municipality's Fourth Round HEFSP, as set forth in Subsection A 1 above shall supersede and take precedence over the provisions of this Chapter.

## 7. Reservation of Rights

- (4) The Borough of Florham Park reserves the right at any time to add to, remove from, or modify any provision of this Chapter provided that such addition, removal or modification is not inconsistent with the Mount Laurel doctrine; the Act; the regulations promulgated pursuant thereto by the New Jersey Department of Community Affairs, LPS; the Affordable Housing Rules; the HMFA Uniform Housing Affordability Controls at N.J.A.C. 5:80-26.1 et seq.; or the municipality's Fourth Round HEFSP, as set forth in Subsection A 1 above.

### A. 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.

"MONI" 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 that is affordable to very low-, low- or moderate-income households and is reserved for occupancy by a supportive housing household. A supportive housing unit is intended to provide long-term, community-based housing for individuals with intellectual or developmental disabilities, as defined at N.J.S.A. 30:6D-25(b). Such units must be leased subject to the affordability controls established herein; remain 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) and the project's Affirmative Marketing Program. A supportive housing unit 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. 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.

#### B. 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.

C. 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:

- [1] 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.
- [2] Each bedroom in each restricted unit must have at least one window.
- [3] 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.

- [1] 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.
- [2] 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.
- [3] 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.
- [4] 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.
- [5] 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.
- [6] Each bedroom in each restricted unit must have at least one window.
- [7] Restricted units must be of the same unit type as market-rate units within the same building.

[8] 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:

[1] 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.

[2] 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.

[3] 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 *shall* 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.

[4] 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.

[5] 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).

[6] 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.

[7] Each bedroom in each restricted unit must have at least one window; and

[8] 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:
  - [1] At a minimum, the number of bedrooms within the restricted units equals twice the number of restricted units;
  - [2] Two-bedroom and/or three-bedroom units compose at least 50 percent of all restricted units;
  - [3] The combined number of efficiency and one-bedroom units shall be no greater than 20%, rounded down, of the total number of low- and moderate-income units.
  - [4] At least 30% of all low- and moderate-income units, rounded up shall be two-bedroom units.
  - [5] At least 20% of all low- and moderate-income units, rounded up shall be three-bedroom units.
  - [6] 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:

- [1] An adaptable toilet and bathing facility on the first floor;
- [2] An adaptable kitchen on the first floor;
- [3] An interior accessible route of travel however an interior accessible route of travel shall not be required between stories;
- [4] 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;
- [5] 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
- [6] 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.
- [7] 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.

#### D. 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:
  - [1] 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.
  - [2] 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.
  - [3] Rents in rehabilitated units may increase annually based on the standards in UHAC.
  - [4] 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) The requirements for Accessory Affordable Apartments are set forth under Section 250-14.3 of the Borough Code.

- (c) 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.
  - (d) Rents of accessory apartments shall be established using the same methodology of affordable rental units discussed herein.
  - (e) 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.
  - (f) The municipal accessory apartment program shall not restrict the number of bedrooms in any accessory apartment.
  - (g) Per N.J.A.C. 5:97-6.8(b)2, the Borough provides 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) 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:
    - [1] 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.
    - [2] 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;
    - [3] If the Borough's Administrative Agent requires it, the municipality shall obtain a continuing certificate of occupancy (CCO) or a certified statement from the municipal building inspector stating that the restricted unit meets all code standards.
    - [4] If a continuing certificate of occupancy or certified statement from the municipal building inspector is required by the Administrative Agent and it is determined that the unit requires repair and/or rehabilitation work in order to receive the CCO, the municipality shall fund and complete the work according to applicable building code.
    - [5] 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.
    - [6] The deed restriction for the extended control period shall be filed with the County Clerk.
- (5) 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:
    - [1] Affirmative marketing (N.J.A.C. 5:80-26.16); provided that the units are restricted to recipients of Medicaid waivers;
    - [2] The deed restriction may be on the facility, rather than individual apartments or rooms;
    - [3] 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.
- (6) 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:
    - [1] 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.
    - [2] Housing that is age-restricted shall be included with the maximum number of units that may be age-restricted pursuant to the Act.
    - [3] Occupancy shall not be restricted to youth under 18 years of age.
    - [4] 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.
    - [5] 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).
    - [6] 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.
    - [7] 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.
    - [8] 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.

[9] The sponsor/owner shall complete annual monitoring as directed by the MHL.

E. 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.

F. 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.

G. 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 2 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 2 comprising Essex, Morris, Union, and Warren Counties.
  - (c) Subordinate to the regional preference, there shall be a preference for households that live and/or work in New Jersey.
- (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. Any application with affordable housing units that receives approval from the Planning Board or Zoning Board of Adjustment shall be required to include this requirement as a condition of approval.

#### H. 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.

#### I. 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.

#### J. 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.

K. 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.
    - [1] 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.
    - [2] 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:
    - [1] those that render the unit suitable for a larger household or the addition of a bathroom.
    - [2] 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.

#### L. 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

**M. 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).

**N. 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 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.

O. 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.

P. 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.

**Q. 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 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.

R. 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.
  - (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:
    - [1] 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.
    - [2] Providing counseling, or contracting to provide counseling services, to low- and moderate-income applicants on subjects such as budgeting, credit issues, mortgage qualification, rental lease requirements; and landlord/tenant law.
  - (c) Household certification.
    - [1] Soliciting, scheduling, conducting and following up on interviews with interested households.
    - [2] Conducting interviews and obtaining sufficient documentation of gross income and assets upon which to base a determination of income eligibility for a low- or moderate-income unit;
    - [3] Providing written notification to each applicant as to the determination of eligibility or non-eligibility within 5 days of the determination thereof.
    - [4] Requiring that all certified applicants for restricted units execute a certificate substantially in the form, as applicable, of either the ownership or rental certificates set forth in the Appendices J and K of N.J.A.C. 5:80-26.1 et seq.

- [5] Creating and maintaining a referral list of eligible applicant households living in the housing region, and eligible applicant households with members working in the housing region, where the units are located.
  - [6] Employing a random selection process as provided in the Affirmative Marketing Plan when referring households for certification to affordable units.
- (d) Affordability controls.
- [1] 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.
  - [2] 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.
  - [3] Communicating with lenders and the Municipal Housing Liaison regarding foreclosures.
  - [4] Ensuring the issuance of Continuing Certificates of Occupancy or certifications pursuant to N.J.A.C. 5:80-26.11.
- (e) Records retention.
- [1] 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.
  - [2] 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.
- [1] Instituting and maintaining an effective means of communicating information between owners and the Administrative Agent regarding the availability of restricted units for resale or re-rental.
  - [2] 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.
- [1] 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.
  - [2] Reviewing and approving requests to increase sales prices from owners of restricted units who wish to make capital improvements to the units that would affect the selling price, such authorizations to be limited to those improvements resulting in additional bedrooms or bathrooms and the depreciated cost of central air conditioning systems.
  - [3] Notifying the municipality of an owner's intent to sell a restricted unit.
  - [4] Making determinations on requests by owners of restricted units for hardship waivers.
- (h) Enforcement.
- [1] 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;
  - [2] Securing from all developers and sponsors of restricted units, at the earliest point of contact in the processing of the project or development, written acknowledgement of the requirement that no restricted unit can be offered, or in

- any other way committed, to any person, other than a household duly certified to the unit by the Administrative Agent;
- [3] 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;
  - [4] Establishing a program for diverting unlawful rent payments to the municipal Affordable Housing Trust Fund; and
  - [5] 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.

S. 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.

T. 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:
    - [1] A fine of not more than \$3,000 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;
    - [2] 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;
    - [3] 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.
- (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 4. Severability.** If any article, section, subsection, sentence, clause or phrase of this Ordinance is, for any reason, held by a court of competent jurisdiction to be unconstitutional or invalid, such decision shall not affect the remaining portions of this Ordinance and they shall remain in full force and effect and shall be deemed valid and effective.

**SECTION 5. Repealer** In the event of any inconsistencies between the provisions of this Ordinance and any prior ordinance of the municipality, the provisions hereof shall be determined to govern and those inconsistent provisions shall be repealed to the extent of such inconsistency.

**SECTION 6. Referral to Planning Board.** A copy of this Ordinance shall be referred to the Planning Board following its introduction for review pursuant to N.J.S.A. 40A:55D-26A.

**SECTION 7. Effective Date and Scope.** This Ordinance shall immediately take effect upon its passage and publication, and as otherwise provided for by law. The provisions of this

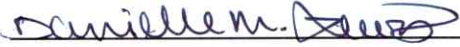
Ordinance shall be applicable within the entire municipality upon final adoption and shall become a part of the Code once completed and adopted.

INTRODUCED: 02/19/2026

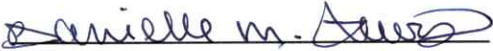
ADOPTED: 03/11/2026

ATTEST:

  
\_\_\_\_\_  
Mark Taylor, Mayor

  
\_\_\_\_\_  
Danielle M. Lewis, RMC,  
Municipal Clerk

**I HEREBY CERTIFY** this to be a true and correct Ordinance of the Mayor and Borough Council of the Borough of Florham Park, and adopted on March 11, 2026.

  
\_\_\_\_\_  
Danielle M. Lewis, RMC, Municipal Clerk

Explanation: This Ordinance adopts the 50 Hanover Road Redevelopment Plan for the property located at Block 303, Lots 5 and 12, and amends the zoning ordinance and zoning map to reflect the Redevelopment Plan location and standards.



**BOROUGH OF FLORHAM PARK  
COUNTY OF MORRIS, STATE OF NEW JERSEY  
ORDINANCE #26-03**

**AN ORDINANCE OF THE MAYOR AND BOROUGH COUNCIL OF THE BOROUGH OF FLORHAM PARK, IN THE COUNTY OF MORRIS, STATE OF NEW JERSEY, TO ADOPT A REDEVELOPMENT PLAN FOR 50 HANOVER ROAD, BLOCK 303, LOTS 5 AND 12, AND TO AMEND THE ZONING ORDINANCE AND ZONING MAP TO INCORPORATE SUCH REDEVELOPMENT PLAN**

**WHEREAS**, the Local Redevelopment and Housing Law, N.J.S.A. 40A:12A-1 et seq., authorizes municipalities to determine whether certain parcels of land in the municipality constitute areas in need of rehabilitation or redevelopment; and

**WHEREAS**, the Borough Council adopted Resolution No. 20-41 on January 23, 2020, which directed the Borough of Florham Park Planning Board to undertake a preliminary analysis to determine whether certain properties located in the Borough identified on the official Tax Map of the Borough of Florham Park as follows - Block 303, Lots 5 and 12; and the Township sewer properties (Block 301, Lots 15 and 16; Block 502, Lot 1; Block 901, Lot 1; Block 1401, Lot 1; Block 1402, Lot 1.02; Block 1701, Lots 9 and 14; Block 1907, Lot 9; Block 2101, Lot 23; Block 2702, Lot 1; Block 3902, Lot 2; Block 4001, Lot 71; and Block 4201, Lot 29) - are a non-condemnation area in need of redevelopment under the criteria set forth in N.J.S.A. 40A:12A-1 et seq.; and

**WHEREAS**, the Florham Park Planning Board directed the Board Planner to conduct an investigation and prepare a study to determine whether certain property or any portions thereof within the Borough, as identified in Borough Council Resolution #20-41, constitute a non-condemnation area in need of redevelopment under the Local Redevelopment and Housing Law, N.J. S.A. 40-A:12A-1 et seq. on February 10, 2020; and

**WHEREAS**, the Florham Park Planning Board transmitted a letter to the Mayor and Council dated on July 7, 2020, providing that the Board "concur and agrees with the reasons stated in the Preliminary Investigation that the Property constitutes and meets the criteria under the LRHL supporting the recommendation that the Property be determined a non-condemnation "area in need of redevelopment", and "submits to the Mayor and Council for review and approval the Preliminary Investigation with its recommendation that the Property be declared a non-condemnation "area in need of redevelopment" under the LRHL, and this correspondence shall

serve as the Planning Board's recommendation in accordance with N.J.S.A. 40A:12A-6"; and

**WHEREAS**, the Borough Council adopted Resolution No. 20-94 on July 16, 2020 designating Block 303, Lots 5 and 12; and the Township sewer properties (Block 301, Lots 15 and 16; Block 502, Lot 1; Block 901, Lot 1; Block 1401, Lot 1; Block 1402, Lot 1.02; Block 1701, Lots 9 and 14; Block 1907, Lot 9; Block 2101, Lot 23; Block 2702, Lot 1; Block 3902, Lot 2; Block 4001, Lot 71; and Block 4201, Lot 29) - are a non-condemnation area in need of redevelopment under the criteria set forth in N.J.S.A. 40A:12A-1 et seq., and directing the Planning Board to prepare a redevelopment plan for the property; and

**WHEREAS**, the Amended Fair Housing Act (P.L. 2024), created a new process for municipalities to come into constitutional compliance with their affordable housing obligations, and which the Borough of Florham Park filed a Declaratory Judgement action, MRS-L-157-25, on January 21, 2025 to participate in that process; and

**WHEREAS**, the Borough has a Fourth Round obligation of 305, as set forth in the Order by the Hon. Janine M. Allen, JSC filed April 29, 2025;

**WHEREAS**, the Borough of Florham Park Planning Board adopted the Housing Element and Fair Share Housing Plan (HEFSP) of the Borough of Florham Park Master Plan, dated June 11, 2025, on June 23, 2025 and

**WHEREAS**, the Borough participated in Settlement hearings and Session hearings before the Affordable Housing Dispute Resolution Program ("the Program") and the presiding Program judge over the case, the Hon. Menelaos W. Toskos, on November 13, 2025, December 19, 2025, and December 29, 2025; and

**WHEREAS**, as a result of the Program, the Borough worked in good faith and resolved the challenged issues with FSHC via a negotiated Mediation Agreement, which was fully executed by both parties on December 31, 2025; and

**WHEREAS**, as a term to that Mediation Agreement, the Borough has agreed to amend its HEFSP and to implement certain zoning and redevelopment plan ordinances to address its Fourth Round obligation, and more specifically, included this 50 Hanover Road Redevelopment Plan as a mechanism to address 62 units of affordable housing towards its Fourth Round obligation; and

**WHEREAS**, the Mayor and Borough Council have reviewed the documents referenced herein, including in particular the Redevelopment Plan, and concur that the subject property should be redeveloped as described in the Redevelopment Plan, and that the Zoning Ordinance and Zoning Map should be revised to incorporate all of the elements of the Redevelopment Plan.

**IT IS HEREBY ORDAINED** by the Borough Council of the Borough of Florham Park, Morris County, State of New Jersey, as follows:

**SECTION 1.** The Borough Council hereby adopts the Redevelopment Plan prepared by Sarmad Planning Group for property known as 50 Hanover Road, Block 303, Lots 5 and 12.

**SECTION 2.** As authorized by N.J.S.A. 40A:12-7(c), the Redevelopment Plan supersedes all applicable provisions of the Zoning Ordinances of the Borough of

Florham Park. The Redevelopment Plan shall constitute an Amendment to the Borough Zoning Map, and Block 303, Lots 5 and 12, which is deemed to have amended to effectuate this designation.

**SECTION 3. Severability.** If any article, section, subsection, sentence, clause or phrase of this Ordinance is, for any reason, held by a court of competent jurisdiction to be unconstitutional or invalid, such decision shall not affect the remaining portions of this Ordinance and they shall remain in full force and effect and shall be deemed valid and effective.

**SECTION 4. Inconsistencies.** In the event of any inconsistencies between the provisions of this Ordinance and any prior ordinance of the municipality, the provisions hereof shall be determined to govern and those inconsistent provisions shall be repealed to the extent of such inconsistency.

**SECTION 5. Referral to Planning Board.** A copy of this Ordinance shall be referred to the Planning Board following its introduction for review pursuant to N.J.S.A. 40A:55D-26A.

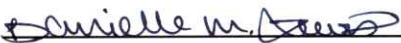
**SECTION 6. Effective Date and Scope.** This Ordinance shall immediately take effect upon its passage and publication, and as otherwise provided for by law. The provisions of this Ordinance shall be applicable within the entire municipality upon final adoption and shall become a part of the Code once completed and adopted.

INTRODUCED: 02/19/2026

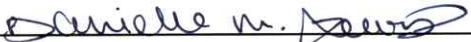
ADOPTED: 03/11/2026

ATTEST:

  
\_\_\_\_\_  
Mark Taylor, Mayor

  
\_\_\_\_\_  
Danielle M. Lewis, RMC,  
Municipal Clerk

**I HEREBY CERTIFY** this to be a true and correct Ordinance of the Mayor and Borough Council of the Borough of Florham Park, and adopted on March 11, 2026.

  
\_\_\_\_\_  
Danielle M. Lewis, RMC, Municipal Clerk

Explanation: This Ordinance amends Chapter 250, and adds new Article XVIII entitled “UMU-Overlay (University Mixed-Use Overlay) Zone” to apply to Block 1301, Lot 1 and add standards to permit uses that produce affordable housing.



**BOROUGH OF FLORHAM PARK  
COUNTY OF MORRIS, STATE OF NEW JERSEY  
ORDINANCE #26-04**

**AN ORDINANCE OF THE MAYOR AND BOROUGH COUNCIL OF THE BOROUGH OF FLORHAM PARK IN THE COUNTY OF MORRIS, STATE OF NEW JERSEY, AMENDING SECTION 250 “ZONING” OF THE BOROUGH CODE OF ORDINANCES, TO ADD A NEW ARTICLE XXVIII ENTITLED “UMU-OVERLAY (UNIVERSITY MIXED-USE OVERLAY) ZONE”**

**WHEREAS**, the Amended Fair Housing Act (P.L. 2024), created a new process for municipalities to come into constitutional compliance with their affordable housing obligations, and which the Borough of Florham Park filed a Declaratory Judgement action, MRS-L-157-25, on January 21, 2025 to participate in that process; and

**WHEREAS**, the Borough has a Fourth Round obligation of 305, as set forth in the Order by the Hon. Janine M. Allen, JSC filed April 29, 2025;

**WHEREAS**, the Borough of Florham Park Planning Board adopted the Housing Element and Fair Share Housing Plan (HEFSP) of the Borough of Florham Park Master Plan, dated June 11, 2025, on June 23, 2025 and

**WHEREAS**, the Borough participated in Settlement hearings and Session hearings before the Affordable Housing Dispute Resolution Program (“the Program”) and the presiding Program judge over the case, the Hon. Menelaos W. Toskos, on November 13, 2025, December 19, 2025, and December 29, 2025; and

**WHEREAS**, as a result of the Program, the Borough worked in good faith and resolved the challenged issues with FSHC via a negotiated Mediation Agreement, which was fully executed by both parties on December 31, 2025; and

**WHEREAS**, as a term to that Mediation Agreement, the Borough has agreed to amend its HEFSP and to implement certain zoning and redevelopment plan ordinances to address its Fourth Round obligation, and more specifically, included this an overlay zone on this property as a mechanism to address 156 units of affordable housing towards its Fourth Round obligation; and

**WHEREAS**, Block 1301, Lot 1 has been identified as an available, approvable, developable, and suitable site, and which site has been proposed by the developer to provide a set-aside of affordable units; and

**NOW, THEREFORE, BE IT ORDAINED**, by the Mayor and Council of the Borough of Florham Park, Morris County, New Jersey, that the Land Development Regulations set forth in Chapter 250 entitled "Zoning", are amended as follows to add a new Article XXVIII entitled "UMU-Overlay (University Mixed-Use Overlay) Zone":

**Section 1. The UMU-Overlay Zone shall include the property known as Block 1301, Lot 1. The underlying University/College (UCZ) Zone shall remain.**

**Section 2. The requirements for the UMU-Overlay Zone shall be set forth as follows:**

**250-157. Purpose**

The University Mixed-Use Overlay is intended to promote the stability and growth of the Fairleigh Dickinson Campus and other educationally related uses in the area within its boundaries and continue the reinvestment into the area from private and public development to provide for usage of land that is compatible with and conducive to the growth of such uses, particularly for the construction of inclusionary residential housing that will create realistic opportunities for affordable housing under the Mount Laurel Doctrine. Unless specifically incorporated in this ordinance by reference, no other provision of the Florham Park zoning ordinance shall be applied to permitted uses in this zone.

**250-158. Definitions**

The following definitions shall apply to the UMU-Overlay (University Mixed-Use Overlay) Zone and no other zones within the Borough unless otherwise specified:

"Lot" shall mean any portion of the overall Tract area that is subdivided, either by deed or plat or by condominium, and is comprised of a minimum of 5 acres.

"Tract" shall mean the total area of Block 1301, Lot 1.

**250-159. Permitted Uses**

**A. Permitted Uses**

Within the University Mixed-Use District Overlay, in addition to the principal uses permitted within each underlying zoning district, a broad range of additional university and educationally related and ancillary or supportive principal uses, and inclusionary residential uses are permitted in the portions of each of the following zoning districts located within the University Mixed-Use Overlay, including, but not limited to:

- (1) In the overall campus Tract, the following shall be permitted and may include more than one of the following:

- (a) Educational institution facilities, including theatres, performance halls, lecture halls, practice rooms, exhibition space and other areas of public assembly customarily required to support an educational institution).
  - (b) Colleges and Universities.
  - (c) Single-family dwellings pursuant to the R-44 Zone.
  - (d) Churches and similar places of worship subject to the provisions of § 250-15.
  - (e) Public or private schools, municipal buildings, parks, playgrounds, or other municipal facilities as deemed necessary and appropriate by the Borough Council, or other recreational uses.
  - (f) Residences exclusively for the faculty, students and staff of any such institution, including their families, in multifamily houses and apartments and residences exclusively for students and assigned supervisory staff, including the families of assigned supervisory staff and in dormitories.
  - (g) Research laboratories.
  - (h) Office use
  - (i) Retail sales and service stores and other uses devoted primarily to the sale of educational or athletic supplies.
  - (j) Cafeteria and food services.
  - (k) Parking garages, provided that they are wrapped, when feasible, on at least 3 sides or otherwise constructed to be architecturally compatible with the surrounding area.
  - (l) Child-care facilities.
  - (m) Hotels and conference centers.
  - (n) Hospitals, Urgent Care, Surgical Centers and other similar uses.
  - (o) Medical and medical specialist uses, including doctors and dentist and any other health care professionals licensed by the State of New Jersey to practice a profession, clinical care facilities, medical offices, including diagnostic services, imaging, outpatient radiation and therapy, physical therapy and outpatient surgery uses, laboratory and testing facilities, medical support uses and all other uses ancillary or incidental thereto.
  - (p) Assisted living, Nursing Care, Congregate care and/or independent living units.
- (2) Inclusionary Residential Housing. In order to produce a realistic opportunity to create 156 non-age-restricted, affordable housing units that will contribute to the Borough's Fourth Round affordable housing obligation under the Mount Laurel Doctrine, inclusionary residential housing within the overall campus Tract will be permitted. This residential housing shall be permitted anywhere within the Tract, and may be concentrated within the Tract, on Lots or proposed Lots comprising a minimum of 5 acres ("Lot") and this residential housing does not exceed more than fifty percent (50%) of the overall 120-acre Tract area (meaning that residential housing should not exceed sixty (60) total acres of the Tract).

Each phase or proposed residential project shall include at least a twenty-percent (20%) set aside of affordable housing and comply with all affordable requirement herein. The residential uses shall be available to the general public, and not exclusively available (nor any preference given)

for the faculty, students, and staff, and may consist of any combination of the following permitted dwelling types:

- (a) Single-family dwellings pursuant to the University/College Zone requirements.
- (b) Attached or multi-family dwelling units.
- (c) Age-restricted dwelling units, with any affordable units within the same Lot or Tract being non-age-restricted and made available to families, pursuant to the requirements under 250-160.E.
- (d) Mixed-use buildings with first floor retail sales or services or non-residential uses, which may include the permitted uses above or any of the following:
  - [1] Restaurant (non-drive through) and limited food service establishments (such as coffee shops, smoothie, or fast-casual restaurants).
    - i. Retail and personal service uses.
    - ii. Health club gyms.
    - iii. Medical and Urgent Care type uses.
    - iv. Offices
  - [2] Amenities such as recreational areas, garbage and recycling facilities, and other uses and areas ancillary to the uses listed above.
  - [3] Shared amenity spaces open to faculty, students and staff as well as residents of the proposed residential and/or mixed use project.

#### **250-160. Bulk Requirements**

- A. The total tract area shall be 120 ("Tract") acres.
- B. The total permitted gross density for residential uses multi-family uses on up to fifty (50%) percent of the Tract (or not more than 60 total acres) shall allow 780 residential units for units which are not exclusively available for the faculty, students and staff. The permitted a dwelling units per acre shall be 13 units per acre across the overall Tract, of which density may be concentrated on part(s) of the property, via individual Lots.
- C. Building height shall not exceed 65 feet, measured from average finished grade, except that the building height may be increased to a maximum of 75 feet provided that the following standards are met:
  - (1) The portion of the building exceeding 65 feet in height is set back from any public street, in addition to the required setback, an additional two feet for every foot by which the building exceeds 65 feet.
- D. Setbacks:
  - (1) No building shall be erected closer to a public street line or property line external to the overall Tract than 25 feet.

(2) No building shall be erected closer to Park Avenue than 50 feet.

E. Age-restricted developments

(1) The affordable family units set aside associated with any age-restricted market rate units may be provided in a separate building located on the same Lot or Tract.

(2) Any mixture of age-restricted and family units located within the same building shall be developed in compliance with the Federal Fair Housing Act and the New Jersey Law Against Discrimination as applicable to the "housing for older persons" exemption to discriminate against families that allow age-restricted communities where 80% of the units have at least one resident who is 55 or older.

**250-161. Design Standards**

A. Architectural design.

(1) Buildings having a gross floor area greater than 40,000 square feet shall be required to use architectural features that provide variety and reduce the visual impact of the building mass, through the use of varied facade materials, facade projections and recesses, judicious use of windows, other openings in the facade, and other similar features.

B. All roof mounted HVAC and mechanical equipment shall be adequately screened from public view from the abutting street and the perimeter of the Tract.

C. Recreational/social amenities. Any attached or multi-family developments shall be encouraged and may include both interior and exterior common areas devoted to recreational, social and similar functions for residents and their guests.

**Section 250-162. Affordable Housing Requirements**

A. When a developer(s) for the inclusionary residential housing is identified on or before June 30, 2026, the developer(s) shall identify by September 30, 2026, the area of the Tract not exceeding 60 acres of the Tract that shall be used for the inclusionary residential housing, and any residential project within that portion of the Tract must comply with all requirements identified herein, including but not limited to ensuring a realistic opportunity for the affordable housing for very-low-, low-, and moderate-income persons. Inclusionary residential housing or mixed-use inclusionary residential housing shall be the only new permitted use(s) in that area designated by the developer consisting of up to 60-acre portion of the Tract.

B. All residential components shall have an on-Tract inclusionary non-age-restricted affordable housing requirement of twenty percent (20%) of the total units being developed.

- C. Each development shall comply with any applicable occupancy standards set forth in the Uniform Housing Affordability Controls (UHAC) N.J.A.C. 5:80-26.5 as may be amended and applicable. This shall include:
- (1) Equal design element among market-rate units and affordable units within the same development in accordance with N.J.A.C. 5:80-26.5(a)(2)(i);
  - (2) Siting to avoid concentrating affordable units in undesirable locations in accordance with N.J.A.C. 5:80-26.5(a)(2)(ii);
  - (3) Interspersion of affordable units, equal access to communal amenities in accordance with N.J.A.C. 5:80-26.5(a)(2)(iii);
  - (4) Same access to communal amenities as residents of market-rate units within the same affordable development in accordance with N.J.A.C. 5:80-26.5(a)(2)(iv);
  - (5) Adequate heating-cooling, including the same type of heating source as market-rate units of the same type in accordance with N.J.A.C. 5:80-26.5(a)(2)(v);
  - (6) Each bedroom to have at least one window in accordance with N.J.A.C. 5:80-26.5(a)(2)(vi)
  - (7) Minimum square footage requirements in accordance with N.J.A.C. 5:80-26.5(a)(2)(viii);
  - (8) Restricted units must be of the same type as market-rate units within the same building in accordance with N.J.A.C. 5:80-26.5(a)(2)(viii).
- D. The developer shall have an obligation to deed restrict any for-sale Affordable Units as very low-income, low-income, or moderate-income affordable units for a period of at least thirty (30) years, and any rental Affordable Units as very low-income, low-income, or moderate-income affordable units for a period of at least forty (40) years, until such time and under conditions as the Borough elects to release or extend the deed restriction control period in accordance with applicable law, so that the Borough may count the Affordable Units against its affordable housing obligation. The deed restrictions shall be recorded with the County Clerk, and a copy of the recorded deed shall be forwarded to the Borough Municipal Housing Liaison and Administrative Agent. Any sale of the property or units shall not affect the length or terms of the deed restriction.
- E. Phasing. All inclusionary housing projects shall comply with the phasing schedule under UHAC (5:80-26.5(a)4).
- F. The bedroom distribution for affordable units shall comply with all Uniform Housing Affordability Controls ("UHAC") regulations for bedroom size and number, as well as all other applicable affordable housing regulations, any applicable order of the Court, and other applicable laws such as UHAC NJAC 5:80-26.1 et. seq., NJAC 5:99, and the Borough's Affordable Housing Ordinance.
- G. Pursuant to N.J.A.C. 5:80-26.4 and Section 250-7.5.D(5) of the Borough's Affordable Housing Ordinance, the affordable units are subject to the following requirements. In each affordable development, restricted units must be structured in conjunction with realistic market demands, such that:
- (a) At a minimum, the number of bedrooms within the restricted units equals twice the number of restricted units;

- (b) Two-bedroom and/or three-bedroom units compose at least 50 percent of all restricted units;
  - (c) No more than 20 percent of all restricted units, rounded up or down to the nearest whole number in either direction are efficiency or one-bedroom units;
  - (d) At least 30 percent of all restricted units, rounded up or down to the nearest whole number in either direction are two-bedroom units;
  - (e) At least 20 percent of all restricted units, rounded up or down to the nearest whole number in either direction are three-bedroom units;
  - (f) 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.
  - (g) The remainder of the restricted units, if any, are allocated at the discretion of the developer in accordance with the municipality's housing element and fair share plan.
- H. All of the affordable units shall be non-age-restricted, family units, of which at least 50% shall be affordable rental units.
- I. The developer shall also comply with all of the other requirements of UHAC and the Borough's Affordable Housing Ordinance, including, but not limited to, (1) affirmative marketing requirements, (2) candidate qualification screening requirements, (3) integrating the affordable units amongst the market rate units, (4) unit phasing requirements, and (5) occupancy standards.
- J. The developer shall contract with a qualified and experienced third party administrative agent, which may be the Borough's administrative agent (the "Administrative Agent") for the administration of the affordable units and shall have the obligation to pay all costs associated with properly deed restricting the affordable units in accordance with this Agreement for the Deed-Restriction Period. The developer and its Administrative Agent shall work with the Borough and the Borough's Administrative Agent, should the developer's and the Borough's Administrative Agent not be one in the same, regarding any affordable housing monitoring requirements required by the Amended Fair Housing Act. The developer shall provide, within thirty (30) days after written notice, detailed information reasonably requested by the Borough or the Borough's administrative agent, should the redeveloper's and the Borough's Administrative Agent not be one and the same, concerning the redeveloper's compliance with UHAC, the Borough's Affordable Housing Ordinance, all applicable Court orders, and other applicable laws.

**SECTION 3. Severability.** If any article, section, subsection, sentence, clause or phrase of this Ordinance is, for any reason, held by a court of competent jurisdiction to be unconstitutional or invalid, such decision shall not affect the remaining portions of this Ordinance and they shall remain in full force and effect and shall be deemed valid and effective.

**SECTION 4. Inconsistencies.** In the event of any inconsistencies between the provisions of this Ordinance and any prior ordinance of the municipality, the provisions hereof shall be determined to govern and those inconsistent provisions shall be repealed to the extent of such inconsistency.

**SECTION 5.** Referral to Planning Board. A copy of this Ordinance shall be referred to the Planning Board following its introduction for review pursuant to N.J.S.A. 40A:55D-26A.

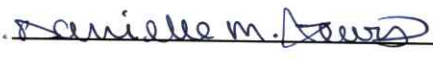
**SECTION 6.** Effective Date and Scope. This Ordinance shall immediately take effect upon its passage and publication, and as otherwise provided for by law. The provisions of this Ordinance shall be applicable within the entire municipality upon final adoption and shall become a part of the Code once completed and adopted.

INTRODUCED: 02/19/2026

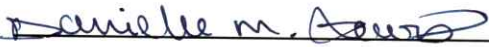
ADOPTED: 03/11/2026

ATTEST:

  
\_\_\_\_\_  
Mark Taylor, Mayor

  
\_\_\_\_\_  
Danielle M. Lewis, RMC,  
Municipal Clerk

**I HEREBY CERTIFY** this to be a true and correct Ordinance of the Mayor and Borough Council of the Borough of Florham Park, and adopted on March 11, 2026.

  
\_\_\_\_\_  
Danielle M. Lewis, RMC, Municipal Clerk

Explanation: This Ordinance amends Article XIII entitled “MF-4 Multifamily Residential Zones” by amending section 250-78 to re-zone Block 4201, Lot 31 to the MF-4 Zone, add standards for one-bedroom townhomes, and to permit Cellular (Wireless) Telecommunications Antenna as a conditional use.



**BOROUGH OF FLORHAM PARK  
COUNTY OF MORRIS, STATE OF NEW JERSEY  
ORDINANCE #26-05**

**AN ORDINANCE OF THE MAYOR AND BOROUGH COUNCIL OF THE BOROUGH OF FLORHAM PARK IN THE COUNTY OF MORRIS, STATE OF NEW JERSEY, AMENDING SECTION 250 “ZONING” OF THE BOROUGH CODE, ARTICLE XIII, MF-4 MULTIFAMILY RESIDENTIAL ZONES TO ADD STANDARDS FOR ONE-BEDROOM TOWNHOMES AND TO PERMIT CELLULAR (WIRELESS) TELECOMMUNICATIONS ANTENNA AS A CONDITIONAL USE**

**WHEREAS**, the Amended Fair Housing Act (P.L. 2024), created a new process for municipalities to come into constitutional compliance with their affordable housing obligations, and which the Borough of Florham Park filed a Declaratory Judgement action, MRS-L-157-25, on January 21, 2025 to participate in that process; and

**WHEREAS**, the Borough has a Fourth Round obligation of 305, as set forth in the Order by the Hon. Janine M. Allen, JSC filed April 29, 2025;

**WHEREAS**, the Borough of Florham Park Planning Board adopted the Housing Element and Fair Share Housing Plan (HEFSP) of the Borough of Florham Park Master Plan, dated June 11, 2025, on June 23, 2025 and

**WHEREAS**, the Borough participated in Settlement hearings and Session hearings before the Affordable Housing Dispute Resolution Program (“the Program”) and the presiding Program judge over the case, the Hon. Menelaos W. Toskos, on November 13, 2025, December 19, 2025, and December 29, 2025; and

**WHEREAS**, as a result of the Program, the Borough worked in good faith and resolved the challenged issues with FSHC via a negotiated Mediation Agreement, which was fully executed by both parties on December 31, 2025; and

**WHEREAS**, as a term to that Mediation Agreement, the Borough has agreed to amend its HEFSP and to implement certain zoning and redevelopment plan ordinances to address its Fourth Round obligation, and more specifically, included the rezoning of this property as a mechanism to address 3 units of affordable housing towards its Fourth Round obligation; and

**WHEREAS**, Block 4201, Lot 31 has been identified as an available, approvable, developable, and suitable site, and which site has been proposed by the developer to provide a set-aside of affordable units.

**NOW, THEREFORE, BE IT ORDAINED**, by the Mayor and Council of the Borough of Florham Park, Morris County, New Jersey, that the Land Development Regulations set forth in Chapter 250 entitled "Zoning", Article XIII entitled "MF-4 Multifamily Residential Zones" and Chapter 227 "Telecommunications Antennas, Cellular (Wireless)", are hereby amended, modified, and supplemented as follows:

**SECTION 1. The MF-4 Zone shall be amended to include the property known as Block 4201, Lot 31, which shall be re-zoned from its present C-1 Zone.**

**SECTION 2. Section 250-78 shall be amended to add Item B, Conditional use and to read as follows:**

A. Principal Permitted Uses

- (1) Townhouses and multifamily apartments or condominium developments shall be permitted in the MF-4 Zones in accordance with the requirements of this section and such other forms of residential housing as may be established by way of conditional use. This zone is specifically for establishment of low- and moderate-income multifamily housing units in conjunction with multifamily market units.

B. Conditional Uses

- (1) One (1) Cellular (Wireless) Telecommunications Antenna shall be permitted as a conditional use, subject to the requirements set forth under Section 227-2 of the Borough Code.

**SECTION 3. Section 250-81 shall be amended to add (1)(a) and (2)(a) as follows:**

(1)(a) Minimum lot size (Block 4201, Lot 31): 1 acre

(2)(a) Maximum gross density (for Block 4201, Lot 31): 12 total one-bedroom townhome units

**SECTION 4. Section 250-81 shall be amended to add Item C as follows:**

C. The affordable housing set-aside for Block 4201, Lot 31 shall be 3 units.

1. The affordable unit set-aside may be permitted to be provided by converting existing market rate units within the adjacent Sun Valley buildings to affordable units via deed restriction. Three market rate units at the adjacent Sun Valley buildings shall be deed restricted prior to construction of 50% percent of the 12 market-rate one-bedroom townhomes.
2. The income and bedroom distribution of the affordable units shall be in accordance with the Uniform Housing Affordability Controls, N.J.A.C. 5:80-26.3. Section 250-7.5.D.(5) of the Affordable Housing Ordinance. The income-bedroom distribution shall be comprised of two 2-bedroom units and one 3-bedroom unit. Of those three (3)

affordable units, one (1) shall be one very-low income 2-bedroom unit, one (1) shall be a low-income 3-bedroom unit, and one (1) shall be a moderate-income 2-bedroom unit.

3. The developer shall have an obligation to deed restrict the Affordable Units as very low-income, low-income, or moderate-income affordable rental units for a period of at least forty (40) years, until such time and under conditions as the Borough elects to release the deed restriction, so that the Borough may count the Affordable Units against its affordable housing obligation. The deed restrictions shall be recorded with the County Clerk, and a copy of the recorded deed shall be forwarded to the Borough Municipal Housing Liaison and Administrative Agent. Any sale of the property or units shall not affect the length or terms of the deed restriction.
4. The Borough's administrative agent shall affirmatively market the units in accordance with the Uniform Housing Affordability Controls, N.J.A.C. 5:80-26.16, and the Borough's Affordable Housing Ordinance, Section 250-7.5.H. The administrative agent shall use a random selection process to select occupants of the affordable units in accordance with Section 250-7.5.I of the Borough's Affordable Housing Ordinance, and the affordable units shall be marketed on an equal basis to all those working or living in the Housing Region.

The affordable units shall satisfy the applicable occupancy standards set forth in N.J.A.C. 5:80-26.5.

**SECTION 5. Severability.** If any article, section, subsection, sentence, clause or phrase of this Ordinance is, for any reason, held by a court of competent jurisdiction to be unconstitutional or invalid, such decision shall not affect the remaining portions of this Ordinance and they shall remain in full force and effect and shall be deemed valid and effective.

**SECTION 6. Inconsistencies.** In the event of any inconsistencies between the provisions of this Ordinance and any prior ordinance of the municipality, the provisions hereof shall be determined to govern and those inconsistent provisions shall be repealed to the extent of such inconsistency.

**SECTION 7. Referral to Planning Board.** A copy of this Ordinance shall be referred to the Planning Board following its introduction for review pursuant to N.J.S.A. 40A:55D-26A.

**SECTION 8. Effective Date and Scope.** This Ordinance shall immediately take effect upon its passage and publication, and as otherwise provided for by law. The provisions of this Ordinance shall be applicable within the entire municipality upon final adoption and shall become a part of the Code once completed and adopted.

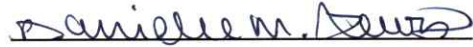
INTRODUCED: 02/19/2026

ADOPTED: 03/11/2026

ATTEST:

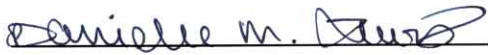


Mark Taylor, Mayor



Danielle M. Lewis, RMC,  
Municipal Clerk

**I HEREBY CERTIFY** this to be a true and correct Ordinance of the Mayor and Borough Council of the Borough of Florham Park, and adopted on March 11, 2026.



Danielle M. Lewis, RMC, Municipal Clerk



**BOROUGH OF FLORHAM PARK  
COUNTY OF MORRIS, STATE OF NEW JERSEY  
RESOLUTION #26-68**

**A RESOLUTION OF THE MAYOR AND COUNCIL OF THE BOROUGH OF FLORHAM PARK  
IN THE COUNTY OF MORRIS, STATE OF NEW JERSEY, ADOPTING THE BOROUGH OF  
FLORHAM PARK AFFORDABLE HOUSING TRUST FUND FOURTH ROUND SPENDING  
PLAN**

**WHEREAS**, the Amended Fair Housing Act (P.L. 2024), created a new process for municipalities to come into constitutional compliance with their affordable housing obligations, and which the Borough of Florham Park filed a Declaratory Judgement action, MRS-L-157-25, on January 21, 2025 to participate in that process; and

**WHEREAS**, the Borough has a Fourth Round obligation of 305, as set forth in the Order by the Hon. Janine M. Allen, JSC filed April 29, 2025; and

**WHEREAS**, the Borough of Florham Park Planning Board adopted the Housing Element and Fair Share Housing Plan (HEFSP) of the Borough of Florham Park Master Plan, dated June 11, 2025, on June 23, 2025; and

**WHEREAS**, the Borough participated in Settlement hearings and Session hearings before the Affordable Housing Dispute Resolution Program (“the Program”) and the presiding Program judge over the case, the Hon. Menelaos W. Toskos, on November 13, 2025, December 19, 2025, and December 29, 2025; and

**WHEREAS**, as a result of the Program, the Borough worked in good faith and resolved the challenged issues with FSHC via a negotiated Mediation Agreement, which was fully executed by both parties on December 31, 2025; and

**WHEREAS**, the Mediation Agreement setting forth the agreed upon requirements in order to receive a compliance certification of its Fourth Round HEFSP was executed with FSHC on December 30, 2025; and

**WHEREAS**, the Mediation Agreement stipulates that the Borough update its Affordable Housing Trust Fund Spending Plan in accordance with recently adopted Uniform Housing Affordability Control Regulations, N.J.A.C. 5:80-26.1 et seq., and Fourth Round Affordable Housing Regulations, N.J.A.C. 5:99-1.1 et seq.; and

**WHEREAS**, N.J.A.C. 5:99-2, et. seq. requires a municipality with an Affordable Housing Trust Fund to receive approval of the spending such funds in accordance with N.J.S.A. 52:27D-329.2.a(4) and that a municipality within the jurisdiction of the Program or a court of competent jurisdiction shall not spend affordable housing trust funds unless the Program has approved a plan for or the Division has approved spending plan expenditures for emergent opportunities to create affordable housing after a municipality has obtained compliance certification in conformance with N.J.A.C. 5:99-4; and



**WHEREAS**, the Borough has prepared its Affordable Housing Trust Fund Fourth Round Spending Plan consistent with N.J.A.C. 5:99-2, et. seq., submitted that Spending Plan for review in accordance with the Mediation Agreement with FSHC, and now desires to adopt the Spending Plan prior to the March 15, 2026 deadline established by the Amended Fair Housing Act.

**NOW THEREFORE BE IT RESOLVED**, by the Borough Council of the Borough of Florham Park, Morris County, State of New Jersey, as follows:

1. The Borough Florham Park hereby adopts an Affordable Housing Trust Fund Fourth Round Spending Plan;
2. The Borough Clerk and all appropriate officials, employees and professionals of the Borough are hereby authorized and directed to take any and all steps necessary to effectuate the purposes of this Resolution.
3. This Resolution shall take effect immediately.

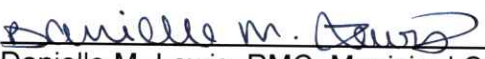
Council Approval: March 11, 2026

  
\_\_\_\_\_  
Mark Taylor, Mayor

Attest:

  
\_\_\_\_\_  
Danielle M. Lewis, RMC, Municipal Clerk

**I HEREBY CERTIFY** this to be a true and correct Resolution of the Mayor and Borough Council of the Borough of Florham Park, and adopted on March 11, 2026.

  
\_\_\_\_\_  
Danielle M. Lewis, RMC, Municipal Clerk



**BOROUGH OF FLORHAM PARK  
COUNTY OF MORRIS, STATE OF NEW JERSEY  
RESOLUTION #26-69**

**A RESOLUTION OF THE MAYOR AND COUNCIL OF THE BOROUGH OF FLORHAM PARK  
IN THE COUNTY OF MORRIS, STATE OF NEW JERSEY, ADOPTING AN “AFFIRMATIVE  
MARKETING PLAN”**

**WHEREAS**, the Amended Fair Housing Act (P.L. 2024), created a new process for municipalities to come into constitutional compliance with their affordable housing obligations, and which the Borough of Florham Park filed a Declaratory Judgement action, MRS-L-157-25, on January 21, 2025 to participate in that process; and

**WHEREAS**, the Borough has a Fourth Round obligation of 305, as set forth in the Order by the Hon. Janine M. Allen, JSC filed April 29, 2025; and

**WHEREAS**, the Borough of Florham Park Planning Board adopted the Housing Element and Fair Share Housing Plan (HEFSP) of the Borough of Florham Park Master Plan, dated June 11, 2025, on June 23, 2025; and

**WHEREAS**, the Borough participated in Settlement hearings and Session hearings before the Affordable Housing Dispute Resolution Program (“the Program”) and the presiding Program judge over the case, the Hon. Menelaos W. Toskos, on November 13, 2025, December 19, 2025, and December 29, 2025; and

**WHEREAS**, as a result of the Program, the Borough worked in good faith and resolved the challenged issues with FSHC via a negotiated Mediation Agreement, which was fully executed by both parties on December 31, 2025; and

**WHEREAS**, the Mediation Agreement setting forth the agreed upon requirements in order to receive a compliance certification of its Fourth Round HEFSP was executed with FSHC on December 30, 2025; and

**WHEREAS**, the Mediation Agreement stipulates that the Borough update its Affirmative Marketing Plan and other administrative documents in accordance with recently adopted Uniform Housing Affordability Control Regulations, N.J.A.C. 5:80-26.1 et seq., and Fourth Round Affordable Housing Regulations, N.J.A.C. 5:99-1.1 et seq.; and

**WHEREAS**, in accordance with P.L. 2024, Chapter 2 and the New Jersey Uniform Housing Affordability Controls (“UHAC”)(N.J.A.C. 5:80-26.1 et seq.), the Borough of Florham Park is required to adopt an Affirmative Marketing Plan to ensure that all affordable housing units created are affirmatively marketed to very low-, low- and moderate-income households, particularly those living and/or working within Housing Region 3, comprising Essex, Morris, Union, and Warren Counties, and therefore encompassing the Borough of Florham Park.

**NOW, THEREFORE, BE IT RESOLVED**, that the Borough Council of the Borough of Florham Park, County of Somerset, State of New Jersey, does hereby adopt the following Affirmative Marketing Plan:



## **Affirmative Marketing Plan**

- A. 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, English-speaking ability, marital or familial status, gender, affectional or sexual orientation, disability, age or number of children, source of lawful income, or any other characteristic described in the New Jersey Law Against Discrimination, to housing units which are being marketed by a developer or sponsor of affordable housing. The Affirmative Marketing Plan is also 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 the Housing Region in which the municipality is located and covers the entire period of the deed restriction for each restricted housing unit. The Borough of Florham Park is located in Housing Region 2, consisting comprising Essex, Morris, Union, and Warren Counties.
- B. The Borough of Florham Park has a plan to address both its Prior Round Obligation (1987-2025) and its Fourth Round Obligation (2025-2035). This Affirmative Marketing Plan shall apply to all developments that contain or will contain very low-, low- and moderate-income units, including those that are part of the municipality's Housing Element and Fair Share Plan, and those that may be constructed in future developments not yet anticipated by the Housing Element and Fair Share Plan.
- C. The Affirmative Marketing Plan shall be implemented by the Administrative Agent under contract to the Borough of Florham Park, or the Administrative Agent of any specific developer approved by the municipality. The Administrative Agent has the responsibility to income qualify low and moderate income households; to place income eligible households in low and moderate income units upon initial occupancy; to provide for the initial occupancy of 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 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.
- D. 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.
- E. The implementation of the Affirmative Marketing Plan for a development that includes affordable housing shall commence at least 120 days prior to expected 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.



- F. The Affirmative Marketing Plan is a continuing program that shall be followed throughout the entire period of affordability restrictions. In implementing the Affirmative Marketing Plan, the Administrative Agent, whether acting on behalf of the Borough of Florham Park or on behalf of a specific developer, shall meet the following requirements at a minimum:
1. The primary marketing and advertising must be employed at the start of the marketing program and continue until all units are leased or sold or until the number of applications received is at least three times the number of units. 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.
  2. The advertisements shall, at a minimum, include:
    - a. The name and location of the housing project;
    - b. An address sufficient to find directions to the housing units;
    - c. A range of prices or rents for the affordable housing units;
    - d. The sizes, as measured in number of bedrooms of the affordable housing units;
    - e. The types (that is, family, age-restricted, or supportive) and number of affordable units available;
    - f. The number of units available to very low-, low-, and moderate-income households;
    - g. The accessibility features, if any, of the affordable housing units;
    - h. The maximum income permitted to qualify for the affordable housing units;
    - i. The population(s), if any, given preference in the selection process pursuant to N.J.A.C. 5:80-26.17(k)2;
    - j. Where applications (paper and online) for the affordable housing units may be found;
    - k. The expected lease-up/closing date(s) for the affordable housing units;
    - l. The expected date of the random selection;
    - m. The business hours when interested households may obtain paper applications for the affordable housing units;
    - n. Contact information, including an email address and phone number that are regularly monitored by the administrative agent;
    - o. The name of the sales agent and/or rental manager; and
    - p. Application fees, if any.
  3. Affirmative fair marketing of affordable units must be completed in accordance with the requirements set forth in UHAC at N.J.A.C. 5:80-26.16 in all media and outlets required by the rules. All newspaper articles, announcements and requests for application for low and moderate income units shall appear in the Florham Park Reporter and the Daily Record.
  4. Each affordable housing development must complete worksheet substantially in the form of the model affirmative marketing worksheet published by the state.



5. Affordable units must be listed on the New Jersey Housing Resource Center's website ([www.njhrc.gov](http://www.njhrc.gov)) in accordance with N.J.A.C. 5:80-26.16(f)1 at least 60 days before the random selection.
  6. Applications, or notices thereof, used as part of the affirmative marketing program must be available in the following locations:
    - i. Borough Municipal Building  
111 Ridgedale Avenue, Florham Park, New Jersey 07932
    - ii. Florham Park Public Library  
107 Ridgedale Ave, Florham Park, NJ 07932
    - iii. Borough Website  
<https://www.florhamparknj.gov/>
    - iv. Developer's Sales/Rental Office
    - v. Morris County Administration Building  
10 Court St, Morristown, NJ 07960
- Applications shall be mailed by the Administrative Agent to the prospective applications upon request. Also, applications shall be made available at the developer's sales/rental office and shall be mailed to prospective applicants upon request.
7. The Administrative Agent shall develop, maintain and update a list of community contact person(s) and/or organization(s) in Essex, Morris, Union, and Warren 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. As provided under the December 30, 2025 Mediation Agreement with FSHC, that list shall also include Fair Share Housing Center, New Jersey State Conference of NAACP The Latino Action Network, East Orange NAACP, Newark NAACP, Morris County NAACP, Elizabeth NAACP, Morris County NAACP, Supportive Housing Association. Additionally, the affirmative marketing shall include posting of all affordable units on the New Jersey Housing Resource Center website in accordance with applicable law.
  8. The municipality's Administrative Agent, or the Administrative Agent of a specific developer, shall comply with all requirements set forth in N.J.S.A. 52:27D-321.3 et seq. with regard to the affirmative marketing of affordable housing units.
- G. A random selection method to select occupants of low and moderate income housing will be used by the Administrative Agent in conformance with N.J.A.C. 5:80-26.16(d). The Affirmative Marketing Plan shall provide a regional preference for all households that live and/or work in Housing Region 2 comprised of Essex, Morris, Union, and Warren Counties.




H. 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 municipality's Administrative Agent.

**NOW, THEREFORE, BE IT RESOLVED** by the Borough Council of the Borough of the Borough of Florham Park, County of Morris, State of New Jersey, as follows:

1. The Borough of Florham Park hereby adopts an Affirmative Marketing Plan;
2. The Borough Clerk and all appropriate officials, employees and professionals of the Borough are hereby authorized and directed to take any and all steps necessary to effectuate the purposes of this Resolution.
3. This Resolution shall take effect immediately.

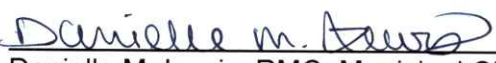
Council Approval: March 11, 2026

  
\_\_\_\_\_  
Mark Taylor, Mayor

Attest:

  
\_\_\_\_\_  
Danielle M. Lewis, RMC, Municipal Clerk

**I HEREBY CERTIFY** this to be a true and correct Resolution of the Mayor and Borough Council of the Borough of Florham Park, and adopted on March 11, 2026.

  
\_\_\_\_\_  
Danielle M. Lewis, RMC, Municipal Clerk



**BOROUGH OF FLORHAM PARK  
COUNTY OF MORRIS, STATE OF NEW JERSEY  
RESOLUTION #26-70**

**A RESOLUTION OF THE MAYOR AND COUNCIL OF THE BOROUGH OF FLORHAM PARK  
IN THE COUNTY OF MORRIS, STATE OF NEW JERSEY, ENDORSING THE BOROUGH'S  
AMENDED FOURTH ROUND HOUSING ELEMENT AND FAIR SHARE PLAN**

**WHEREAS**, in 2024 the New Jersey Legislature amended the New Jersey Fair Housing Act, N.J.S.A. 52:27D-301 et seq. through the adoption of P.L. 2024, c.2 (“FHA-2”); and

**WHEREAS**, amongst other things, P.L. 2024, c.2 abolished the Council on Affordable Housing (COAH), created the Affordable Housing Dispute Resolution Program (“Program”) and established new procedures and deadlines for municipalities to come into compliance with the FHA-2 and the *Mount Laurel* doctrine for each future ten-year affordable housing round beginning with the Fourth Round, which began on July 1, 2025 and ends on June 30, 2035; and

**WHEREAS**, in December 2024 the Administrative Office of the Courts issued Directive #14-24, which sets forth additional procedures all municipalities must follow to come into compliance with the FHA-2 in order to maintain immunity from exclusionary zoning and builder’s remedy litigation through the Program process set forth in P.L. 2024, c.2; and

**WHEREAS**, in compliance with P.L. 2024, c. 2 and Directive #14-24, the Borough of Florham Park timely filed a declaratory judgment action with the Program on January 21, 2025, which is entitled In re Borough of Florham Park, Docket No.: MRS-L-157-25 (Borough’s “2025 Action”); and

**WHEREAS**, on April 29, 2025 Morris/Sussex County Mount Laurel Judge, the Honorable Janine M. Allen, J.S.C., issued an Order in the Borough’s 2025 Action fixing the Borough’s Fourth Round pre-credited/unadjusted Present Need Obligation at “66” and gross Prospective Need Obligation at “305” and directed the Borough to adopt its Fourth Round Housing Element and Fair Share Plan and upload same to the Program on or before June 30, 2025; and

**WHEREAS**, in accordance with the requirements of Directive #14-24 and P.L. 2024, c.2, and the above-referenced Order issued by Judge Allen, the Borough’s Municipal Planner prepared the Borough’s 2025 Housing Element and Fair Share Plan, dated June 11, 2025 (“2025 HEFSP”); and

**WHEREAS**, on timely prior notice to the public, on June 23, 2025 the Borough of Florham Park Planning Board adopted the Borough’s 2025 HEFSP following a public hearing thereon, and on June 25, 2025 the Mayor and Borough Council adopted a resolution endorsing the 2025 HEFSP; and

**WHEREAS**, following same the Borough timely filed the 2025 HEFSP with the Program prior to June 30, 2025 in accordance with the requirements of the FHA-2; and

**WHEREAS**, thereafter Fair Share Housing Center (FSHC) and various developers filed challenges to the Borough’s HEFSP; and



**WHEREAS**, the Borough subsequently participated in good faith in the Program process established under FHA-2 to address various challenges to the Borough's 2025 HEFSP, including settlement hearings and Session hearings before Program Judge the Hon. Menelaos W. Toskos, P.J. CH. (Ret.) on November 13, 2025, December 19, 2025, and December 29, 2025; and

**WHEREAS**, as a result of the Program process, the Borough was able to resolve the challenged issues with FSHC and reached a Negotiated Mediation Agreement with FSHC, which was approved by the Mayor and Borough Council by Resolution #25-273 and fully executed by both parties on December 31, 2025 ("Settlement"); and

**WHEREAS**, following review of the Settlement, the Court Appointed Special Adjudicator issued a written report finding that the terms of the Settlement, and Judge Toskos issued a Program Decision Recommendation on February 5, 2026; and

**WHEREAS**, both the Court Appointed Special Adjudicator and Judge Toskos found that that the terms of the Settlement to be fair, reasonable and adequately protect the interest of low and moderate-income residents, constitutional compliant, and provide a fair and reasonable opportunity for the Borough to meet its obligations under the FHA-2 and *Mount Laurel* doctrine; and

**WHEREAS**, Judge Toskos further recommended an Order be issued by the County Mount Laurel Judge directing that the challenges filed by Columbia Corporate Center Development Associates LLC, Florham Park Realty Associates LLC, 30 Florham Associates LLC, Automatic Data Processing, Inc., 70-76 Passaic Avenue LLC, 23 Vreeland Road LLC and Sun Valley Plaza LLC be dismissed; and

**WHEREAS**, in addition, the Settlement and Judge Toskos' Program Decision Recommendation require that the Borough adopt amendments to its 2025 HEFSP and its implementing ordinances and resolution and file same with the Court on or before March 15, 2026 as conditions of the Borough securing a Certification of Compliance and Repose from the Court; and

**WHEREAS**, pursuant to the FHA-2, the issuance of a Certification of Compliance and Repose from the County Mount Laurel Judge, entitles a compliant municipality to continued immunity from exclusionary zoning and builder's remedy litigation for the remaining 10-year Fourth Round; and

**WHEREAS**, the Township Planner has since prepared an Amended Fourth Round Housing Element and Fair Share Plan in accordance with the Settlement and Judge Toskos' Program Decision Recommendation; and

**WHEREAS**, on timely prior notice to the public, on February 9, 2026, the Borough of Florham Park Planning Board adopted the Borough Amended Fourth Round Housing Element and Fair Share Plan following a public hearing thereon, all in accordance with the requirements of the New Jersey Open Public Meetings Act, N.J.S.A. 10:4-6 et seq., N.J.S.A. 40:49-2.1 of the Home Rule Act and the applicable provisions of the Municipal Land Use Law, N.J.S.A. 40:55D-1 et seq., and the Fair Housing Act, N.J.S.A. 52:27D-301 et seq.; and



**WHEREAS**, importantly, with respect to the Borough's prior official actions to protect and preserve its existing affordable family rental housing stock, in accordance with the Settlement reached between the Borough and FSHC, the Amended Fourth Round Housing Element and Fair Share maintains, preserves and reserves all rights the Borough has to by virtue of extending the affordability controls on the following existing affordable family rental units within the Borough: (i) 75 affordable family rental units within the Sun Valley I inclusionary development located at Block 4201, Lot 29 in the Borough; (ii) 50 affordable family rental units within the Riverbend inclusionary development located at Block 42.01, Lots 26-27 in the Borough; and (iii) 30 affordable family rental units within the Woodfield Estates Phase 2 inclusionary development located at Block 1201, Lot 4; and

**WHEREAS**, the Mayor and Borough Council have since reviewed the Amended Fourth Round Housing Element and Fair Share Plan, and now desire to endorse the 2026 Amended Housing Element and Fair Share Plan previously adopted by the Planning Board of the Borough of Florham Park on February 9, 2026.

**NOW, THEREFORE, BE IT RESOLVED**, by the Mayor and Borough Council of the Borough of Florham Park, in the County of Morris, and State of New Jersey, as follows:

1. The Borough of Florham Park does hereby endorse the Amended Fourth Round Housing Element and Fair Share Plan, as adopted by the Borough of Florham Park Planning Board on February 9, 2026.
2. With respect to the Borough's preservation of the affordable family rental units at Sun Valley I, Riverbend and Woodfield Estates, the affordability controls on these family rental units were extended by official action of the Borough by adoption of ordinances #25-28, #25-29 and #25-30 on October 16, 2025, and nothing herein shall be construed as a waiver or relinquishment of the Borough's rights to claim credits and bonus credits for same.
3. The Borough's Special Affordable Housing Counsel and Borough Planner are hereby directed to file the Borough's Amended Fourth Round Housing Element and Fair Share Plan, this Resolution and all relevant supporting documentation and exhibits with the Court in the Borough's 2025 Action in accordance with the requirements of Directive #14-24 and P.L. 2024, c.2.
4. Should any objection to the Borough's Amended Fourth Round Housing Element and Fair Share Plan be filed, the Borough's Special Affordable Housing Counsel and Municipal Planner are hereby directed to defend the Borough against such objection(s) and take all necessary steps to secure a Certification of Compliance and Repose.
5. The Borough Municipal Attorney, Borough Special Affordable Housing Counsel and Municipal Planner and all other appropriate officials, employees and other professionals of the Borough are hereby authorized and directed to take any and all steps necessary to effectuate the purposes of this Resolution such that the Borough secures a Certification of Compliance and Repose and maintains its immunity from exclusionary zoning and builder's remedy.



6. A certified copy of this Resolution and the Borough's Amended Fourth Round Housing Element and Fair Share Plan shall remain on file with the Borough Municipal Clerk's Office for the purpose of public inspection, and shall be uploaded to the Borough's website by the Borough's Municipal Clerk in accordance with the requirements of the FHA-2 and Directive #14-24.
7. The Borough further reserves the right to amend the 2026 Amended Housing Element and Fair Share Plan, should such further amendments be required or necessary.
8. Notice of this action shall be published electronically and in the official newspapers for the Borough Florham Park in accordance with law
9. This Resolution shall take effect immediately

Council Approval: March 11, 2026

Mark Taylor, Mayor

Attest:

Danielle M. Lewis, RMC, Municipal Clerk

**I HEREBY CERTIFY** this to be a true and correct Resolution of the Mayor and Borough Council of the Borough of Florham Park, and adopted on March 11, 2026.

Danielle M. Lewis, RMC, Municipal Clerk



**BOROUGH OF FLORHAM PARK  
COUNTY OF MORRIS, STATE OF NEW JERSEY  
RESOLUTION #26-71**

**A RESOLUTION OF THE MAYOR AND COUNCIL OF THE BOROUGH OF FLORHAM PARK  
IN THE COUNTY OF MORRIS, STATE OF NEW JERSEY, ADOPTING AND/OR  
REAFFIRMING THE BOROUGH'S REHABILITATION PROGRAM MANUAL, ACCESSORY  
APARTMENT PROGRAM MANUAL, AFFORDABILITY ASSISTANCE PROGRAM POLICIES  
AND PROCEDURES MANUAL, AND AFFORDABLE HOUSING ADMINISTRATIVE AGENT  
POLICIES AND PROCEDURES MANUAL**

**WHEREAS**, in 2024 the New Jersey Legislature amended the New Jersey Fair Housing Act, N.J.S.A. 52:27D-301 et seq. ("FHA") through the adoption of P.L. 2024, c.2 ("FHA-2"); and

**WHEREAS**, amongst other things, P.L. 2024, c.2 abolished the Council on Affordable Housing (COAH), created the Affordable Housing Dispute Resolution Program ("Program") and established new procedures and deadlines for municipalities to come into compliance with the FHA-2 and the *Mount Laurel* doctrine for each future ten-year affordable housing round beginning with the Fourth Round, which began on July 1, 2025 and ends on June 30, 2035; and

**WHEREAS**, in December 2024 the Administrative Office of the Courts issued Directive #14-24, which sets forth additional procedures all municipalities must follow to come into compliance with the FHA-2 in order to maintain immunity from exclusionary zoning and builder's remedy litigation through the Program process set forth in P.L. 2024, c.2; and

**WHEREAS**, in compliance with P.L. 2024, c. 2 and Directive #14-24, the Borough of Florham Park timely filed a declaratory judgment action with the Program on January 21, 2025, which is entitled In re Borough of Florham Park, Docket No.: MRS-L-157-25 (Borough's "2025 Action"); and

**WHEREAS**, on April 29, 2025 Morris/Sussex County Mount Laurel Judge, the Honorable Janine M. Allen, J.S.C., issued an Order in the Borough's 2025 Action fixing the Borough's Fourth Round pre-credited/unadjusted Present Need Obligation at "66" and gross Prospective Need Obligation at "305" and directed the Borough to adopt its Fourth Round Housing Element and Fair Share Plan and upload same to the Program on or before June 30, 2025; and

**WHEREAS**, in accordance with the requirements of Directive #14-24 and P.L. 2024, c.2, and the above-referenced Order issued by Judge Allen, the Borough Municipal Planner prepared the Borough's 2025 Housing Element and Fair Share Plan, dated June 11, 2025 ("2025 HEFSP"); and

**WHEREAS**, on timely prior notice to the public, on June 23, 2025 the Borough of Florham Park Planning Board adopted the Borough's 2025 HEFSP following a public hearing thereon, and on June 25, 2025 the Mayor and Borough Council adopted a resolution endorsing the 2025 HEFSP; and

**WHEREAS**, following same the Borough timely filed the 2025 HEFSP with the Program prior to June 30, 2025 in accordance with the requirements of the FHA-2; and



**WHEREAS**, thereafter Fair Share Housing Center (FSHC) and various developers filed challenges to the Borough's HEFSP; and

**WHEREAS**, the Borough subsequently participated in good faith in the Program process established under FHA-2 to address various challenges to the Borough's 2025 HEFSP, including settlement hearings and Session hearings before Program Judge the Hon. Menelaos W. Toskos, P.J. CH. (Ret.) on November 13, 2025, December 19, 2025, and December 29, 2025; and

**WHEREAS**, as a result of the Program process, the Borough was able to resolve the challenged issues with FSHC and reached a Negotiated Mediation Agreement with FSHC, which was approved by the Mayor and Borough Council by Resolution #25-273 and fully executed by both parties on December 31, 2025 ("Settlement"); and

**WHEREAS**, following review of the Settlement, Program Judge Toskos issued a Program Decision Recommendation on February 5, 2026, wherein Judge Toskos found the terms of the Settlement to be fair, reasonable and adequately protect the interest of low and moderate-income residents, constitutional compliant, and provide a fair and reasonable opportunity for the Borough to meet its obligations under the FHA-2 and *Mount Laurel* doctrine; and

**WHEREAS**, on March 9, 2026 Morris/Sussex County Mount Laurel Judge, the Honorable Janine M. Allen, J.S.C., issued an Order in the Borough's 2025 Action which incorporated and affirmed Judge Toskos' Program Decision Recommendation, and directed the Borough to adopt all amendments to the Borough's 2025 HEFSP and all implementing ordinances and resolutions and file same in the Borough's 2025 Action on or before March 16, 2026 as a condition of securing a Certification of Compliance and Repose; and

**WHEREAS**, pursuant to the FHA-2, the issuance of a Certification of Compliance and Repose from the County Mount Laurel Judge entitles a compliant municipality to continued immunity from exclusionary zoning and builder's remedy litigation for the remaining 10-year Fourth Round; and

**WHEREAS**, in accordance with the Court's Order, the Borough of Florham Park Planning Board adopted the required amendments to the Borough's Fourth Round Housing Element and Fair Share Plan on February 9, 2026, which has since been approved/endorsed by the Borough Council on March 11, 2026 (hereinafter the "Amended Fourth Round HEFSP" or "Amended HEFSP"), and sets forth the Borough's plans and compliance mechanisms to meet its pre-credited/unadjusted Present Need Obligation of "66" and gross Prospective Need Obligation of "305"; and

**WHEREAS**, on December 15, 2025 the New Jersey Housing and Mortgage Finance Agency adopted amendments to the Uniform Housing Affordability Controls at N.J.A.C. 5:80-26.1 et seq. ("UHAC") and the New Jersey Division of Local Planning Services (DLPS) adopted the Fair Housing Act Rules at N.J.A.C. 5:99-1 et seq.; and



**WHEREAS**, in furtherance of the Court's Order the Borough has since adopted updated affordable housing ordinances, an amended Fourth Round Spending Plan and a Fourth Round Affirmative Marketing Plan/Program, which are designed to implement and fulfill the constitutional, statutory and regulatory requirements of the Mount Laurel doctrine, the FHA, FHA-2, the UHAC, the Fair Housing Act Rules, New Jersey Supreme Court upheld COAH regulations at N.J.A.C. 5:93 and 5:97, and the Borough's Amended Fourth Round HEFSP (hereinafter collectively the "Affordable Housing Laws"); and

**WHEREAS**, the Borough already has in place an existing Rehabilitation Program in place that was approved by the Court in the Borough's prior round affordable action in order to meet the Borough's Third Round Present Need Obligation (or "Rehabilitation Obligation"); and

**WHEREAS**, Borough's court approved Rehabilitation Program is supervised by and through the Morris County Community Development and Home Program pursuant to an existing Inter-local Services Agreement with Morris County, dated April 24, 2017, and which provides qualifying very-low, low- and moderate-income households within the Borough with assistance in completing essential home repairs in exchange for a deed restriction covering such properties receiving repairs for at least 10 years;

**WHEREAS**, in order to meet the Borough's Fourth Round Present Need, the Borough desires to continue its Rehabilitation Program through its participation in the Morris County Community Development and Home Program through the Borough's existing Inter-local Services Agreement with Morris County and proposes to update the

**WHEREAS**, the Mayor and Borough Council further desire to reaffirm the Borough's existing "Home Improvement Program, Policies and Procedures Manual" dated February 27, 2019, and update same, as necessary, to meet with the recent changes to the Affordable Housing Laws; and

**WHEREAS**, pursuant to the Borough's Amended HEFSP and Affordable Housing Spending Plan and the Borough's affordable housing ordinances, the Borough has established an Accessory Apartment Program and an updated Affordability Assistance Program; and

**WHEREAS**, the Mayor and Borough Council desire to adopt and approve the Borough's updated Accessory Apartment Program and Affordability Assistance Program, as set forth in the Borough's Amended HEFSP and Amended Affordable Housing Spending Plan; and

**WHEREAS**, the Borough has a professional services agreement with the Community Grants, Planning and Housing ("CGP&H"), pursuant to which the CGP&H provides trained New Jersey Certified Affordable Housing Administrative Agents who are responsible, amongst other things, to assist the Borough in enforcing the Affordable Housing Laws, and oversee and administer the Borough's affordable housing programs, affordable housing stock and affordability controls in accordance with the requirements of the FHA, FHA-2, the UHAC, the DLPS Affordable Housing Regulations, the Borough's affordable housing ordinances, and the Borough's Amended HEFSP; and



**WHEREAS**, the Mayor and Borough now desire to reaffirm and continue with the Borough's Rehabilitation Program, Accessory Apartment Program, Affordability Assistance Program Policies and Procedures Manual and Affordable Housing Administrative Agent Policies and Procedures Manuals, and authorize the Borough's professionals to make any amendments to same, so that such programs are administered in compliance with the Borough's Amended HEFSP and recent changes in the Affordable Housing Laws referenced hereinabove.

**NOW, THEREFORE, BE IT RESOLVED**, by the Mayor and Borough Council of the Borough of Florham Park, in the County of Morris, and State of New Jersey, as follows:

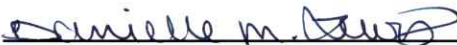
1. The Borough Council does hereby reaffirm and approve the continuation of the Borough's Rehabilitation Program, Accessory Apartment Program, Affordability Assistance Program Policies and Procedures Manual and Affordable Housing Administrative Agent Policies and Procedures Manual ("Fourth Round Program Documents"), and approves all updates and amendments to same that are necessary in order to bring the Borough's Fourth Round Programs into in compliance with the recent changes to the Affordable Housing Laws and the Borough's Amended HEFSP adopted by the Borough Planning Board on February 9, 2026.
2. The Borough's Municipal Attorney, Borough Special Affordable Housing Counsel and Borough Planner are hereby directed to prepare any updates to the Borough's Fourth Round Program Documents and file same and this Resolution with the Court in the Borough's 2025 Action in accordance with the requirements of Directive #14-24 and P.L. 2024, c.2.
3. The Borough Municipal Attorney, Borough Special Affordable Housing Counsel and Borough Planner and all other appropriate Borough officials, employees and other professionals of the Borough are hereby authorized and directed to take any and all steps necessary to effectuate the purposes of this Resolution such that the Borough secures a Certification of Compliance and Repose and maintains its immunity from exclusionary zoning and builder's remedy.
4. A certified copy of this Resolution and the Borough's Fourth Round Program Documents shall remain on file with the Borough Municipal Clerk's Office for the purpose of public inspection, and shall be uploaded to the Borough's website by the Borough's Municipal Clerk in accordance with the requirements of the FHA-2 and Directive #14-24.
5. The Borough further reserves the right to amend the Borough's Fourth Round Program Documents, should such further amendments be required or necessary.
6. Notice of this action shall be published electronically and in the official newspapers for the Borough of Florham Park in accordance with law.
7. This Resolution shall take effect immediately.



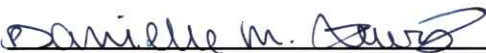
Council Approval: March 11, 2026

  
\_\_\_\_\_  
Mark Taylor, Mayor

Attest:

  
\_\_\_\_\_  
Danielle M. Lewis, RMC, Municipal Clerk

**I HEREBY CERTIFY** this to be a true and correct Resolution of the Mayor and Borough Council of the Borough of Florham Park, and adopted on March 11, 2026.

  
\_\_\_\_\_  
Danielle M. Lewis, RMC, Municipal Clerk