

**CITY OF SEA ISLE CITY
NEW JERSEY**

**REGULAR MEETING – FEBRUARY 10, 2026 – 10:00 AM
COUNCIL CHAMBERS – 3RD FLOOR - CITY HALL - 233 JFK BOULEVARD**

A G E N D A

CALL TO ORDER

PLEDGE OF ALLEGIANCE AND PRAYER

ROLL CALL

APPROVAL OF MINUTES

OPEN PUBLIC MEETINGS ACT ANNOUNCEMENT

**REPORTS–MAYOR & ADMINISTRATION - 2026 BUDGET PRESENTATION BY MAYOR DESIDERIO
AND STATE OF THE CITY ADDRESS**

REPORTS - COUNCIL MEMBERS

ORDINANCES- Introduction & First Reading

1731 – AN ORDINANCE TO AMEND THE REVISED GENERAL ORDINANCES OF THE CITY OF SEA ISLE CITY, CHAPTER 26 TO IMPLEMENT FAIR SHARE HOUSING AGREEMENT TERMS AND RESOLVE A DISCREPANCY IN THE LANGUAGE USED IN THE GENERAL REQUIREMENTS FOR MAXIMUM BUILDING HEIGHT

1732 - AN ORDINANCE TO AMEND THE REVISED GENERAL ORDINANCES OF THE CITY OF SEA ISLE CITY, ARTICLE IVA "AFFORDABLE HOUSING" CHAPTER 26, SECTION 43 TO IMPLEMENT FAIR SHARE HOUSING AGREEMENT TERMS

CITIZEN COMMENT ~ Resolution on Consent Agenda

RESOLUTION – Consent Agenda:

015 Approval of Vouchers

016 Re-Appointing Members to the Zoning Board

017 Determining the Fund Maintained by the City for Lifeguard Pensions is Adequate for the Fund to Meet its Obligations

018 Authorizing Award of Contract for Project SIC 0264 Reconstruction Various Streets 31st & 49th Landis to Central and 75th , Central to Bay end (South State \$366,757.50)

PENDING BUSINESS

NEW BUSINESS

CITIZEN COMMENT

ADJOURNMENT

**CITY OF SEA ISLE CITY
NEW JERSEY**

ORDINANCE NO.1731(2026)

**AN ORDINANCE TO AMEND THE REVISED GENERAL ORDINANCES OF THE
CITY OF SEA ISLE CITY, CHAPTER 26 TO IMPLEMENT FAIR SHARE HOUSING
AGREEMENT TERMS AND RESOLVE A DISCREPANCY IN THE LANGUAGE USED
IN THE GENERAL REQUIREMENTS FOR MAXIMUM BUILDING HEIGHT**

WHEREAS, from time to time, periodic revisions are made to the Revised General Ordinances as deemed appropriate; and

WHEREAS, the New Jersey Council on Affordable Housing (hereinafter “COAH”) has promulgated rules, set forth in N.J.A.C. sections 5:93 and 5:91, concerning the substantive and procedural requirements for obtaining judicial certification of the City’s Housing Elements and Fair Share Plan; and

WHEREAS, On March 10, 2015, the New Jersey Supreme Court transferred responsibility to review and approve housing elements and fair share plans from COAH to designated Mount Laurel trial judges within the Superior Court division; and

WHEREAS, the City of Sea Isle City (hereinafter the “City” or “Sea Isle”) having filed a resolution of participation in the Affordable Housing Dispute Program (hereinafter the “Program”) and a declaratory judgment action pursuant to N.J.S.A. 52:27-7D-301 to -329.20 (hereinafter the “Fair Housing Act”) on January 29, 2025; and

WHEREAS, the Court entered an order on March 27, 2025, setting the City’s Fourth Round fair share obligations and ordering the City to file a Housing Element and Fair Share Plan (hereinafter “HEFSP”) by June 30, 2025; and

WHEREAS, On August 27, 2025, Fair Share Housing Center (hereinafter “FSHC”) filed a challenged pursuant to N.J.S.A. 52:27D-304.1(f)(2)(b) regarding the City’s filed HEFSP; and

WHEREAS, On December 18, 2025, the City entered into a Mediation Agreement memorializing the settlement terms with FSHC that determined the City’s prior round, present, and fourth round obligations which was uploaded to the Mount Laurel trial judge pursuant to N.J.S.A. 52:27D-304.1(f)(2)(b) and Administrative Directive #14-24, which if approved would result in a certification of compliance with the Fair Housing Act; and

WHEREAS, on February 3, 2026, the New Jersey Superior Court approved the Mediation Agreement memorializing the settlement terms; and

WHEREAS, the Revised General Ordinances of Sea Isle City contain language that conflicts with the Mediation Agreement and in order to meet full compliance and receive a declaratory judgment from the Superior Court this difference in language must be resolved; and

WHEREAS, from time to time, periodic reviews of the Revised General Ordinances by the City uncover discrepancies in language between the various requirements in the zoning ordinance; and

WHEREAS, one such discrepancy was discovered between the language used in the general requirements for the maximum height of buildings and the maximum height of buildings in each specific zone; and

WHEREAS, the City's intention is to correct this discrepancy by amending the general requirements for the maximum height to match the language used for building height requirements in each zone; and

NOW, THEREFORE, BE IT ORDAINED by the Council of the City of Sea Isle City, County of Cape May and State of New Jersey as follows:

SECTION I. Chapter 26 Section 43.2.2 of the Revised General Ordinances of the City of Sea Isle City, entitled "Requirements" is hereby amended as follows: (added text is underlined and deleted text is stricken)

26-43.2.2. Requirements.

- c. For inclusionary projects in which the low- and moderate-income units are to be offered for sale, the set-aside percentage shall be 20%; for projects in which the low- and moderate-income units are to be offered for rent, the set-aside percentage should be ~~15%~~. 20%.

SECTION II. Chapter 26 Section 43.2.3 of the Revised General Ordinances of the City of Sea Isle City, entitled "Payment in Lieu of Unit Development" is hereby amended as follows: (added text is underlined and deleted text is stricken)

26-43.2.3. Payment in Lieu of Unit Development.

- a. Developers unable to provide the ~~16.6%~~ 20% affordable housing units on site will have the option of providing the units as family affordable housing units elsewhere in the municipality. In a case when fractional units would be required, a payment-in-lieu of providing the fractional affordable units will be permitted.
- b. The payment-in-lieu amount for the fractional unit as provided for in item a, above, shall be as recommended by the ~~Council on~~ Affordable Housing formulas, which in the past has resulted in an amount of \$182,859 per unit. This would require any developer who has a fractional unit as part of their affordable housing obligation ~~chooses not to, or is not able to, to provide all or part of the required affordable units to~~ make a payment to the City in the amount of \$182,859 or current amount based on acceptable Affordable Housing formulas per unit, to be deposited into the City's Affordable Housing Trust Fund. The affordable housing requirement shall not be rounded.

SECTION III. Chapter 26 Section 43.3.3 of the Revised General Ordinances of the City of Sea Isle City, entitled “Incentives for Affordable Housing Development” is hereby amended as follows: (added text is underlined and deleted text is stricken)

26-43.3.3. Incentives for Affordable Housing Development.

- a. For all mixed-use/residential development, any developer seeking five units or more shall set aside ~~16.6%~~ 20% of the units (one affordable unit for every five market-rate units by the developer) for development as affordable housing units. The developer shall be permitted an increase in density from the allocation of four upper-story residential units per each 5,000-square-foot lot, as permitted as of November 14, 2017, to an increased density allowing six upper-story residential units per each 5,000-square-foot lot.

SECTION IV. Chapter 26 Section 43.3.4 of the Revised General Ordinances of the City of Sea Isle City, entitled “Payment in Lieu of Unit Development” is hereby amended as follows: (added text is underlined and deleted text is stricken)

26-43.3.4. Payment in Lieu of Unit Development.

- a. Developers unable to provide the ~~16.6%~~ 20% affordable housing units on site will have the option of providing the units as family affordable housing units elsewhere in the municipality. In a case when fractional units would be required, a payment-in-lieu of providing the fractional affordable units will be permitted.
- b. The payment-in-lieu amount for the fractional unit as provided for in item a. above, shall be as recommended by the ~~Council on~~ Affordable Housing formulas, which in the past has resulted in an amount of \$182,859 per unit. This would require any developer who has a fractional unit as part of their affordable housing obligation ~~chooses not to, or is not able to, to provide all or part of the required affordable units to~~ make a payment to the City in the amount of \$182,859 or current amount based on acceptable Affordable Housing formulas per unit, to be deposited into the City's Affordable Housing Trust Fund. The affordable housing requirement shall not be rounded.

SECTION V. Chapter 26 Section 52.7 of the Revised General Ordinances of the City of Sea Isle City, entitled “Mixed Nonresidential and Residential Standards” is hereby amended as follows: (added text is underlined and deleted text is stricken)

26-52.7 Mixed Nonresidential and Residential Standards.

- e. Any development which creates multi-family residential units is subject to the provisions relating to affordable housing under Section 26-43.2.

SECTION VI. Chapter 26 Section 53.7 of the Revised General Ordinances of the City of Sea Isle City, entitled “Mixed Nonresidential and Residential Standards” is hereby amended as follows: (added text is underlined and deleted text is stricken)

26-53.7 Mixed Nonresidential and Residential Standards.

e. Any development which creates multi-family residential units is subject to the provisions relating to affordable housing under Section 26-43.2.

SECTION VII. Chapter 26 Section 54.7 of the Revised General Ordinances of the City of Sea Isle City, entitled “Mixed Nonresidential and Residential Standards” is hereby amended as follows: (added text is underlined and deleted text is stricken)

26-54.7 Mixed Nonresidential and Residential Standards.

e. Any development which creates multi-family residential units is subject to the provisions relating to affordable housing under Section 26-43.2.

SECTION VIII. Chapter 26 Section 55.13 of the Revised General Ordinances of the City of Sea Isle City, entitled “Mixed Nonresidential and Residential Standards” is hereby amended as follows: (added text is underlined and deleted text is stricken)

26-55.13 Mixed Nonresidential and Residential Standards.

e. Any development which creates multi-family residential units is subject to the provisions relating to affordable housing under Section 26-43.2.

SECTION IX. Chapter 26 Section 56.14 of the Revised General Ordinances of the City of Sea Isle City, entitled “Mixed Nonresidential and Residential Standards” is hereby amended as follows: (added text is underlined and deleted text is stricken)

26-56.14 Mixed Nonresidential and Residential Standards.

e. Any development which creates multi-family residential units is subject to the provisions relating to affordable housing under Section 26-43.2.

SECTION X. Chapter 26 Section 21.1 of the Revised General Ordinances of the City of Sea Isle City, entitled “Principal Buildings or Structures” is hereby amended as follows: (added text is underlined and deleted text is stricken)

26-21.1 Principal Buildings or Structures.

- a. Unless specified in the regulations of a particular zoning district, the height of principal buildings or structures in all residential districts and residential structures in nonresidential districts shall not exceed thirty-three (33') feet in a "V" Zone or thirty-two (32') feet in an "A" Zone above the height standards set forth in ~~the flood damage prevention ordinance in subsection 14 3.2~~ the local design flood elevation as determined in Chapter 14 entitled “Flood Damage Prevention.” where there is a pitched roof, or twenty-six (26') feet in a "V" Zone or twenty-five (25') feet in an "A" Zone

above the height standards set forth in ~~the flood damage prevention ordinance in subsection 14-3.2,~~ the local design flood elevation as determined in Chapter 14 entitled "Flood Damage Prevention," where there is a flat roof.

- b. Unless specified in the regulations of a particular zoning district, the height of principal nonresidential buildings or structures in all commercial districts shall not exceed thirty-three (33') feet in a "V" Zone or thirty-two (32') feet in an "A" Zone above the height standards set forth in ~~the flood damage prevention ordinance in subsection 14-3.2~~ the local design flood elevation as determined in Chapter 14 entitled "Flood Damage Prevention," where there is a pitched roof, or twenty-six (26') feet in a "V" Zone or twenty-five (25') feet in an "A" Zone above the height standards set forth in ~~the flood damage prevention ordinance in subsection 14-3.2~~ local design flood elevation as determined in Chapter 14 entitled "Flood Damage Prevention," where there is a flat roof.

SECTION XI. Severability. If for any reason any section of this Ordinance shall be declared illegal by any Court of competent jurisdiction, the remaining section of the Ordinance shall remain in full force and effect, notwithstanding.

SECTION XII. Repealer. Any Ordinance or provision thereof inconsistent with this Ordinance is hereby repealed to the extent of such inconsistency.

SECTION XIII. Publication. This Ordinance shall take effect immediately upon the adoption and publication in accordance with the law.

Mary Tighe, Council President

Mayor Leonard C. Desiderio

I HEREBY CERTIFY THAT the foregoing ordinance was duly passed by the City Council of the City of Sea Isle City, New Jersey on first reading at the regular meeting of said Council held on the 10th day of February, 2026 and will be taken up for second reading, public hearing and final passage at the regular meeting of said Council held on the 10th day of March, 2026, in City Hall, 3rd Floor Council Chambers, 233 JFK Blvd., Sea Isle City, New Jersey at 10:00 a.m.

Shannon D. Romano, Municipal Clerk

MEMORANDUM

TO: Shannon Romano, RMC, CMR
Municipal Clerk
Sea Isle City

FROM: Tiffany A. Morrissey, PP, AICP

RE: Affordable Housing Ordinance Amendments

DATE: February 9, 2026

I have prepared an ordinance for the amendment of the City's affordable housing regulations. The ordinance repeals and replaces Chapter 26-43 through 43.1.20. This part of the ordinance updates the regulations governing how affordable housing units are marketed, monitored, required deed restrictions and priced and other similar items. The ordinance also repeals and replaces Chapter 26-43.4 through 43.4.8 which regulates non-residential development fees.

The regulations in both of these ordinances is governed and controlled by New Jersey regulations under the Uniform Housing and Affordability Controls (UHAC) Requirements NJAC 5:80-26 and New Jersey Fair Housing Act Regulations NJAC 5:99 (both adopted December 15, 2025). These ordinances are mandatory in every municipality which has an adopted Housing Element and Fair Share Plan and a Development Fee Ordinance.

The amendments to the referenced ordinances incorporate the changes to the newly adopted regulations.

Please feel free to contact me with any questions.

Cc: Paul Baldini, Esq.

**CITY OF SEA ISLE CITY
NEW JERSEY**

ORDINANCE NO. 1732 (2026)

**AN ORDINANCE TO AMEND THE REVISED GENERAL ORDINANCES OF THE
CITY OF SEA ISLE CITY, “AFFORDABLE HOUSING” CHAPTER 26, SECTION 43
TO IMPLEMENT FAIR SHARE HOUSING AGREEMENT TERMS**

WHEREAS, in accordance with N.J.S.A. 52:27D-304.1 et seq., the Governing Body of the City of Sea Isle intends upon amending “Affordable Housing” Chapter 26, Section 43, so as to incorporate and implement its present and prospective Fair Share Plan as provided by the Fair Housing Act, N.J.S.A. 52:27D-301 et al.; and

WHEREAS, on June 9, 2025 the Planning Board of the City of Sea Isle, Cape May County, State of New Jersey, adopted a Resolution approving a Fourth Round Housing Element of the Master Plan and Fair Share Plan; and

WHEREAS, on June 10, 2025 the City Governing Body endorsed the Fourth Round Housing Element and Fair Share Plan adopted by the Land Use Board; and

WHEREAS, the Governing Body of the City of Sea Isle intends upon considering the adoption of an Ordinance amending, Chapter 26, Section 43 of the Code of the City of Sea Isle, to implement the required affordable housing ordinances, development fee ordinances and implementing ordinances, and has introduced on first reading Ordinance 1731 - 2026 and moved to submit the same to the Planning Board of the City of Sea Isle for consideration and recommendation; and

WHEREAS, the City Planning Board recommends the adoption of this ordinance pursuant to the approval of the Housing Element and Fair Share Plan and Spending Plan to the Governing Body in accordance with the requirements of N.J.S.A. 40:55D-64. The Planning Board found that the proposed ordinance is consistent with the adopted Master Plan Elements and made a favorable recommendation supporting the ordinance amendments at their March 9, 2026 meeting.

NOW THEREFORE, BE IT ORDAINED by the Governing Body of the City of Sea Isle, County of Cape May, State of New Jersey that, Chapter 26, Section 43 of the Code of the City of Sea Isle, be amended, revised and supplemented in accordance with the following:

SECTION I. REPEAL AND REPLACE Chapter 26 Sections 26-43.1 through 26-43.1.20 regarding Affordable Housing with the following:

Section 26-43.1 Affordable Housing

A. Introduction & Applicability

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

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

Section 23-43.1.1 Definitions

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 are were not produced on a site zoned for an inclusionary development. The statutory permission for payments in lieu of constructing affordable units was eliminated per P.L. 2024, c.2.

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

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

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

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

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

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

“Random selection process” means a lottery process by which currently income-eligible applicant-households are selected, at random, for placement in affordable housing units such that no preference is given to one applicant over another, except in the case of a veterans’

preference where such an agreement exists; for purposes of matching household income and size with an appropriately priced and sized affordable unit; or another purpose allowed pursuant to N.J.A.C. 5:80-26.7(k)3. This definition excludes any practices that would allow affordable housing units to be leased or sold on a first-come, first-served basis.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Section 26-43.1.2 Monitoring and Reporting Requirements

A. 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.

Section 26-43.1.3 New Construction

A. New Construction (per N.J.A.C. 5:93 as may be updated per various sections in N.J.A.C. 5:97 and N.J.S.A. 52:27D-301 et seq.). Per the definition of “New Construction,” this section governs the creation of new affordable housing units regardless of the means by which the units are created. Newly constructed units may include new residences constructed or created through other means.

1. The following requirements shall apply to all new or planned developments that contain very low-, low- and moderate-income housing units. To the extent possible, details related to the adherence to the requirements below shall be outlined in the resolution granting municipal subdivision or site plan approval of the project to assist municipal representatives, developers and Administrative Agents.
2. Completion Schedule (previously known as phasing). Final site plan or subdivision approval shall be contingent upon the affordable housing development meeting the following completion schedule for very low-, low- and moderate-income units whether developed in a single-phase development, or in a multi-phase development:

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

3. Design. The following design requirements apply to affordable housing developments, excluding prior round units.
 - a. Design of 100 percent affordable developments:
 - i. Restricted units must meet the minimum square footage required for the number of inhabitants for which the unit is marketed and the minimum square footage required for each bedroom, as set forth in the Neighborhood Preservation Balanced Housing rules at N.J.A.C. 5:43-2.4.

- ii. Each bedroom in each restricted unit must have at least one window.
 - iii. Restricted units must include adequate air conditioning and heating.
- b. Design of developments comprising market-rate rental units and restricted rental units. The following does not apply to prior round units, unless stated otherwise.
- i. Restricted units must use the same building materials and architectural design elements (for example, plumbing, insulation, or siding) as market-rate units of the same unit type (for example, flat or townhome) within the same development, except that restricted units and market-rate units may use different interior finishes. This shall apply to prior round units.
 - ii. Restricted units and market-rate units within the same affordable development must be sited such that restricted units are not concentrated in less desirable locations.
 - iii. Restricted units may not be physically clustered so as to segregate restricted and market-rate units within the same development or within the same building, but must be interspersed throughout the development, except that age-restricted and supportive housing units may be physically clustered if the clustering facilitates the provision of on-site medical services or on-site social services. Prior round affordable units shall be integrated with market rate units to the extent feasible.
 - iv. Residents of restricted units must be offered the same access to communal amenities as residents of market-rate units within the same affordable development. Examples of communal amenities include, but are not limited to, community pools, fitness and recreation centers, playgrounds, common rooms and outdoor spaces, and building entrances and exits. This shall apply to prior round units.
 - v. Restricted units must include adequate air conditioning and heating and must use the same type of cooling and heating sources as market-rate units of the same unit type. This shall apply to prior round units.
 - vi. Each bedroom in each restricted unit must have at least one window.
 - vii. Restricted units must be of the same unit type as market-rate units within the same building.
 - viii. Restricted units and bedrooms must be no less than 90 percent of the minimum size prescribed by the Neighborhood Preservation Balanced Housing rules at N.J.A.C. 5:43-2.4.
- c. Design of developments containing for-sale units, including those with a mix of rental and for-sale units. Restricted rental units shall meet the requirements of section b above. Restricted sale units shall comply with the below:
- i. Restricted units must use the same building standards as market-rate units of the same unit type (for example, flat, townhome, or single-family home), except that restricted units and market-rate units may use different interior finishes. This shall apply to prior round units.
 - ii. Restricted units may be clustered, provided that the buildings or housing product types containing the restricted units are integrated throughout the development and are not concentrated in an undesirable location or in undesirable locations. Prior round affordable units shall be integrated with market rate units to the extent feasible.
 - iii. Restricted units may be of different unit housing product types than market-rate units, provided that there is a restricted option available for each market rate housing type. Developments containing market-rate duplexes, townhomes, and/or single-family homes shall offer restricted housing options that also include duplexes, townhomes, and/or single-family homes. Penthouses and higher priced end townhouses may be exempt from this requirement. The proper ratio for restricted to market-rate unit type shall be subject to municipal ordinance or, if not specified, shall be determined at the time of site plan approval.
 - iv. Restricted units must meet the minimum square footage required for the number of inhabitants for which the unit is marketed and the minimum square footage required for each bedroom, as set forth in the Neighborhood Preservation Balanced Housing rules at N.J.A.C. 5:43-2.4.

- v. Penthouse and end units may be reserved for market-rate sale, provided that the overall number, value, and distribution of affordable units across the development is not negatively impacted by such reservation(s).
 - vi. Residents of restricted units must be offered the same access to communal amenities as residents of market-rate units within the same affordable development. Examples of communal amenities include, but are not limited to, community pools, fitness and recreation centers, playgrounds, common rooms and outdoor spaces, and building entrances and exits. This shall apply to prior round units.
 - vii. Each bedroom in each restricted unit must have at least one window; and
 - viii. Restricted units must include adequate air conditioning and heating.
4. Utilities.
- a. Affordable units shall utilize the same type of cooling and heating source as market-rate units within the affordable housing development.
 - b. Tenant-paid utilities that are included in the utility allowance shall be so stated in the lease and shall be consistent with the utility allowance in accordance with N.J.AC 5:80-26.13(e).
5. Low/moderate split and bedroom distribution.
- a. Affordable units shall be divided equally between low- and moderate-income units, except that where there is an odd number of affordable housing units, the extra unit shall be a low-income unit.
 - b. In each affordable housing development, at least 50% of the restricted units within each bedroom distribution rounded up or down to the nearest whole number shall be very low- or low-income units. (The municipality has chosen to allow rounding.)
 - 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 (The municipality has chosen to allow rounding for the bedroom distribution as indicated below):
 - i. At a minimum, the number of bedrooms within the restricted units equals twice the number of restricted units;
 - ii. Two-bedroom and/or three-bedroom units compose at least 50 percent of all restricted units;
 - iii. The combined number of efficiency and one-bedroom units shall be no greater than 20%, rounded up or down, of the total number of low- and moderate-income units.
 - iv. At least 30% of all low- and moderate-income units, rounded up or down, shall be two-bedroom units.
 - v. At least 20% of all low- and moderate-income units, rounded up or down, shall be three-bedroom units.
 - vi. The remaining units may be allocated among two- and three- bedroom units at the discretion of the developer.
 - e. Affordable housing developments that are age-restricted or supportive housing, except those supportive housing units whose sponsoring program determines the unit arrangements, shall be structured such that, at a minimum, the number of bedrooms shall equal the number of age-restricted or supportive housing low- and moderate-income units within the inclusionary development. Supportive housing units whose sponsoring program determines the unit arrangement shall comply with all requirements of the sponsoring program. The standard may be met by having all one-bedroom units or by having a two-bedroom unit for each efficiency unit. In affordable housing developments with 20 or more restricted units that are age-restricted or

supportive housing, two-bedroom units must comprise at least 5% of those restricted units.

6. Accessibility requirements.

- a. Any new construction shall be adaptable; however, elevators shall not be required in any building or within any dwelling unit for the purpose of compliance with this section. In buildings without elevator service, only ground floor dwelling units shall be required to be constructed to conform with the technical design standards of the barrier free subcode. "Ground floor" means the first floor with a dwelling unit or portion of a dwelling unit, regardless of whether that floor is at grade. A building may have more than one ground floor.
- b. Notwithstanding the exemption for townhouse dwelling units in the barrier free subcode, the first floor of all townhouse dwelling units and of all other multi-floor dwelling units that are attached to at least one other dwelling unit shall be subject to the technical design standards of the barrier free subcode and shall include the following features:
 - i. An adaptable toilet and bathing facility on the first floor;
 - ii. An adaptable kitchen on the first floor;
 - iii. An interior accessible route of travel however an interior accessible route of travel shall not be required between stories;
 - iv. An adaptable room that can be used as a bedroom, with a door, or the casing for the installation of a door that is compliant with the Barrier Free Subcode, on the first floor;
 - v. If not all of the foregoing requirements in b.i. through b.iv. can be satisfied, then an interior accessible route of travel shall be provided between stories within an individual unit; and
 - vi. An accessible entranceway as set forth in P.L. 2005, c. 350 (N.J.S.A. 52:27D-311a et seq.) and the Barrier Free Subcode, N.J.A.C. 5:23-7, or evidence that the municipality has collected funds from the developer sufficient to make 10% of the adaptable entrances in the development accessible:
 - (a) Where a unit has been constructed with an adaptable entrance, upon the request of a disabled person who is purchasing or will reside in the dwelling unit, an accessible entrance shall be installed.
 - (b) To this end, the builder of restricted units shall deposit funds within the Affordable Housing Trust Fund sufficient to install accessible entrances in 10% of the affordable units that have been constructed with adaptable entrances.
 - (c) The funds deposited shall be expended for the sole purpose of making the adaptable entrance of an affordable unit accessible when requested to do so by a person with a disability who occupies or intends to occupy the unit and requires an accessible entrance.
 - (d) The developer of the restricted units shall submit to the Construction Official a design plan and cost estimate for the conversion from adaptable to accessible entrances.
 - (e) Once the Construction Official has determined that the design plan to convert the unit entrances from adaptable to accessible meets the requirements of the Barrier Free Subcode, N.J.A.C. 5:23-7, and that the cost estimate of such conversion is reasonable, payment shall be made to the Affordable Housing Trust Fund and earmarked appropriately.
 - vii. Full compliance with the foregoing provisions shall not be required where an entity can demonstrate that it is "site-impracticable" to meet the requirements. If full compliance with this section would be site impracticable, compliance with this section for any portion of the dwelling shall be required to the extent that it is not site impracticable. Determinations of site impracticability shall comply with the Barrier Free Subcode at N.J.A.C. 5:23-7.

A. Affordable Housing Programs

1. Pursuant to amended UHAC regulations at N.J.A.C. 5:80-26.1 et seq. and, in addition, pursuant to P.L. 2024, c.2 and specifically to the amended FHA at N.J.S.A. 52:27D-311.m, “All parties shall be entitled to rely upon regulations on municipal credits, adjustments, and compliance mechanisms adopted by the Council on Affordable Housing unless those regulations are contradicted by statute, including but not limited to P.L. 2024, c.2, or binding court decisions.” The following are many of the main provisions of the COAH regulations at either N.J.A.C. 5:93 or 5:97 that have been upheld by the NJ Supreme Court. Municipalities should consult the cited full COAH regulations when preparing the HEFSP for required documentation, etc. Additional compliance details may also be included in the specific municipal program manual.
2. Rehabilitation Programs (per N.J.A.C. 5:93-5.2 with updated provisions herein per N.J.A.C. 5:97-6.2 related to credit towards a municipal present need obligation).
 - a. The rehabilitation program shall be designed to renovate deficient housing units occupied or intended to be occupied by very low-, low- and moderate-income households such that, after rehabilitation, these units will comply with the New Jersey State Housing Code pursuant to N.J.A.C. 5:28-1.1 et seq or the Rehabilitation Subcode, N.J.A.C. 5:23-6 to the extent applicable.
 - b. Both ownership and rental units shall be eligible for rehabilitation funds.
 - c. All rehabilitated units shall remain affordable to very low-, low- and moderate-income households for a period of 10 years (the control period). For owner-occupied units, the control period shall be enforced with a mortgage and note and for renter-occupied units the control period will be enforced with a deed restriction.
 - d. The municipality shall dedicate a minimum average hard cost of \$10,000 for each unit to be rehabilitated through this program and in addition shall dedicate associated rehabilitation program soft costs such as case management, inspection fees and work write-ups.
 - e. The municipality shall designate, subject to the approval of the Department, one or more Administrative Agents to administer the rehabilitation program in accordance with P.L 2024, Chapter 2. The Administrative Agent(s) shall provide rehabilitation manuals for ownership and rental rehabilitation programs. Manuals shall be adopted by resolution of the governing body. Both rehabilitation manuals shall be available for public inspection in the Office of the Municipal Clerk and on the municipal affordable housing web page.
 - f. Households determined to be very low-, low-, or moderate-income may participate in a rehabilitation program. Rehabilitated units shall be exempt from the very low-income requirements, low/mod split, and bedroom distribution requirements of UHAC, but shall be administered in accordance with the following:
 - i. If a unit is vacant at the time of rehabilitation, or if a rehabilitated unit becomes vacant and is re-rented before the expiration of the affordability controls, the deed restriction shall require that the unit be rented to a low- or moderate-income household at an affordable rent.
 - ii. If a rental unit is occupied by a tenant at the time rehabilitation is completed, the rent charged after rehabilitation shall not exceed the lesser of the tenant’s current rent or the maximum rent permitted under UHAC.
 - iii. Rents in rehabilitated units may increase annually based on the standards in UHAC.
 - iv. At the time of application, applicant households and/or tenant households shall be subject to income eligibility determinations in accordance with UHAC.
3. Market to Affordable program (per N.J.A.C. 5:97-6.9).
 - a. The market to affordable program permits the purchase or subsidization of unrestricted units through a mortgage write-down provided to an income-certified buyer or through a sale or rental as a low- or moderate-income unit to an income-eligible household. The market to affordable program may produce both low- and moderate-income units.
 - b. At the time they are offered for sale or rental, eligible units may be new, pre-owned or vacant.

- c. The units shall be certified to be in sound condition as a result of an inspection performed by a licensed building inspector.
 - d. A minimum subsidy of \$25,000 per moderate-income unit and/or \$30,000 per low-income unit shall be provided, with additional subsidy depending on the market prices or rents in a municipality.
 - e. The units shall comply with UHAC with the following exceptions:
 - i. Bedroom distribution (N.J.A.C. 5:80-26.4).
 - ii. Low/moderate income split (N.J.A.C. 5:80-26.4).
 - f. Affordability average (N.J.A.C. 5:80-26.4); however:
 - i. The maximum rent for a moderate-income unit shall be affordable to households earning no more than 60 percent of median income and the maximum rent for a low-income unit shall be affordable to households earning no more than 44 percent of median income; and
 - ii. The maximum sales price for a moderate-income unit shall be affordable to households earning no more than 70 percent of median income and the maximum sales price for a low-income unit shall be affordable to households earning no more than 40 percent of median income.
4. Assisted Living Residence (per N.J.A.C. 5:97-6.11).
- a. An assisted living residence is a facility licensed by the New Jersey Department of Health to provide apartment-style housing and congregate dining and to assure that assisted living services are available. All or a designated number of apartments in the facility shall be restricted to low- and moderate-income households.
 - b. The unit of credit shall be the apartment. However, a two-bedroom apartment shall be eligible for two units of credit if it is restricted to two unrelated individuals.
 - c. A recipient of a Medicaid waiver shall automatically qualify as a low- or moderate-income household.
 - d. Assisted living units are considered age-restricted housing in a HEFSP and shall be included with the maximum number of units that may be age-restricted.
 - e. Low- and moderate-income residents cannot be charged any upfront fees.
 - f. The units shall comply with UHAC with the following exceptions:
 - i. Affirmative marketing (N.J.A.C. 5:80-26.16); provided that the units are restricted to recipients of Medicaid waivers;
 - ii. The deed restriction may be on the facility, rather than individual apartments or rooms;
 - iii. Low/moderate income split and affordability average (N.J.A.C. 5:80-26.4); only if all of the affordable units are affordable to households at a maximum of 60 percent of median income; and
 - g. Tenant income eligibility (N.J.A.C. 5:80-26.14); up to 80 percent of an applicant's gross income may be used for rent, food and services based on occupancy type and the affordable unit must receive the same basic services as required by the Agency's underwriting guidelines and financing policies. The cost of non-housing related services shall not exceed one and two-thirds times the rent established for each unit.
5. Supportive Housing and Group Homes (per N.J.A.C. 5:97-6.10).
- a. The following provisions shall apply to group homes, residential health care facilities, and supportive shared living housing:
 - i. Units are subject to Affirmative Marketing requirements, household certification, and administrative agent oversight; and may, with the approval of the municipal housing liaison and the administrative agent, be leased either by the bedroom or to a single household in the case of multi-bedroom configurations, provided such arrangement is consistent with the Federal Fair Housing Act (Title VIII of the Civil Rights Act of 1968).
 - ii. Units may, with the approval of the administrative agent, be subject to a master lease by an approved supportive housing operator, provided that all subleases are

to be certified supportive housing households and remain fully subject to the affordability controls of this subchapter. Rents for supportive housing units shall not exceed the rent standards established and published by the New Jersey Department of Human Services.

- iii. The unit of credit shall be the bedroom. However, the unit of credit shall be the unit if occupied by a single person or household.
- iv. Housing that is age-restricted shall be included with the maximum number of units that may be age-restricted pursuant to the Act.
- v. Occupancy shall not be restricted to youth under 18 years of age.
- vi. In affordable developments with 20 or more restricted units that are supportive housing, two-bedroom units must compose at least five percent of those restricted units.
- vii. The bedrooms and/or units shall comply with UHAC with the following exceptions:
 - (a) Affirmative marketing; however, group homes, residential health care facilities, permanent supportive housing, and supportive shared living housing shall be affirmatively marketed to broadest possible population of qualified individuals with special needs in accordance with a plan approved by the sponsoring program;
 - (b) Affordability average and bedroom distribution (N.J.A.C. 5:80-26.4).
- viii. With the exception of units established with capital funding through a 20-year operating contract with the Department of Human Services, Division of Developmental Disabilities, group homes, residential health care facilities, supportive shared living housing and permanent supportive housing shall have the appropriate controls on affordability in accordance with the Act. In the event that a supportive housing provider is unable to record or execute a long-term deed restriction, the units shall be subject to annual recertification by the Municipal Housing Liaison to confirm continued occupancy and compliance with this Section.
- ix. Objective standards shall be applied in the selection of tenants for supportive housing units and shall be designed to ensure that individuals are not excluded in an arbitrary or capricious manner.
- x. The following documentation shall be submitted by the sponsor to the municipality prior to marketing the completed units or facility:
 - (a) An Affirmative Marketing Plan in accordance with D1 above; and
 - (b) If applicable, proof that the supportive and/or special needs housing is regulated by the New Jersey Department of Health and Senior Services, the New Jersey Department of Human Services or another State agency in accordance with the requirements of this section, which includes validation of the number of bedrooms or units in which low- or moderate-income occupants reside.
- xi. The sponsor/owner shall complete annual monitoring as directed by the MHL.

Section 26-43.1.5 Regional Income Limits

A. 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.

Section 26-43.1.6 Maximum Initial Rents and Sales Prices

A. 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. The maximum rent may be increased to no more than 70 percent of regional median income for moderate-income units within affordable developments where very-low-income units compose at least 13 percent of the restricted units; however, the number of units with rent affordable to households earning 70 percent of regional median income may not exceed the number of very-low-income units in excess of 13 percent (rounded up) of the restricted units.
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.

Section 26-43.1.7 Affirmative Marketing

A. 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 6 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 6 comprising Atlantic, Cape May, Cumberland and Salem Counties.
 - c. Subordinate to the regional preference, there shall be a preference for households that live and/or work in New Jersey.
 - d. With respect to existing restricted units undergoing approved rehabilitation for the purpose of preservation or to restricted units newly created to replace existing restricted units undergoing demolition, a preference for the very-low-, low-, and moderate-

income households that are displaced by the rehabilitation or demolition and replacement.

4. The municipality has the ultimate responsibility for adopting the Affirmative Marketing Plan and for the proper administration of the Affirmative Marketing Process, including the marketing of initial sales and rentals and resales and re-rentals. The Administrative Agent designated by the municipality shall implement the Affirmative Marketing Process to ensure the Affirmative Marketing of all affordable units, with the exception of affordable programs that are exempt from Affirmative Marketing as noted herein.
5. The Affirmative Marketing Process shall describe the media to be used in advertising and publicizing the availability of housing. In implementing the Affirmative Marketing Process, the Administrative Agent shall consider the use of language translations where appropriate.
6. Applications for affordable housing or notices thereof, if offered online, shall be available in several locations, including, at a minimum, the County Administration Building and/or the County Library for each county within the housing region; the municipal administration building and municipal library in the municipality in which the units are located; and the developer's rental or sales office. The developer shall mail applications to prospective applicants upon request and shall make applications available through a secure online website address.
7. In addition to other Affirmative Marketing strategies, the Administrative Agent shall provide specific notice of the availability of affordable housing units on the New Jersey Housing Resource Center website. The Township may add a list of community and regional organizations to receive notice of the availability of affordable housing units in addition to the following required entities: Fair Share Housing Center, the New Jersey State Conference of the NAACP, the Latino Action Network, the Cape May County, Mainland/Pleasantville, and Atlantic City Branches of the NAACP. 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.

Section 26-43.1.8 Selection of Occupants of Affordable Housing Units

A. 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.

Section 26-43.1.9 Occupancy Standards

A. 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.

Section 26-43.1.10 Control Periods for Restricted Ownership Units and Enforcement Mechanisms

A. 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.

Section 26-43.1.11 Price Restrictions for Restricted Ownership Units and Resale Prices

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

1. Price restrictions for restricted ownership units shall be in accordance with N.J.A.C. 5:80-26.7, as may be amended and supplemented, including:
 - a. The initial purchase price and affordability percentage for a restricted ownership unit shall be set by the Administrative Agent.

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

Section 26-43.1.12 Buyer Income Eligibility

A. 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

Section 26-43.1.13 Limitations on Indebtedness Secured by Ownership Unit; Subordination.

A. 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).

Section 26-43.1.14 Control Periods for Restricted Rental Units

A. Control Periods for Restricted Rental Units.

1. Control periods for units that meet the definition of prior round units shall be pursuant to the 2001 UHAC rules originally adopted October 1, 2001, 33 N.J.R. 3432, and amended December 20, 2004, 36 N.J.R. 5713 and shall remain subject to the requirements of this ordinance for a period of at least 30 years as applicable unless otherwise indicated.
2. Other than for prior round units, control periods for restricted rental units shall be in accordance with N.J.A.C. 5:80-26.12, as may be amended and supplemented, and each restricted rental unit shall remain subject to the requirements of this Ordinance for a period of at least 40 years. Restricted rental units created as part of developments receiving 9%

Low-Income Housing Tax Credits must comply with a control period of not less than a 30-year compliance period plus a 15-year extended use period for a total of 45 years.

3. The affordability control period for a restricted rental unit shall commence on the first date that a unit is issued a certificate of occupancy following the execution of the deed restriction or, if affordability controls are being extended, on the effective date of the extension, which is the end of the original control period.
4. Rehabilitated renter-occupied housing units that are improved to code standards shall be subject to affordability controls for a period of not less than 10 years.
5. Prior to the issuance of any building permit for the construction/rehabilitation of restricted rental units, the developer/owner and the municipality shall record a preliminary instrument provided by the Administrative Agent.
6. Deeds of all real property that include restricted rental units shall contain deed restriction language. The deed restriction shall have priority over all mortgages on the property. The deed restriction shall be recorded by the developer with the county records office, and provided as filed and recorded, to the Administrative Agent within 30 days of the receipt of a certificate of occupancy.
7. A restricted rental unit shall remain subject to the affordability controls of this Ordinance despite the occurrence of any of the following events:
 - a. Sublease or assignment of the lease of the unit;
 - b. Sale or other voluntary transfer of the ownership of the unit;
 - c. The entry and enforcement of any judgment of foreclosure on the property containing the unit; or
 - d. The end of the control period, until the occupant household vacates the unit, or is certified as over-income and the controls are released in accordance with UHAC.

Section 26-43-1.15

A. 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.

Section 26-43.1.16 Tenant Income Eligibility

A. 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.

Section 26-43.1.17 Municipal Housing Liaison

A. Municipal Housing Liaison.

1. The Municipal Housing Liaison shall be approved by municipal resolution.
2. The Municipal Housing Liaison shall be approved by the Division, or is in the process of getting approval, and fully or conditionally meets the requirements for qualifications, including initial and periodic training as set forth in in N.J.A.C. 5:99-1 et seq.
3. The Municipal Housing Liaison shall be responsible for oversight and administration of the affordable housing program, including the following responsibilities, which may not be contracted out to the Administrative Agent:
 - a. Serving as the primary point of contact for all inquiries from the Affordable Housing Dispute Resolution Program, the State, affordable housing providers, administrative agents and interested households.
 - b. The oversight of the Affirmative Marketing Plan and affordability controls.
 - c. When applicable, overseeing and monitoring any contracting Administrative Agent.

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

Section 26-43.1.18 Administrative Agent

A. 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:
 - i. Conducting an outreach process to affirmatively market affordable housing units in accordance with the Affirmative Marketing Plan of the municipality and the provisions of N.J.A.C. 5:80-26.16.
 - ii. Providing counseling, or contracting to provide counseling services, to low- and moderate-income applicants on subjects such as budgeting, credit issues, mortgage qualification, rental lease requirements; and landlord/tenant law.
 - c. Household certification.
 - i. Soliciting, scheduling, conducting and following up on interviews with interested households.
 - ii. Conducting interviews and obtaining sufficient documentation of gross income and assets upon which to base a determination of income eligibility for a low- or moderate-income unit;

- iii. Providing written notification to each applicant as to the determination of eligibility or non-eligibility within 5 days of the determination thereof.
 - iv. Requiring that all certified applicants for restricted units execute a certificate substantially in the form, as applicable, of either the ownership or rental certificates set forth in the Appendices J and K of N.J.A.C. 5:80-26.1 et seq.
 - v. Creating and maintaining a referral list of eligible applicant households living in the housing region, and eligible applicant households with members working in the housing region, where the units are located.
 - vi. Employing a random selection process as provided in the Affirmative Marketing Plan when referring households for certification to affordable units.
- d. Affordability controls.
- i. Furnishing to attorneys or closing agents forms of deed restrictions and mortgages for the recording at the time of conveyance of title of each restricted unit.
 - ii. Ensuring that the removal of the deed restrictions and cancellation of the mortgage note are effectuated and filed properly with the County Register of Deeds or County Clerk's office after the termination of the affordability controls for each restricted unit in accordance with UHAC.
 - iii. Communicating with lenders and the Municipal Housing Liaison regarding foreclosures.
 - iv. Ensuring the issuance of Continuing Certificates of Occupancy or certifications pursuant to N.J.A.C. 5:80-26.11.
- e. Records retention.
- i. Creating and maintaining a file on each restricted unit for its control period, including the recorded deed with restrictions, recorded recapture mortgage, and note, as appropriate.
 - ii. Records received, retained, retrieved, or transmitted in furtherance of crediting affordable units of a municipality constitute public records of the municipality as defined by N.J.S.A. 47:3-16, and are legal property of the municipality.
- f. Resales and re-rentals.
- i. Instituting and maintaining an effective means of communicating information between owners and the Administrative Agent regarding the availability of restricted units for resale or re-rental.
 - ii. Instituting and maintaining an effective means of communicating information to very low-, low-, or moderate-income households regarding the availability of restricted units for resale or re-rental.
- g. Processing requests from unit owners.
- i. Reviewing and approving requests from owners of restricted units who wish to refinance or take out home equity loans during the term of their ownership to determine that the amount of indebtedness to be incurred will not violate the terms of this ordinance.
 - ii. Reviewing and approving requests to increase sales prices from owners of restricted units who wish to make capital improvements to the units that would affect the selling price, such authorizations to be limited to those improvements resulting in additional bedrooms or bathrooms and the depreciated cost of central air conditioning systems.
 - iii. Notifying the municipality of an owner's intent to sell a restricted unit.
 - iv. Making determinations on requests by owners of restricted units for hardship waivers.
- h. Enforcement.
- i. Securing annually from the municipality a list of all affordable ownership units for which property tax bills are mailed to absentee owners, and notifying all such owners that they must either move back to their unit or sell it;

- ii. Securing from all developers and sponsors of restricted units, at the earliest point of contact in the processing of the project or development, written acknowledgement of the requirement that no restricted unit can be offered, or in any other way committed, to any person, other than a household duly certified to the unit by the Administrative Agent;
 - iii. Sending annual mailings to all owners of affordable dwelling units reminding them of the notices and requirements outlined in N.J.A.C. 5:80-26.19(d)4;
 - iv. Establishing a program for diverting unlawful rent payments to the municipal Affordable Housing Trust Fund; and
 - v. Creating and publishing a written operating manual for each affordable housing program administered by the Administrative Agent setting forth procedures for administering the affordability controls.
- i. The Administrative Agent(s) shall, as delegated by the municipality, have the authority to take all actions necessary and appropriate to carry out its/their responsibilities, herein.

Section 26-43.1.19 Responsibilities of the Owner of a Development Containing Affordable Units

A. 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.

Section 26-43.1.20 Enforcement of Affordable Housing Regulations

A. Enforcement of Affordable Housing Regulations

1. Upon the occurrence of a breach of any of the regulations governing the affordable unit by an owner, developer or tenant, the municipality shall have all remedies provided at law or equity, including but not limited to foreclosure, tenant eviction, municipal fines, a requirement for household recertification, acceleration of all sums due under a mortgage, recoupment of any funds from a sale in the violation of the regulations, injunctive relief to prevent further violation of the regulations, entry on the premises, and specific performance.
2. After providing written notice of a violation to an owner, developer or tenant of an affordable unit and advising the owner, developer or tenant of the penalties for such violations, the municipality may take the following action against the owner, developer or tenant for any violation that remains uncured for a period of 60 days after service of the written notice:
 - a. The municipality may file a court action pursuant to N.J.S.A. 2A:58-11 alleging a violation, or violations, of the regulations governing the affordable housing unit. If the owner, developer or tenant is found by the Court to have violated any provision of the regulations governing affordable housing units the owner, developer or tenant shall be subject to one or more of the following penalties, at the discretion of the Court:
 - i. A fine of not more than \$1,000.00 or imprisonment for a period not to exceed 90 days, or both, unless otherwise specified below, provided that each and every day that the violation continues or exists shall be considered a separate and specific violation of these provisions and not a continuation of the initial offense;
 - ii. In the case of an owner who has rented his or her low- or moderate-income unit in violation of the regulations governing affordable housing units, payment into the Affordable Housing Trust Fund of the gross amount of rent illegally collected;
 - iii. In the case of an owner who has rented his or her affordable unit in violation of the regulations governing affordable housing units, payment of an innocent tenant's reasonable relocation costs, as determined by the Court.
3. The municipality shall have the authority to levy fines against the owner of the development for instances of noncompliance with NJHRC advertising requirements (N.J.S.A. 52:27D-321.6.e.(2)), following written notice to the owner. The fine for the first offense of noncompliance shall be \$5,000, the fine for the second offense of noncompliance shall be \$10,000, and the fine for each subsequent offense of noncompliance shall be \$15,000.
4. The municipality may file a court action in the Superior Court seeking a judgment, which would result in the termination of the owner's equity or other interest in the unit, in the

nature of a mortgage foreclosure. Any judgment shall be enforceable as if the same were a judgment of default of the first purchase money mortgage and shall constitute a lien against the low- or moderate-income unit.

- a. Such judgment shall be enforceable, at the option of the municipality, by means of an execution sale by the Sheriff, at which time the affordable unit of the violating owner shall be sold at a sale price which is not less than the amount necessary to fully satisfy and pay off any first purchase money mortgage and prior liens and the costs of the enforcement proceedings incurred by the municipality, including attorney's fees. The violating owner shall have the right to possession terminated as well as the title conveyed pursuant to the Sheriff's sale.
 - b. The proceeds of the Sheriff's sale shall first be applied to satisfy the first purchase money mortgage lien and any prior liens upon the low- or moderate-income unit. The excess, if any, shall be applied to reimburse the municipality for any and all costs and expenses incurred in connection with either the court action resulting in the judgment of violation or the Sheriff's sale. In the event that the proceeds from the Sheriff's sale are insufficient to reimburse the municipality in full as aforesaid, the violating owner shall be personally responsible for the full extent of such deficiency, in addition to any and all costs incurred by the municipality in connection with collecting such deficiency. In the event that a surplus remains after satisfying all of the above, such surplus shall be placed in escrow by the municipality for the owner and shall be held in such escrow for a maximum period of two years or until such earlier time as the owner shall make a claim with the municipality for such. Failure of the owner to claim such balance within the two year period shall automatically result in a forfeiture of such balance to the municipality. Any interest accrued or earned on such balance while being held in escrow shall belong to and shall be paid to the municipality, whether such balance shall be paid to the owner or forfeited to the municipality.
 - c. Foreclosure due to violation of the regulations governing affordable housing units shall not extinguish the restrictions of the regulations governing affordable housing units as they apply to the low- and moderate-income unit. Title shall be conveyed to the purchaser at the Sheriff's sale, subject to the restrictions and provisions of the regulations governing the affordable housing unit. The owner determined to be in violation of the provisions of this plan and from whom title and possession were taken by means of the Sheriff's sale shall not be entitled to any right of redemption.
 - d. If there are no bidders at the Sheriff's sale, or if insufficient amounts are bid to satisfy the first purchase money mortgage and any prior liens, the municipality may acquire title to the affordable unit by satisfying the first purchase money mortgage and any prior liens and crediting the violating owner with an amount equal to the difference between the first purchase money mortgage and any prior liens and costs of the enforcement proceedings, including legal fees and the maximum resale price for which the affordable unit could have been sold under the terms of the regulations governing affordable housing units. This excess shall be treated in the same manner as the excess that would have been realized from an actual sale as previously described.
 - e. Failure of the low- or moderate-income unit to be either sold at the Sheriff's sale or acquired by the municipality shall obligate the owner to accept an offer to purchase from any qualified purchaser that may be referred to the owner by the municipality, with such offer to purchase being equal to the maximum resale price of the low- or moderate-income unit as permitted by the regulations governing affordable housing units.
 - f. The affordable unit owner shall remain fully obligated, responsible and liable for complying with the terms and restrictions of governing affordable housing units until such time as title is conveyed from the owner.
5. It is the responsibility of the municipal housing liaison and the administrative agent(s) to ensure that affordable housing units are administered properly. All affordable units must be occupied within a reasonable amount of time and be re-leased within a reasonable amount of time upon the vacating of the unit by a tenant. If an administrative agent or municipal housing liaison becomes aware of or suspects that a developer, landlord, or property manager has not complied with these regulations, it shall report this activity to the Division. The Division must notify the developer, landlord, or property manager, in writing, of any violation of these regulations and provide a 30-day cure period. If, after the

30-day cure period, the developer, landlord, or property manager remains in violation of any terms of this subchapter, including by keeping a unit vacant, the developer, landlord, or property manager may be fined up to the amount required to construct a comparable affordable unit of the same size and the deed-restricted control period will be extended for the length of the time the unit was out of compliance, in addition to the remedies provided for in this section. For the purposes of this subsection, a reasonable amount of time shall presumptively be 60 days, unless a longer period of time is required due to demonstrable market conditions and/or failure of the municipal housing liaison or the administrative agent to refer a certified tenant.

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

SECTION II. REPEAL AND REPLACE Chapter 26 Sections 26-43.4 through 26-43.4.8 regarding Nonresidential Affordable Housing Development Fees with the following:

Section 26-43.4 Nonresidential Affordable Housing Development Fees

Section 26-43.4.1. Purpose

- a. This section establishes standards for the collection, maintenance, and expenditure of development fees that are consistent with the amended Fair Housing Act (P.L.2024, c.2), N.J.A.C. 5:99, and the Statewide Non-Residential Development Fee Act (C. 40:55D-8.1 through 8.7). Fees collected pursuant to this Ordinance shall be used for the sole purpose of providing very low-, low- and moderate-income housing in accordance with a Court-approved Spending Plan.

Section 26-43.4.2 Basic Requirements

- a. The definitions of Section 115-15.1.B shall apply.
- b. The municipality previously adopted a development fee ordinance, which established the Municipal Affordable Housing Trust Fund.
- c. The municipality shall not spend development fees until the court has approved a plan for spending such fees.

Section 26-43.4.3 Non-Residential Development Fees

- a. Imposition of fees
 - i. Within all zoning districts, non-residential developers, except for developers of the types of development specifically exempted, shall pay a fee equal to 2.5% of the equalized assessed value of the land and improvements, for all new non-residential construction on an unimproved lot or lots.
 - ii. Within all zoning districts, non-residential developers, except for developers of the types of development specifically exempted, shall also pay a fee equal to 2.5% of the increase in equalized assessed value resulting from any additions to existing structures to be used for non-residential purposes.
 - iii. Development fees shall be imposed and collected when an existing structure is demolished and replaced. The development fee of 2.5% shall be calculated on the

difference between the equalized assessed value of the pre-existing land and improvements and the equalized assessed value of the newly improved structure; i.e., land and improvements; and such calculation shall be made at the time a final certificate of occupancy is issued. If the calculation required under this section results in a negative number, the non-residential development fee shall be zero.

- b. Eligible exactions, ineligible exactions and exemptions for non-residential development
 - i. The non-residential portion of a mixed-use inclusionary or market-rate development shall be subject to a 2.5% development fee, unless otherwise exempted below.
 - ii. The 2.5% fee shall not apply to an increase in equalized assessed value resulting from alterations, change in use within existing footprint, reconstruction, renovations and repairs.
- c. Non-residential developments shall be exempt from the payment of non-residential development fees in accordance with the exemptions required pursuant to the Statewide Non-Residential Development Fee Act (N.J.S.A. 40:55D-8.1 through 8.7), as specified in Form N-RDF "State of New Jersey Non-Residential Development Certification/Exemption." Any exemption claimed by a developer shall be substantiated by that developer.
- d. A developer of a non-residential development exempted from the non-residential development fee pursuant to the Statewide Non-Residential Development Fee Act shall be subject to the fee at such time as the basis for the exemption no longer applies, and shall make the payment of the non-residential development fee, in that event, within three years after that event or after the issuance of the final certificate of occupancy of the non-residential development, whichever is later.
- e. If a property that was exempted from the collection of a non-residential development fee thereafter ceases to be exempt from property taxation, the owner of the property shall remit the fees required pursuant to this section within 45 days of the termination of the property tax exemption. Unpaid non-residential development fees under these circumstances may be enforceable by the municipality as a lien against the real property of the owner.

Section 26-43.4.4 Collection Procedures

- a. Upon the granting of a preliminary, final or other applicable approval for a development, the applicable approving authority shall direct its staff to notify the construction official responsible for the issuance of a building permit.
- b. For non-residential developments only, the developer shall also be provided with a copy of Form N-RDF, "State of New Jersey Non-Residential Development Certification/Exemption," to be completed by the developer as per the instructions provided in the Form N-RDF. The construction official shall verify the information submitted by the non-residential developer as per the instructions provided on Form N-RDF. The tax assessor shall verify exemptions and prepare estimated and final assessments as per the instructions provided in Form N-RDF.
- c. The construction official responsible for the issuance of a building permit shall notify the tax assessor of the issuance of the first construction permit for a development that is subject to a development fee.
- d. Within 90 days of receipt of that notice, the tax assessor shall provide an estimate, based on the plans filed, of the equalized assessed value of the development.
- e. The construction official responsible for the issuance of a final certificate of occupancy shall notify the tax assessor of any and all requests for the scheduling of a final inspection on property that is subject to a development fee.
- f. Within 10 business days of a request for the scheduling of a final inspection, the tax assessor shall confirm or modify the previously estimated equalized assessed value of the improvements associated with the development; calculate the development fee; and thereafter notify the developer of the amount of the fee.
- g. Should the municipality fail to determine or notify the developer of the amount of the development fee within 10 business days of the request for final inspection, the

developer may estimate the amount due and pay that estimated amount consistent with the dispute process set forth in Subsection b. of section 37 of P.L.2008, c.46 (N.J.S.A. 40:55D-8.6).

- h. One hundred percent (100%) of the development fee 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.

Section 26-43.4.5 Appeal of development fees

- a. A developer may challenge residential development fees imposed by filing a challenge with the County Board of Taxation. Pending a review and determination by that board, collected fees shall be placed in an interest-bearing escrow account by the municipality. Appeals from a determination of the board may be made to the Tax Court in accordance with the provisions of the State Tax Uniform Procedure Law, R.S. 54:48-1 et seq., within 90 days after the date of such determination. Interest earned on amounts escrowed shall be credited to the prevailing party.
- b. A developer may challenge non-residential development fees imposed by filing a challenge with the director of the Division of Taxation. Pending a review and determination by the director, which shall be made within 45 days of receipt of the challenge, collected fees shall be placed in an interest-bearing escrow account by the municipality. Appeals from a determination of the director may be made to the Tax Court in accordance with the provisions of the State Tax Uniform Procedure Law, R.S. 54:48-1 et seq., within 90 days after the date of such determination. Interest earned on amounts escrowed shall be credited to the prevailing party.

Section 26-43.4.6 Affordable Housing Trust Fund

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

- ii. Failure to commit or expend development fees within four years of the date of collection in accordance with N.J.A.C. 5:99-5.5;
 - iii. Failure to comply with the requirements of the Non-Residential Development Fee Act and N.J.A.C. 5:99-3;
 - iv. Failure to submit accurate monitoring reports pursuant to this subchapter within the time limits imposed by the Act, this chapter, and/or the Division;
 - v. Expenditure of funds on activities not approved by the Superior Court or otherwise permitted by law;
 - vi. Revocation of compliance certification or a judgment of compliance and repose;
 - vii. Failure of a municipal housing liaison or administrative agent to comply with the requirements set forth at N.J.A.C. 5:99-6, 7, and 8;
 - viii. Other good cause demonstrating that municipal affordable housing funds are not being used for an approved purpose.
- e. All interest accrued in the housing trust fund shall only be used on eligible affordable housing purposes approved by the Court.

Section 26-43.4.7 Use of Funds

- a. The expenditure of all funds shall conform to a Spending Plan approved by Superior Court. Funds deposited in the municipal Affordable Housing Trust Fund may be used for any activity approved by the Court to address the fair share obligation and may be set up as a grant or revolving loan program. Such activities include, but are not limited to: preservation or purchase of housing for the purpose of maintaining or implementing affordability controls; housing rehabilitation; new construction of affordable housing units and related costs; accessory apartments; a market-to-affordable program; conversion of existing non-residential buildings to create new affordable units; green building strategies designed to be cost-saving and in accordance with accepted national or state standards; purchase of land for affordable housing; improvement of land to be used for affordable housing; extensions or improvements of roads and infrastructure to affordable housing sites; financial assistance designed to increase affordability; administration necessary for implementation of the Housing Element and Fair Share Plan; and/or any other activity permitted by Superior Court and specified in the approved Spending Plan.
- b. Funds shall not be expended to reimburse the municipality or activities that occurred prior to the authorization of a municipality to collect development fees.
- c. At least a portion of all development fees collected and interest earned shall be used to provide affordability assistance to very low-, low- and moderate-income households in affordable units included in the municipal Fair Share Plan. A portion of the development fees which provide affordability assistance shall be used to provide affordability assistance to very low-income households.
 - i. Affordability assistance programs may include down payment assistance, security deposit assistance, low-interest loans, rental assistance, assistance with homeowners association or condominium fees and special assessments, infrastructure assistance, and assistance with emergency repairs. The specific programs to be used for affordability assistance shall be identified and described within the Spending Plan.
 - ii. Affordability assistance for very low income households may include producing very low-income units or buying down the cost of low- or moderate-income units in the municipal Fair Share Plan to make them affordable to households earning 30% or less of median income.
- d. No more than 20% of all affordable housing trust funds, exclusive of those collected to fund an RCA prior to July 17, 2008, shall be expended on administration, including, but not limited to, salaries and benefits for municipal employees or consultants' fees necessary to develop or implement a new construction program, prepare and implement a Housing Element and Fair Share Plan, administer an Affirmative Marketing Program and for compliance with the Superior Court and the Program including the costs to the municipality of resolving a challenge.

Section 26-43.4.8 Monitoring

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

Section 26-43.4.9 Ongoing Collection of Fees

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

Section 26-43.4.10 Emergent Affordable Housing Opportunities.

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

SECTION III. Severability. If for any reason any section of this Ordinance shall be declared illegal by any Court of competent jurisdiction, the remaining section of the Ordinance shall remain in full force and effect, notwithstanding.

SECTION IV. Repealer. Any Ordinance or provision thereof inconsistent with this Ordinance is hereby repealed to the extent of such inconsistency.

SECTION V. Publication. This Ordinance shall take effect immediately upon the adoption and publication in accordance with the law.

Mary Tighe, Council President

Mayor Leonard C. Desiderio

I HEREBY CERTIFY THAT the foregoing ordinance was duly passed by the City Council of the City of Sea Isle City, New Jersey on first reading at the regular meeting of said Council held on the 10th day of February, 2026 and will be taken up for second reading, public hearing and final passage at the regular meeting of said Council held on the 10th day of March, 2026, in City Hall, 3rd Floor Council Chambers, 233 JFK Blvd., Sea Isle City, New Jersey at 10:00 a.m.

Shannon D. Romano, Municipal Clerk

SECTION I. REPEAL AND REPLACE Chapter 26 Sections 26-43.1 through 26-43.1.20 regarding Affordable Housing ~~Obligation~~ with the following:

Section 26-43.1 Affordable Housing

A. Introduction & Applicability

1. This section of the Code sets forth regulations regarding the very low-, low- and moderate-income housing units in ~~the~~ Sea Isle City consistent with the provisions ~~known as the "Substantive Rules of the New Jersey Council on Affordable Housing," N.J.~~ outlined in P.L. 2024, Chapter 2, including the amended Fair Housing Act ("FHA") at N.J.S.A. 52:27D-301 et seq., as well as the Department of Community Affairs, Division of Local Planning Services ("LPS") at N.J.A.C. 5:99 et seq., statutorily upheld existing regulations of the now-defunct Council on Affordable Housing ("COAH") at N.J.A.C. 5:93 ~~et seq.~~, and 5:97, the Uniform Housing Affordability Controls ("UHAC"),") at N.J.A.C. 5:80-26.1 et seq., ~~except where modified by and as reflected in the terms of a settlement agreement between the City adopted municipal Fourth Round Housing Element and Fair Share Housing Center ("FSHC") such~~ Plan ("HEFSP").
- a. ~~This Ordinance is intended to ensure that the statutory requirement to provide very-low-, low- and moderate-income units equal to 13% of ("affordable units approved and constructed after July 1, 2008, to be affordable to households at 30% of the regional median income, overrides the UHAC requirement that 10% of all low and moderate income units must be affordable at 35% of the regional median income, and the City's constitutional obligation to provide a fair share of affordable housing for low and moderate income households. In addition, this section applies requirements for very low-income housing as established in P.L. 2008, c. 46 (the "Roberts Bill," codified at N.J.S.A. 52:27D-329.1).~~
- b. ~~2. This section is intended to assure 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. This section shall apply pursuant to statutory requirements. This Ordinance shall apply to all inclusionary developments, individual affordable units, and 100% affordable housing developments except where inconsistent with applicable law. Low-Income Housing Tax Credit financed developments shall adhere to the provisions set forth below in item 5.c. below.~~
- e. ~~3. The Sea Isle City Planning Board has adopted a Housing Element and Fair Share Plan HEFSP pursuant to the Municipal Land Use Law at N.J.S.A. 40:55D-1 et seq. The plan has also been endorsed by the governing body., et seq. The Fair Share Plan describes the ways the City of Sea Isle City municipality shall address its fair share for of very low-, low- and moderate-income housing as determined approved by the Superior Court and documented in the Housing Element.~~
- d. ~~4. This section Ordinance implements and incorporates the Fair Share Plan relevant provisions of the HEFSP and addresses the requirements of N.J.A.C. 5:93 P.L. 2024, Chapter 2, the FHA, N.J.A.C. 5:99, NJ Supreme Court upheld COAH regulations at~~

[N.J.A.C. 5:93 and 5:97, and UHAC at N.J.A.C. 5:80-26.1](#), as may be amended and supplemented.

- ~~e. Annual monitoring reporting. On an annual basis beginning with the first anniversary of the entry of the judgment granting the City of Sea Isle City a judgment of compliance and repose, the City shall report on the status of all affordable housing activity within the municipality, including all activity in connection with the City's Affordable Housing Trust Fund, through an update of the COAH CTM system and posting on the municipal website, with a copy of such posting provided to the Fair Share Housing Center ("FSHC"), using forms previously developed for this purpose by COAH or any other forms endorsed by the Special Master and FSHC.~~
- ~~f. For the midpoint realistic opportunity review due on July 1, 2020, as required pursuant to N.J.S.A. 52:27D-313, the City will post on its municipal website, with a copy provided to the Fair Share Housing Center, a status report as to its implementation of its plan and an analysis of whether any unbuilt sites or unfulfilled mechanisms continue to present a realistic opportunity and whether any mechanisms to meet unmet need should be revised or supplemented. Such posting shall invite any interested party to submit comments to the~~

~~municipality, with a copy to the Fair Share Housing Center, regarding whether any sites no longer present a realistic opportunity and should be replaced and whether any mechanisms to meet unmet need should be revised or supplemented. Any interested party may, by motion, request a hearing before the court regarding these issues after reasonable attempts at mediation.~~

- ~~g. For the review of very low income housing requirements required by N.J.S.A. 52:27D-329.1, within 30 days of the third anniversary of this agreement, and every third year thereafter, the City will post on its municipal website, with a copy provided to the Fair Share Housing Center, a status report as to its satisfaction of its very low income requirements, including the family very low income requirements referenced herein. Such posting shall invite any interested party to submit comments to the municipality and Fair Share Housing Center on the issue of whether the municipality has complied with its very low income housing obligation under the terms of the settlement agreement between the City and FSHC.~~

5. ~~§-26~~ Applicability

- a. The provisions of this Ordinance shall apply to all affordable housing developments and affordable housing units that currently exist and that are proposed to be created pursuant to the municipality's most recently adopted HEFSP.
- b. This Ordinance shall apply to all developments that contain very low-, low- and moderate-income housing units included in the Municipal HEFSP, including any

unanticipated future developments that will provide very low-, low- and moderate-income housing units.

- c. Projects receiving federal Low Income Housing Tax Credit financing and are proposed for credit shall comply with the low/moderate split and bedroom distribution requirements, maximum initial rents and sales prices requirements, affirmative fair marketing requirements of UHAC at N.J.A.C. 5:80-26.16 and the length of the affordability controls applicable to such projects shall be not less than a 30-year compliance period plus a 15-year extended-use period, for a total of not less than 45 years.

Section 23-43.1.2-1 Definitions.

A. Definitions

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

~~ACCESSORY APARTMENT — A self-contained~~ “Accessory apartments” means a residential dwelling unit that provides complete independent living facilities, sleeping quarters and with a private entrance, which for one or more persons, consisting of provisions for living, sleeping, eating, sanitation, and cooking, including a stove and refrigerator, and is created located within a proposed preexisting primary dwelling, within an existing home, or through the conversion of or proposed structure that is an existing 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 site, or by an addition to an lot as the existing home or or proposed primary dwelling. Accessory apartments are also referred to as “accessory building, or by the construction of a new accessory structure on dwelling units”.

“Act” means the same site.

~~ACT — The~~ New Jersey Fair Housing Act of 1985, P.L. 1985, c. 222 (, N.J.S.A. 52:27D-301 et seq.).

~~ADAPTABLE — Constructed~~ “Adaptable” means constructed in compliance with the technical design standards of the Barrier Free Subcode, N.J.A.C. 5:23-7, 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 — The~~ “Administrative agent” means the entity approved by the Division responsible for the administration of affordable units, in accordance with this section, N.J.A.C. 5:91, N.J.A.C. 5:9399-7, and UHAC at N.J.A.C. 5:80-26.1 et seq 15.

~~AFFIRMATIVE MARKETING — A~~ “Affirmative marketing” means a regional marketing strategy designed to attract buyers and/or renters of affordable units pursuant to N.J.A.C. 5:80-26.4516.

~~AFFORDABILITY AVERAGE — The~~ “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 housing development are affordable to low- and moderate-income households.

~~AFFORDABLE — A sales price or rent within the means of a low- or moderate-income household as defined in N.J.A.C. 5:93-7.4; “Affordable” means, in the case of an ownership unit, that the sales price for the unit conforms to the standards set forth in at N.J.A.C. 5:80-26.6, as may be amended 7 and supplemented; and, in the case of a rental unit, that the rent for the unit conforms to the standards set forth in at N.J.A.C. 5:80-26.12, as may be amended and supplemented 13.~~

~~AFFORDABLE DEVELOPMENT — A “Affordable housing development, all or” means a portion of which consists of restricted units.~~

~~AFFORDABLE HOUSING DEVELOPMENT — A development included in the Housing Element a municipality’s housing element and Fair Share Plan fair share plan, and includes, but is not limited to, an inclusionary development, a municipal construction project or a 100% affordable development 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 PROGRAM(S) — Any mechanism in a municipal Fair Share Plan prepared or implemented to address a municipality's fair share obligation.~~

~~AFFORDABLE UNIT — A “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 ~~created~~ developed pursuant to the Act, ~~credited pursuant to N.J.A.C. 5:93, and/or funded through an~~ including units created with municipal affordable housing trust fund funds.

~~AGE-RESTRICTED UNIT~~—A “Age-restricted housing” means a housing unit that is designed to meet the needs of, and is exclusively for, ~~the residents of~~ an age-restricted segment of the population such that:

~~a.~~ 1. All the residents of the development where the unit is situated are 62 years or older; ~~or~~

~~b.~~ 2. At least 80% percent of the units are occupied by one person that is 55 years or older; or

~~e.~~ 3. The development has been designated by the Secretary of ~~the U.S. Department of Housing and Urban Development as~~ “HUD as “housing for older persons,”” as defined in Section 807(b)(2) of the Fair Housing Act, 42 U.S.C. § 3607.

~~AGENCY~~—The “Agency” means the New Jersey Housing and Mortgage Finance Agency established by P.L.-1983,

c. 530 (N.J.S.A. C.55:14K-1 et seq.).

~~ALTERNATIVE LIVING ARRANGEMENT~~—A structure in which households live in distinct bedrooms yet share kitchen and plumbing facilities, central heat and common areas. “Alternative “Assisted living arrangement” includes, but is not limited to: transitional facilities for the homeless, Class A, B, C, D, and E boarding homes as regulated by the New Jersey Department of Community Affairs; residential health care facilities as regulated by the New Jersey Department of Health; group homes for the developmentally disabled and mentally ill as licensed and/or regulated by the New Jersey Department of Human Services; and congregate living arrangements.

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

~~CERTIFIED HOUSEHOLD~~—A “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 or moderate-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—~~The~~” or the “Council” means the Council on Affordable Housing, ~~which is 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 ~~of~~.

“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, ~~that was established under the New Jersey Fair Housing Act (N.J.S.A. 52:27D-301 et seq.)~~.

~~DCA—The State of New Jersey~~ Department of Community Affairs.

~~DEFICIENT HOUSING UNIT—A~~“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.

~~DEVELOPER—Any person, partnership, association, company or corporation that is~~“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 ~~to~~ or contract ~~or~~ to purchase, or other person having an enforceable proprietary interest in such land.

~~DEVELOPMENT—The~~“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 ~~use or change in the use 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.

~~FAIR SHARE PLAN~~ — The “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 ~~describes~~ has been the mechanisms, strategies and ~~subject of~~ a compliance certification.

“Equalized assessed value” or “EAV” means ~~the funding sources, if any,~~ assessed value of a property divided by the current average ratio of assessed to true value for the municipality in which the City 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 ~~address~~ satisfy its ~~affordable housing obligation as established in the Housing Element, including the draft ordinances~~ 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 that plan, and ~~addresses the~~ the housing element, including, but not limited to, inclusionary requirements of

~~N.J.A.C. 5:93-5~~ and development fees, and the elimination of unnecessary housing cost-generating features from the municipal land use ordinances and regulations.

~~HOUSING ELEMENT~~—The “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 ~~the City's Master Plan, required by a municipality's~~ master plan adopted in accordance with the Municipal Land Use Law (“MLUL”), at N.J.S.A. 40:55D-~~28b~~28.b(3),) and the Act, ~~that includes~~ consisting of reports, statements proposals, maps, diagrams, and text designed to meet the ~~information required by N.J.A.C. 5:93-5.1 and establishes the City's~~ 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.

~~INCLUSIONARY DEVELOPMENT~~—A development containing both ~~for~~ affordable units and market rate units. This term includes, but is not necessarily limited to, new construction, the conversion of a nonresidential structure to residential, and the creation of new affordable units through the ~~reconstruction of a vacant residential structure~~ housing, determined pursuant to subsection f. at N.J.S.A. 52:27D-304.1.

~~LOW-INCOME HOUSEHOLD~~—A “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 ~~total gross annual~~ household income equal to 50% percent or less of the regional median ~~household~~ income.

~~LOW-INCOME UNIT~~—A “Low-income unit” means a restricted unit that is affordable to a low-income household.

~~MAJOR SYSTEM~~—The “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.

~~MARKET RATE UNITS — Housing not restricted to low- and moderate-income households that may sell or rent at any price.~~

~~MEDIAN INCOME — The median income by “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 may be 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 size for the applicable county, as adopted annually by COAH or approved by the N.J. Superior Court.~~

~~MODERATE-INCOME HOUSEHOLD — A” means a household with a total gross annual household income in excess of 50% percent but less than 80% percent of the regional median household income.~~

~~“Moderate-income-~~

~~MODERATE-INCOME UNIT — A unit” means a restricted unit that is affordable to a moderate-income household.~~

~~NONEXEMPT SALE — Any “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 ~~husband and wife~~ 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~~ executor’s deed to a ~~Class~~ class A beneficiary; and the transfer of ownership by court order.

~~RANDOM SELECTION PROCESS~~ — “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 are 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, 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 ~~(e.g., by lottery); 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.~~

~~REGIONAL ASSET LIMIT—The maximum housing value in each housing region affordable to a four person household with an income at 80% of the regional median as defined by adopted/approved regional income limits.~~

REHABILITATION—The “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—The “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.

~~RESTRICTED UNIT~~—“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 ~~N.J.A.C. 5:80-26.1, as may be amended and supplemented,~~ 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 UHORP or ONI,~~ 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.

~~SPECIAL MASTER—An expert appointed by a judge to make sure that judicial orders are followed. A master's function is essentially investigative, compiling evidence or documents to inform some future action by the court.~~

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

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

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

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

“UHAC—The” means the Uniform Housing Affordability Controls set forth in N.J.A.C. 5:80-26.4 et seq.

~~VERY LOW INCOME HOUSEHOLD—A household with a total gross annual household income equal to 30% or less of the median household income.~~

~~VERY LOW INCOME UNIT—A restricted unit that is affordable to a very~~ “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.

WEATHERIZATION — 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.

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Section 26-43.1.2 Monitoring and Reporting Requirements

A. 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.

Section 26-43.1.3- New Construction-

A. 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.
 - ~~a. All affordable units created shall comply with COAH rules. It shall be the developer's responsibility to ensure full COAH compliance and to timely file such certifications, reports and/or monitoring forms as may be required to verify COAH compliance of each affordable unit.~~
 - b.2. Phasing Completion Schedule (previously known as phasing). Final site plan or subdivision approval shall be contingent upon the affordable housing development meeting the following phasing completion schedule for very low-, low- and moderate-income units, whether developed in a single-phase development, or in a multi-phase development:

<u>Maximum</u> Percentage of Market-Rate Units Completed Issued a Temporary or Final Certificate of Occupancy	Minimum Percentage of Low- and Moderate-Income Affordable Units Completed Issued a Temporary or Final Certificate of Occupancy
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25%+1	0%10
25% + 1 unit50	40%50
50%75	50%75
75%90	75%100

3. Design. ~~In inclusionary~~ The following design requirements apply to affordable housing developments, ~~to the extent possible, low and moderate income~~ excluding prior round units shall be integrated with the.

a. Design of 100 percent affordable developments:

- i. Restricted units must meet the minimum square footage required for the number of inhabitants for which the unit is marketed and the minimum square footage required for each bedroom, as set forth in the Neighborhood Preservation Balanced Housing rules at N.J.A.C. 5:43-2.4.
- ii. Each bedroom in each restricted unit must have at least one window.
- iii. Restricted units must include adequate air conditioning and heating.

~~e.b.~~ Design of developments comprising market-units, rate rental units and restricted rental units. The following does not apply to prior round units, unless stated otherwise.

~~d. The affordable units shall comply with N.J.A.C. 5:97-9 and UHAG.~~

~~e. All affordable units shall meet or shall be improved to meet UCC requirements and shall be certified to be in standard condition prior to their conveyance or occupancy.~~

~~f. All new construction units shall be adaptable in conformance with P.L. 2005, c. 350, N.J.S.A. 52:27D-311a and b, and all other applicable law.~~

- i. Restricted units must use the same building materials and architectural design elements (for example, plumbing, insulation, or siding) as market-rate units of the same unit type (for example, flat or townhome) within the same development, except that restricted units and market-rate units may use different interior finishes. This shall apply to prior round units.
- ii. Restricted units and market-rate units within the same affordable development must be sited such that restricted units are not concentrated in less desirable locations.
- iii. Restricted units may not be physically clustered so as to segregate restricted and market-rate units within the same development or within the same building, but must be interspersed throughout the development, except that age-restricted and supportive housing units may be physically clustered if the clustering facilitates the provision of on-site medical services or on-site social services. Prior round affordable units shall be integrated with market rate units to the extent feasible.

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

vi. Residents of restricted units must be offered the same access to communal amenities as residents of market-rate units within the same affordable development. Examples of communal amenities include, but are not limited to, community pools, fitness and recreation centers, playgrounds, common rooms and outdoor spaces, and building entrances and exits. This shall apply to prior round units.

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

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

4. Utilities.

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

~~h.~~ Payment ~~Tenant-paid utilities that are included in lieu of construction providing the whole or fractional affordable units required~~ utility allowance shall be ~~subject to the following:~~

~~1. Payments~~ so stated ~~in lieu of constructing affordable units may represent fractional affordable units. The affordable housing requirement~~ the lease and shall ~~not be rounded.~~

~~2. The payment in lieu amount shall be as recommended by~~ consistent with the Council on Affordable Housing formulas resulting in an amount of \$182,859 per unit.

~~3. Payments in lieu of constructing affordable units shall be deposited into an Affordable Housing Trust Fund pursuant to N.J.A.C. 5:97-8.4 and subject to the provisions thereof.~~

~~4. Payments in lieu of constructing affordable housing shall not be permitted where affordable housing is not required. Zoning that does not require an affordable housing set aside or permit a corresponding payment in lieu may be subject to a development fee ordinance pursuant to N.J.A.C. 5:97-8.3.~~

~~5.~~b. ~~Payments in lieu and off-site construction. The standards for the collection of payments in lieu of constructing affordable units or standards for constructing affordable units off site shall be~~ utility allowance in accordance with N.J.A.C. AC 5:93-8.10 ~~(e80-26.13(e)).~~

~~i.~~5. ~~Low/moderate split and bedroom distribution of affordable housing units.~~

~~1.~~a. ~~The fair share obligation~~ Affordable units shall be divided equally between low- and moderate-income units; ~~2.~~ except that where there is an odd number of affordable housing units, the extra unit shall be a low-income unit.

~~2.~~b. In each affordable housing development, at least 50% of the restricted units within each bedroom distribution rounded up or down to the nearest whole number shall be very low- or low-income units. (The municipality has chosen to allow rounding.)

~~3.~~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.

4.d. Affordable housing developments that are not age-restricted or supportive housing shall be structured ~~in conjunction with realistic market demands~~ such that: (The municipality has chosen to allow rounding for the bedroom distribution as indicated below):

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

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

~~(a)~~iii. _____ The combined number of efficiency and one-bedroom units shall be no greater than 20%~~%~~, rounded up or down, of the total number of low- and moderate-income units;

~~(b)~~iv. _____ At least 30% of all low- and moderate-income units, rounded up or down, shall be two-bedroom units;

~~(c)~~v. _____ At least 20% of all low- and moderate-income units, rounded up or down, shall be three-bedroom units;~~and~~

~~(d)~~vi. _____ The remaining units may be allocated among two- and three-bedroom units at the discretion of the developer. _____

5.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.

j.6. Accessibility requirements.

a. ~~The first floor of all~~ Any new restricted 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.

~~1.b.~~ Notwithstanding the exemption for townhouse dwelling units and in the barrier free subcode, the first floor of all townhouse dwelling units and of all restricted multistory other multi-floor 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, N.J.A.C. 5:23-7. barrier free subcode and shall include the following features:

~~2. All restricted townhouse dwelling units and all restricted multistory dwelling units attached to at least one other dwelling unit shall have the following features:~~

~~(a)i.~~ An adaptable toilet and bathing facility on the first floor;

~~(b)ii.~~ An adaptable kitchen on the first floor;

~~(e)iii.~~ An interior accessible route of travel on the first floor however an interior accessible route of travel shall not be required between stories;

~~(d) An interior accessible route of travel shall not be required between stories within an individual unit;~~

iv. An adaptable room that can be used as a bedroom, with a door, or the casing for the installation of a door that is compliant with the Barrier Free Subcode, on the first floor;

~~(e)v.~~ If not all of the foregoing requirements in b.i. through b.iv. can be satisfied, then an interior accessible route of travel shall be provided between stories within an individual unit; and

~~(f)vi.~~ An accessible entranceway as set forth at 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 City 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.

~~(a)~~ To this end, the builder of restricted units shall deposit funds within the City of Sea Isle City's Affordable Housing Trust Fund sufficient to install accessible entrances in 10% of the affordable units that have been constructed with adaptable entrances.

~~with adaptable entrances.~~

~~(2)(b)~~ The funds deposited under Subsection j2(f)(2) herein shall be used by the City of Sea Isle City expended for the sole purpose of making the adaptable entrance of any 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.

- ~~(3)~~(c) 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 ~~to the Construction Official of the City of Sea Isle City.~~
- ~~(4)~~(d) Once the Construction Official has determined that the design plan to convert the unit entrances from adaptable to accessible ~~meet~~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 ~~City of Sea Isle City's Affordable Housing Trust Fund in care of the City's Chief Financial Officer, who shall ensure that the funds are deposited into the Affordable Housing Trust Fund and~~ earmarked appropriately ~~earmarked~~.
- ~~(5)~~vii. Full compliance with the foregoing provisions shall not be required where an entity can demonstrate that it is “site-impracticable” to meet the requirements. If full compliance with this section would be site impracticable, compliance with this section for any portion of the dwelling shall be required to the extent that it is not site impracticable. Determinations of site impracticability shall ~~be in compliance~~comply with the Barrier Free Subcode, at N.J.A.C. 5:23-7.

Section 26-43.1.4 Affordable Housing Programs

A. Affordable Housing Programs

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

- d. The municipality shall dedicate a minimum average hard cost of \$10,000 for each unit to be rehabilitated through this program and in addition shall dedicate associated rehabilitation program soft costs such as case management, inspection fees and work write-ups.
 - e. The municipality shall designate, subject to the approval of the Department, one or more Administrative Agents to administer the rehabilitation program in accordance with P.L 2024, Chapter 2. The Administrative Agent(s) shall provide rehabilitation manuals for ownership and rental rehabilitation programs. Manuals shall be adopted by resolution of the governing body. Both rehabilitation manuals shall be available for public inspection in the Office of the Municipal Clerk and on the municipal affordable housing web page.
 - f. Households determined to be very low-, low-, or moderate-income may participate in a rehabilitation program. Rehabilitated units shall be exempt from the very low-income requirements, low/mod split, and bedroom distribution requirements of UHAC, but shall be administered in accordance with the following:
 - i. If a unit is vacant at the time of rehabilitation, or if a rehabilitated unit becomes vacant and is re-rented before the expiration of the affordability controls, the deed restriction shall require that the unit be rented to a low- or moderate-income household at an affordable rent.
 - ii. If a rental unit is occupied by a tenant at the time rehabilitation is completed, the rent charged after rehabilitation shall not exceed the lesser of the tenant's current rent or the maximum rent permitted under UHAC.
 - iii. Rents in rehabilitated units may increase annually based on the standards in UHAC.
 - iv. At the time of application, applicant households and/or tenant households shall be subject to income eligibility determinations in accordance with UHAC.
3. Market to Affordable program (per N.J.A.C. 5:97-6.9).
- a. The market to affordable program permits the purchase or subsidization of unrestricted units through a mortgage write-down provided to an income-certified buyer or through a sale or rental as a low- or moderate-income unit to an income-eligible household. The market to affordable program may produce both low- and moderate-income units.
 - b. At the time they are offered for sale or rental, eligible units may be new, pre-owned or vacant.
 - c. The units shall be certified to be in sound condition as a result of an inspection performed by a licensed building inspector.
 - d. A minimum subsidy of \$25,000 per moderate-income unit and/or \$30,000 per low-income unit shall be provided, with additional subsidy depending on the market prices or rents in a municipality.
 - e. The units shall comply with UHAC with the following exceptions:
 - i. Bedroom distribution (N.J.A.C. 5:80-26.4).
 - ii. Low/moderate income split (N.J.A.C. 5:80-26.4).

- f. Affordability average (N.J.A.C. 5:80-26.4); however:
 - i. The maximum rent for a moderate-income unit shall be affordable to households earning no more than 60 percent of median income and the maximum rent for a low-income unit shall be affordable to households earning no more than 44 percent of median income; and
 - ii. The maximum sales price for a moderate-income unit shall be affordable to households earning no more than 70 percent of median income and the maximum sales price for a low-income unit shall be affordable to households earning no more than 40 percent of median income.

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

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

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

- a. The following provisions shall apply to group homes, residential health care facilities, and supportive shared living housing:
 - i. Units are subject to Affirmative Marketing requirements, household certification, and administrative agent oversight; and may, with the approval of the municipal housing liaison and the administrative agent, be leased either by the bedroom or to

- a single household in the case of multi-bedroom configurations, provided such arrangement is consistent with the Federal Fair Housing Act (Title VIII of the Civil Rights Act of 1968).
- ii. Units may, with the approval of the administrative agent, be subject to a master lease by an approved supportive housing operator, provided that all subleases are to be certified supportive housing households and remain fully subject to the affordability controls of this subchapter. Rents for supportive housing units shall not exceed the rent standards established and published by the New Jersey Department of Human Services.
 - iii. The unit of credit shall be the bedroom. However, the unit of credit shall be the unit if occupied by a single person or household.
 - iv. Housing that is age-restricted shall be included with the maximum number of units that may be age-restricted pursuant to the Act.
 - v. Occupancy shall not be restricted to youth under 18 years of age.
 - vi. In affordable developments with 20 or more restricted units that are supportive housing, two-bedroom units must compose at least five percent of those restricted units.
 - vii. The bedrooms and/or units shall comply with UHAC with the following exceptions:
 - (a) Affirmative marketing; however, group homes, residential health care facilities, permanent supportive housing, and supportive shared living housing shall be affirmatively marketed to broadest possible population of qualified individuals with special needs in accordance with a plan approved by the sponsoring program;
 - (b) Affordability average and bedroom distribution (N.J.A.C. 5:80-26.4).
 - viii. With the exception of units established with capital funding through a 20-year operating contract with the Department of Human Services, Division of Developmental Disabilities, group homes, residential health care facilities, supportive shared living housing and permanent supportive housing shall have the appropriate controls on affordability in accordance with the Act. In the event that a supportive housing provider is unable to record or execute a long-term deed restriction, the units shall be subject to annual recertification by the Municipal Housing Liaison to confirm continued occupancy and compliance with this Section.
 - ix. Objective standards shall be applied in the selection of tenants for supportive housing units and shall be designed to ensure that individuals are not excluded in an arbitrary or capricious manner.
 - x. The following documentation shall be submitted by the sponsor to the municipality prior to marketing the completed units or facility:
 - (a) An Affirmative Marketing Plan in accordance with D1 above; and
 - (b) If applicable, proof that the supportive and/or special needs housing is regulated by the New Jersey Department of Health and Senior Services, the New Jersey

Department of Human Services or another State agency in accordance with the requirements of this section, which includes validation of the number of bedrooms or units in which low- or moderate-income occupants reside.

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

Section 26-43.1.5 Regional Income Limits

A. 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.

k. Section 26-43.1.6 Maximum rentsInitial Rents and sales prices.Sales Prices

A. Maximum Initial Rents And Sales Prices.

1. In establishing rents and sales prices of affordable housing units, the ~~administrative agent~~ Administrative Agent shall follow the procedures set forth in UHAC ~~and by the Superior Court, utilizing the regional income limits established~~ N.J.A.C. 5:80-26.4.
2. The ~~maximum~~ average rent for all restricted ~~rental~~ units within each affordable housing development shall be affordable to households earning no more than ~~60%~~ 52 percent of regional median income, ~~and the average.~~
- 2.3. The ~~maximum~~ rent for restricted ~~low- and moderate-income units~~ rental units within each affordable housing development shall be affordable to households earning no more than ~~52% of~~ 60% of regional median income. The maximum rent may be increased to no more than 70 percent of regional median income for moderate-income units within affordable developments where very-low-income units compose at least 13 percent of the restricted units; however, the number of units with rent affordable to households earning 70 percent of regional median income may not exceed the number of very-low-income units in excess of 13 percent (rounded up) of the restricted units.
- 3.4. 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.

~~(a) At least 13% of all low- and moderate-income rental units shall be affordable to households earning no more than 30% of median income.~~

~~4.5.~~ 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 ~~of that does not exceed~~ 55% for all restricted ownership units; ~~in.~~ 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.

~~5.7.~~ In determining the initial sales prices and rents for compliance with the affordability average requirements for restricted ~~units other than assisted living facilities~~ family units, the following standards shall be met:

~~(a)~~ a. A studio or efficiency unit shall be affordable to a one-person household;

~~(b)~~ b. A one-bedroom unit shall be affordable to a one- and- one-half- person household;

~~(c)~~ c. A two-bedroom unit shall be affordable to a three-person household;

~~(d)~~ d. A three-bedroom unit shall be affordable to a four- and- one-half- person household; and

~~(e)~~ e. A four-bedroom unit shall be affordable to a six-person household.

~~6.8.~~ 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. A studio or efficiency unit shall be affordable to a one-person household;

~~(b)~~ b. A one-bedroom unit shall be affordable to a one- and- one-half- person household; and

~~(c)~~ 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.

~~7.9.~~ 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 ~~Federal Reserve H.15 FreddieMac 30-Year Fixed Rate-Mortgage~~ rate of interest), property taxes, homeowner and private mortgage insurance and condominium or homeowner association fees, ~~does do~~ not exceed ~~28%30 percent~~ of the eligible monthly income of the appropriate size household as determined ~~under~~pursuant to N.J.A.C. 5:80-26.47, as may be amended and supplemented; provided, however, that the price shall be subject to the affordability average requirement of N.J.A.C. 5:80-26.34, as may be amended and supplemented.

~~8.10.~~ The initial gross rent, including an allowance for utilities, for a restricted rental unit shall be calculated so ~~as that the total monthly housing expense, including an allowance for tenant-paid utilities, does not to exceed 30% percent~~ of the ~~eligible gross~~ monthly income of a household of the appropriate household-size whose income is targeted to the applicable percentage of median income for the unit, as determined underpursuant to N.J.A.C. 5:80-26.43, as may be amended and supplemented; ~~provided, however, that the~~ The rent shall be subject to also comply with the affordability average requirement of N.J.A.C. 5:80-26.3, ~~as may be amended and supplemented.~~ 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.

~~9.— The price of owner-occupied low- and moderate-income units may increase annually based on the—~~ 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 regional median income limit for each housing region. In no event shall the maximum resale price established by the administrative agent be lower than the last recorded purchase price.

~~10.— The rent of very low-, low- and moderate-income units may be increased annually based on the percentage increase in the Housing Consumer Price Index for the—~~ All Urban Consumers (CPI-U), specifically U.S. Bureau of Labor Statistics Series CUUR0100SAH, titled “Housing in Northeast Urban Area, upon its publication for the prior calendar year. This increase shall not exceed 9% in any one year. Rentsurban, all urban consumers, not seasonally adjusted.” Rent increases for units constructed pursuant to ~~low-income housing~~

~~11. tax credit~~ Low-Income Housing Tax Credit regulations shall be indexed pursuant to the regulations governing ~~low-income housing tax credits~~ Low-Income Housing Tax Credits.

~~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 approved by DGA for its~~

~~11.— Section 8 program.~~

~~§ 26-43.1.4. Condominium and Homeowners' Association Fees:~~

~~For any affordable housing unit that is part of a condominium association and/or homeowners' association, the master deed shall reflect that the association fee assessed for each affordable housing unit shall be established at 100% of the market rate fee.~~

~~§ 26-43.1.5.7 Affirmative Marketing:~~

A. Affirmative Marketing.

~~The requirements of this section apply to all developments that contain affordable housing units, including any currently unanticipated future developments that will provide low- and moderate-income housing units.~~

- ~~a.1. The City of Sea Isle City~~municipality shall adopt, by resolution, an **affirmative marketing plan**Affirmative Marketing Plan, subject to approval of the Superior Court, compliant with N.J.A.C. 5:80-26.4516, as may be amended and supplemented.
- ~~b.2. The affirmative marketing plan~~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~~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 ~~COAH~~ Housing Region 6 and ~~covers~~is required to be followed throughout the period of deed restriction.
3. The affirmative marketing plan shallAffirmative 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.
 - ~~e.b. There shall be a~~ regional preference for all households that live and/or work in ~~COAH~~ Housing Region 6, ~~comprised of~~ comprising Atlantic, Cape May, Cumberland, and Salem Counties.
 - ~~c. The administrative agent designated by the City of Sea Isle City~~Subordinate to the regional preference, there shall assure be a preference for households that live and/or work in New Jersey.
 - d. With respect to existing restricted units undergoing approved rehabilitation for the affirmative purpose of preservation or to restricted units newly created to replace existing restricted units undergoing demolition, a preference for the very-low-, low-,

and moderate-income households that are displaced by the rehabilitation or demolition and replacement.

- ~~d.~~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 ~~is consistent~~, with the ~~affirmative marketing plan for the City of Sea Isle City~~ exception of affordable programs that are exempt from Affirmative Marketing as noted herein.
- ~~5.~~ ~~In implementing the affirmative marketing plan, the administrative agent~~ 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. The Township may add a list of community and regional organizations to receive notice of the availability of affordable housing units in addition to the following required entities: Fair Share Housing Center, the New Jersey State Conference of the NAACP, the Latino Action Network, the Cape May County, Mainland/Pleasantville, and Atlantic City Branches of the NAACP. Any other entities, including developers or persons or companies retained to implement the Affirmative Marketing Process, shall comply with this paragraph.
- ~~e.~~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.
- ~~f.~~9. The ~~affirmative marketing process~~ Affirmative Marketing Process for available affordable units shall begin at least four months (120 days) prior to the expected date of occupancy.
- ~~g.~~ ~~The costs of advertising and affirmative marketing of~~ cost to affirmatively market the affordable units shall be the responsibility of the developer, sponsor or owner, unless otherwise determined or agreed to
10. by with the City of Sea Isle City exception of Affirmative Marketing for resales.

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Section 26-43.1.6-8 Selection of Occupants of Affordable Housing Units

A. 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.

Section 26-43.1.9 Occupancy Standards

A. Occupancy Standards.

- ~~a.~~ 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** Administrative Agent shall strive to:
- ~~1. Provide an occupant for~~ Ensure each bedroom; ~~is occupied by at least one person, except for age-restricted~~ and
 - ~~2.a. Provide separate bedrooms for parents~~ supportive and ~~children; and~~ special needs housing units;
 - ~~3. Provide children of different sex with separate bedrooms; and~~
 - ~~4.b. Prevent more than two persons from occupying~~ Provide a ~~single~~ bedroom; ~~for every two adult occupants;~~
- ~~b. Additional provisions related to occupancy standards (if any) shall be provided in the Municipal Operating Manual.~~
- ~~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.~~

Section 26-43.1.7. Selection of Occupants of Affordable Housing Units.

- ~~The administrative agent shall use a random selection process to select occupants of low- and moderate-income housing.~~
- ~~A waiting list of all eligible candidates will be maintained in accordance with the provisions of N.J.A.C. 5:80-26 et seq.~~

§ 26-43.1.8-10 Control Periods for Restricted Ownership Units and Enforcement Mechanisms.

A. Control Periods for Restricted Ownership Units and Enforcement Mechanisms.

- ~~a.~~1. Control periods for restricted ownership units shall be in accordance with N.J.A.C. 5:80-26.~~5~~6, as may be amended and supplemented, and each restricted ownership unit shall remain subject to the ~~requirements~~controls on affordability for a period of this section until the City of Sea Isle elects to release the unit from such requirements; however, prior to such an election, a restricted ownership unit must remain at least 30 years subject to the requirements of N.J.A.C. 5:80-26.~~4~~6, as may be amended and supplemented, ~~for at least 30 years.~~
- ~~b.~~2. Rehabilitated ~~owner-occupied single-family~~ housing units that are improved to code standards shall be subject to affordability controls for a period of ~~10 years~~not less than 10 years (crediting towards present need only).
- ~~e.~~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.
- ~~d.~~9. The affordability controls set forth in this ~~section~~Ordinance shall remain in effect despite the entry and enforcement of any judgment of foreclosure with respect to price-restricted ownership units.

~~e. A restricted ownership unit shall be required to obtain a continuing certificate of occupancy or a certified statement from the Construction Official stating that the unit meets all code standards upon the first transfer of title that follows the expiration of the applicable minimum control period provided under N.J.A.C. 5:80-26.5(a), as may be amended and supplemented.~~

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Section 26-43.1.9.11 Price Restrictions for Restricted Ownership Units, Homeowners' Association and Resale Prices

A. Fees 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. 5:80-26.47, as may be amended and supplemented, including:

- a. The initial purchase price and affordability percentage for a restricted ownership unit shall be ~~approved~~set by the ~~administrative agent~~Administrative Agent.
- b. The ~~administrative agent~~Administrative Agent shall approve all resale prices, in writing and in advance of the resale, to assure compliance with the ~~foregoing standards-~~set forth in N.J.A.C 5:80-26.7.

~~e. The method used to determine the condominium association fee amounts and special assessments shall be indistinguishable between the low- and moderate-income unit owners and the market unit owners.~~

- i. If the resale occurs prior to the one-year anniversary of the date on which title to the unit was transferred to a certified household, the maximum resale price for a is the most recent non-exempt purchase price.
- ii. If the resale occurs on or after such anniversary date, the maximum resale price is the most recent non-exempt purchase price increased to reflect the cumulative annual percentage increases to the regional median income, effective as of the same date as the regional median income calculated pursuant to N.J.A.C. 5:80-26.3
- c. The owners of restricted ownership units may apply to the ~~administrative agent~~ Administrative Agent to increase the maximum sales price for the unit on the basis of anticipated capital improvements. Eligible capital improvements shall be-:

 - ~~d.i.~~ i. those that render the unit suitable for a larger household or the addition of a bathroom.
 - ii. §The maximum resale price may be further increased by an amount up to the cumulative dollar value of approved capital improvements made after the last non-exempt sale for improvements and/or upgrades to the unit, excluding capital improvements paid for by the entity favored on the recapture note and recapture lien described at N.J.A.C. 5:80-26.6(d);

- d. No increase for capital improvements is permitted if the maximum resale price prior to adjusting for capital improvements already exceeds whatever initial purchase price the unit would have if it were being offered for purchase for the first time at the initial

affordability percentage. All adjustments for capital improvements are subject to 10-year, straight-line depreciation.

2. Upon the resale of a restricted ownership unit, all items of property that are permanently affixed to the unit or were included when the unit was initially restricted (for example, refrigerator, range, washer, dryer, dishwasher, wall-to-wall carpeting) shall be included in the maximum allowable resale price. Other items may be sold to the purchaser at a reasonable price that has been approved by the Administrative Agent at the time of the signing of the agreement to purchase but shall be separate and apart from any contract of sale for the underlying real estate. The purchase of central air conditioning installed subsequent to the initial sale of the unit and not included in the base price may be made a condition of the unit resale provided the price of the air conditioning equipment, which shall be subject to 10-year, straight-line depreciation, has been approved by the Administrative Agent. Unless otherwise approved by the Administrative Agent, the purchase of any property other than central air conditioning shall not be made a condition of the unit resale. The seller and the purchaser must personally certify at the time of closing that no unapproved transfer of funds for the purpose of selling and receiving property has taken place at the time of or as a condition of resale.

Section 26-43.1.40.12 Buyer Income Eligibility-

A. Buyer Income Eligibility.

- a.1. ~~Buyer income eligibility for restricted ownership units shall be in accordance with established pursuant to N.J.A.C. 5:80-26.417, 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. ~~The administrative agent~~ 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.

~~b.~~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, ~~homeowners'~~homeowner and private mortgage insurance and condominium or ~~homeowners'~~homeowner association fees, as applicable) does not exceed ~~33%~~35 percent of the ~~household's certified~~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

Section 26-43.1.13 Limitations on Indebtedness Secured by Ownership Unit; Subordination.

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

~~a.~~1. Prior to incurring any indebtedness to be secured by a restricted ownership unit, the ~~administrative agent~~owner shall ~~determine,~~apply to the Administrative Agent for a determination in writing-; that the proposed indebtedness complies with the provisions of this ~~section~~Section, and the Administrative Agent shall issue such determination prior to the owner incurring such indebtedness.

~~b.~~2. With the exception of original purchase money mortgages, ~~during a control period~~ 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~~Administrative Agent in accordance with N.J.A.C. 5:80-26.6**(b)(c)**.

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Section 26-43.1.14 Control Periods for Restricted Rental Units-

A. Control Periods for Restricted Rental Units.

1. Control periods for units that meet the definition of prior round units shall be pursuant to the 2001 UHAC rules originally adopted October 1, 2001, 33 N.J.R. 3432, and amended December 20, 2004, 36 N.J.R. 5713 and shall remain subject to the requirements of this ordinance for a period of at least 30 years as applicable unless otherwise indicated.
2. Other than for prior round units, control periods for restricted rental units shall be in accordance with N.J.A.C. 5:80-26.4112, as may be amended and supplemented, and each restricted rental unit shall remain subject to the requirements of this section until the City of Sea Isle elects to release the unit from such requirements; however, prior to such an election, 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 must remain subject to the requirements of N.J.A.C. 5:80-26.1, as may be amended and supplemented, for at least 30 years 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.
- a. 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.
- b. 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, and the deed restriction shall be filed recorded by the developer or seller with the county records office of the County of Cape May. A copy of the filed document shall be, and provided as filed and recorded, to the administrative agent Administrative Agent within 30 days of the receipt of a certificate of occupancy.
- e. 7. A restricted rental unit shall remain subject to the affordability controls of this section, Ordinance despite the occurrence of any of the following events:
 1. a. Sublease or assignment of the lease of the unit;
 2. b. Sale or other voluntary transfer of the ownership of the unit; or
 3. 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.

Section 26-43-1.43.15

A. Rent Restrictions for Rental Units; Leases; Additional and Fees and Charges.

1. The initial rent for a restricted rental unit shall be set by the Administrative Agent.
- a. ~~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 ~~provided to the administrative agent~~ retained on file by the Administrative Agent.
- b. ~~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 ~~sevicesservices~~) without the express written approval of the ~~administrative agent~~ 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.
- e. ~~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 ~~and shall be payable to the administrative agent~~ to be applied to the costs of administering the controls applicable to the unit as set forth in this ~~section~~ 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.

Section 26-43.1.44-16 Tenant Income Eligibility:

A. Tenant Income Eligibility.

- a. ~~1.~~ Tenant income eligibility shall be ~~in accordance with~~ determined pursuant to N.J.A.C. 5:80-26. ~~43~~ 14, as may be amended and supplemented, and shall be determined as follows:
 - ~~1.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.

~~2.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.

~~3.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.

~~b.2.~~ The ~~administrative agent~~ Administrative Agent shall certify a household as eligible for a restricted rental unit when the household is a very-~~low-income household~~, low-income ~~household~~ or a 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~~ household's eligible monthly income as determined pursuant to N.J.A.C. 5:80-26.4617, as may be amended and supplemented; provided, however, that this limit may be exceeded if one or more of the following circumstances exists:

~~1.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;

~~2.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;

~~3.c.~~ The household is currently in substandard or overcrowded living conditions;

~~4.d.~~ The household documents the existence of assets with which the household proposes to supplement the rent payments; or

~~5.e.~~ The household documents ~~proposed~~ reliable anticipated third-party assistance from an outside source, such as a family member, in a form acceptable to the ~~administrative agent~~ Administrative Agent and the owner of the unit.

~~e.3.~~ The applicant shall file documentation sufficient to establish the existence of any of the circumstances in ~~Subsection b12.a.~~ through ~~52.e.~~ above with the ~~administrative agent~~ Administrative Agent, who shall counsel the household on budgeting.

~~§ 26-43.1.15. Conversions:~~

~~Each housing unit created through the conversion of a nonresidential structure shall be considered a new housing unit and shall be subject to the affordability controls for a new housing unit.~~

~~§ 26-43.1.16. Administration of Affordable Units:~~

~~a. Specifications for the administration of affordable units in the City, including income eligibility criteria, sale prices, and rental prices, shall be established and governed by the Affordable Housing Administrator in accordance with COAH rules.~~

~~b. Any conveyance of a newly constructed low- or moderate-income unit shall contain the restrictive affordability controls that are set forth in N.J.A.C. 5:97.~~

§

Section 26-43.1.17. Municipal Housing Liaison

A. Municipal Housing Liaison.

~~a. The City of Sea Isle City is ultimately responsible for administering the affordable housing program, including affordability controls and the affirmative marketing plan in accordance with N.J.A.C. 5:93 et seq. and the UHAG pursuant to N.J.A.C. 5:80-26 et seq.~~

~~b.1. The position of Municipal Housing Liaison for the City of Sea Isle City is hereby established. The City of Sea Isle City shall, by duly adopted shall be approved by municipal resolution, ~~appoint the Municipal Housing Liaison, subject to approval by the Superior Court.~~~~

~~e. The Municipal Housing Liaison must be either a full-time shall be approved by the Division, or is in the process of getting approval, and fully or ~~part-time employee of the City of Sea Isle City.~~~~

~~d.2. The Municipal Housing Liaison must meet conditionally meets the requirements for qualifications, including initial and periodic training ~~found~~ as set forth in in N.J.A.C. 5:~~93~~99-1 et seq.~~

~~e.3. The Municipal Housing Liaison shall be responsible for oversight and administration of the affordable housing program ~~for the City of Sea Isle City~~, including the following responsibilities, which may not be contracted out to the ~~administrative agent~~: Administrative Agent:~~

~~1.a. Serving as the ~~municipality's~~ primary point of contact for all inquiries from the ~~state~~ Affordable Housing Dispute Resolution Program, the State, affordable housing providers, administrative agents and interested households;~~

~~2.b. The ~~implementation~~ oversight of the ~~affirmative marketing plan~~ Affirmative Marketing Plan and affordability controls;~~

~~3.c. When applicable, ~~supervising~~ overseeing and monitoring any contracting ~~administrative agent~~; Administrative Agent.~~

~~4.d. ~~Monitoring~~ Overseeing the monitoring of the status of all restricted units listed in the ~~City of Sea Isle City's~~ Fair Share Plan;~~

~~5.e. ~~Compiling, verifying~~ Verifying, certifying and ~~submitting~~ providing annual ~~reports~~ information within AHMS at such time and in such form as required by the ~~Superior Court~~; Division.~~

~~6.f. Coordinating meetings with affordable housing providers and administrative agents, as ~~applicable~~; and needed.~~

~~7.g.~~ Attending continuing education opportunities on affordability controls, compliance monitoring, and affirmative marketing as offered or approved by the ~~Superior Court~~ Division.

~~§ 26-43.1.18. Administrative Agent.~~

- ~~h.~~ The City shall designate by resolution of the City Committee, subject to the approval of the Superior Court, one 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.

Section 26-43.1.18 Administrative Agent

A. Administrative Agent.

1. All municipalities that have created or ~~more administrative agents to administer newly constructed~~ 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 N.J.A.C. 5:93 ~~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.
 - ~~a.~~ d. Administrative agent fees related to ongoing administration and enforcement shall be paid by the municipality.
- ~~b.~~ 3. An operating manual Operating Manual for each affordable housing program shall be provided by the ~~administrative agent~~ Administrative Agent(s) to be adopted by resolution of the governing body and subject to approval of the Superior Court. The operating manuals shall be ~~).~~ The Operating Manual(s) shall be available for public inspection in the ~~office~~ Office of the ~~Municipal~~ Clerk and in the office(s) of the ~~administrative agent(s).~~ Administrative Agent(s). Operating manuals shall be adopted by resolution of the Governing Body.
- ~~e.~~ 4. The administrative agent shall perform Subject to the role of the Administrative Agent(s), the duties and responsibilities ~~of an administrative agent~~ as are set forth in ~~UHAC and~~ N.J.A.C. 5:99-7 and which are described in full detail in the ~~operating~~

~~manual~~ Operating Manual, including those set forth in ~~N.J.A.C. 5:80-26.14, 5:80-26.16 and 5:80-26.18 thereof, which includes~~ UHAC, include:

~~1.a.~~ Attending continuing education opportunities on affordability controls, compliance monitoring, and affirmative marketing as offered or approved by the Superior Court Division;

~~2.b.~~ Affirmative marketing;

i. Conducting an outreach process to affirmatively market affordable housing units in accordance with the Affirmative Marketing Plan of the municipality and the provisions of N.J.A.C. 5:80-26.16.

ii. Providing counseling, or contracting to provide counseling services, to low- and moderate-income applicants on subjects such as budgeting, credit issues, mortgage qualification, rental lease requirements; and landlord/tenant law.

~~3.c.~~ Household certification;

i. Soliciting, scheduling, conducting and following up on interviews with interested households.

ii. Conducting interviews and obtaining sufficient documentation of gross income and assets upon which to base a determination of income eligibility for a low- or moderate-income unit;

iii. Providing written notification to each applicant as to the determination of eligibility or non-eligibility within 5 days of the determination thereof.

iv. Requiring that all certified applicants for restricted units execute a certificate substantially in the form, as applicable, of either the ownership or rental certificates set forth in the Appendices J and K of N.J.A.C. 5:80-26.1 et seq.

v. Creating and maintaining a referral list of eligible applicant households living in the housing region, and eligible applicant households with members working in the housing region, where the units are located.

vi. Employing a random selection process as provided in the Affirmative Marketing Plan when referring households for certification to affordable units.

~~4.d.~~ Affordability controls;

i. Furnishing to attorneys or closing agents forms of deed restrictions and mortgages for the recording at the time of conveyance of title of each restricted unit.

ii. Ensuring that the removal of the deed restrictions and cancellation of the mortgage note are effectuated and filed properly with the County Register of Deeds or County Clerk's office after the termination of the affordability controls for each restricted unit in accordance with UHAC.

iii. Communicating with lenders and the Municipal Housing Liaison regarding foreclosures.

iv. Ensuring the issuance of Continuing Certificates of Occupancy or certifications pursuant to N.J.A.C. 5:80-26.11.

~~5.e. Records retention;~~

~~6. Resale and rental;~~

i. Creating and maintaining a file on each restricted unit for its control period, including the recorded deed with restrictions, recorded recapture mortgage, and note, as appropriate.

ii. Records received, retained, retrieved, or transmitted in furtherance of crediting affordable units of a municipality constitute public records of the municipality as defined by N.J.S.A. 47:3-16, and are legal property of the municipality.

f. Resales and re-rentals.

i. Instituting and maintaining an effective means of communicating information between owners and the Administrative Agent regarding the availability of restricted units for resale or re-rental.

ii. Instituting and maintaining an effective means of communicating information to very low-, low-, or moderate-income households regarding the availability of restricted units for resale or re-rental.

~~7.g. Processing requests from unit owners; and~~

~~8. Enforcement, although the ultimate responsibility for retaining controls on the units rests with the municipality.~~

i. Reviewing and approving requests from owners of restricted units who wish to refinance or take out home equity loans during the term of their ownership to determine that the amount of indebtedness to be incurred will not violate the terms of this ordinance.

ii. Reviewing and approving requests to increase sales prices from owners of restricted units who wish to make capital improvements to the units that would affect the selling price, such authorizations to be limited to those improvements resulting in additional bedrooms or bathrooms and the depreciated cost of central air conditioning systems.

iii. Notifying the municipality of an owner's intent to sell a restricted unit.

iv. Making determinations on requests by owners of restricted units for hardship waivers.

h. Enforcement.

i. Securing annually from the municipality a list of all affordable ownership units for which property tax bills are mailed to absentee owners, and notifying all such owners that they must either move back to their unit or sell it;

ii. Securing from all developers and sponsors of restricted units, at the earliest point of contact in the processing of the project or development, written acknowledgement of the requirement that no restricted unit can be offered, or in

any other way committed, to any person, other than a household duly certified to the unit by the Administrative Agent;

- iii. Sending annual mailings to all owners of affordable dwelling units reminding them of the notices and requirements outlined in N.J.A.C. 5:80-26.19(d)4;
- iv. Establishing a program for diverting unlawful rent payments to the municipal Affordable Housing Trust Fund; and
- v. Creating and publishing a written operating manual for each affordable housing program administered by the Administrative Agent setting forth procedures for administering the affordability controls.

9.i. The ~~administrative agent~~ Administrative Agent(s) shall, as delegated by the ~~City Committee~~ municipality, have the authority to take all actions necessary and appropriate to carry out its/their responsibilities, ~~hereunder~~ herein.

~~§ 26-43.1.19.~~

Section 26-43.1.19 Responsibilities of the Owner of a Development Containing Affordable Units

A. 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.

Section 26-43.1.20 Enforcement of Affordable Housing Regulations-

A. Enforcement of Affordable Housing Regulations

- ~~a.~~1. Upon the occurrence of a breach of any of the regulations governing the affordable unit by an owner, developer or tenant, the ~~City of Sea Isle City~~ 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.
- ~~b.~~2. After providing written notice of a violation to an owner, developer or tenant of ~~a low- or moderate-income~~ an affordable unit and advising the owner, developer or tenant of the penalties for such violations, the ~~City of Sea Isle City~~ 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:

~~1.a.~~ The ~~City of Sea Isle City~~ 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~~ 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~~ Court:

~~(a)~~ i. A fine of not more than ~~\$500~~ 1,000.00 or imprisonment for a period not to exceed 90 days, or both. ~~Each, 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 ~~as~~ a continuing continuation of the initial offense.;

~~(b)~~ ii. In the case of an owner who has rented his or her low- or moderate-income unit in violation of the regulations governing affordable housing units, payment into the ~~City of Sea Isle City~~ Affordable Housing Trust Fund of the gross amount of rent illegally collected.;

~~(c)~~ iii. In the case of an owner who has rented his or her ~~low- or moderate-income~~ affordable unit in violation of the regulations governing affordable housing units, payment of an innocent ~~tenant's~~ tenant's reasonable relocation costs, as determined by the ~~court~~ Court.

~~3.~~ The ~~City of Sea Isle City~~ 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.

~~2.4.~~ The municipality may file a court action in the Superior Court seeking a judgment, which would result in the termination of the ~~owner's~~ 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- ~~and~~ or moderate-income unit.

~~e.a.~~ Such judgment shall be enforceable, at the option of the ~~City of Sea Isle City~~ municipality, by means of an execution sale by the Sheriff, at which time the ~~low- and moderate-income~~ 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 ~~City of Sea Isle City~~ municipality, including ~~attorneys'~~ attorney's fees. The violating owner shall have the right to possession terminated as well as the title conveyed pursuant to the ~~Sheriff's~~ Sheriff's sale.

~~d.~~b. The proceeds of the ~~Sheriff's~~Sheriff's sale shall first be applied to satisfy the first purchase money mortgage lien and any prior liens upon the low- ~~and or~~ moderate-income unit. The excess, if any, shall be applied to reimburse the ~~City of Sea Isle~~City 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~~Sheriff's sale. In the event that the proceeds from the ~~Sheriff's~~Sheriff's sale are insufficient to reimburse the ~~City of Sea Isle~~City municipality in full as aforesaid, the violating owner shall be personally responsible for ~~and to the~~ full extent of such deficiency, in addition to any and all costs incurred by the ~~City of Sea Isle~~City municipality in connection with collecting such deficiency. In the event that a surplus remains after satisfying all of the above, such surplus, ~~if any,~~ shall be placed in escrow by the ~~City of Sea Isle~~City 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 ~~City of Sea Isle~~City 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 ~~City of Sea Isle~~City municipality. Any interest accrued or earned on such balance while being held in escrow shall belong to and shall be paid to the ~~City of Sea Isle~~City municipality, whether such balance shall be paid to the owner or forfeited to the ~~City of Sea Isle~~City municipality.

~~e.~~c. Foreclosure ~~by the City of Sea Isle~~City due to violation of the regulations governing affordable housing units shall not extinguish the restrictions of the regulations governing affordable housing units as ~~the same~~they apply to the low- and moderate-income unit. Title shall be conveyed to the purchaser at the ~~Sheriff's~~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~~Sheriff's sale shall not be entitled to any right of redemption.

~~f.~~d. If there are no bidders at the ~~Sheriff's~~Sheriff's sale, or if insufficient amounts are bid to satisfy the first purchase money mortgage and any prior liens, the ~~City of Sea Isle~~City municipality may acquire title to the ~~low- and moderate-income~~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 ~~low- and moderate-income~~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 ~~which~~that would have been realized from an actual sale as previously described.

~~g.~~e. Failure of the low- ~~and or~~ moderate-income unit to be either sold at the ~~Sheriff's~~Sheriff's sale or acquired by the ~~City of Sea Isle~~City municipality shall obligate the owner to accept an offer to purchase from any qualified purchaser ~~which~~that may be referred to the owner by the ~~City of Sea Isle~~City municipality, with such offer to purchase being equal to the maximum resale price of the low- ~~and or~~

moderate-income unit as permitted by the regulations governing affordable housing units.

~~h.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. ~~§ 26-43.1.20.~~ 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 designated~~appointed pursuant to this ~~section shall~~subchapter must be filed, in writing, with the ~~City~~.

b. ~~Procedure on appeal.~~

a. ~~Any appeal from 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 shall be filedagent's decision is a final administrative action.

§ Sections 26-43.4 through 26-43.4.8 regarding Nonresidential Affordable Housing Development Fees. ~~[Added 11-27-2018 by Ord. No. 1628]~~ with the following:

§Section 26-43.4.1. Purpose.

~~a. In Holmdel Builder's Association v. Holmdel City, 121 N.J. 550 (1990), the New Jersey Supreme Court determined that mandatory development fees are authorized by the Fair Housing Act of 1985, N.J.S.A. 52:27d-301 et seq., and the State Constitution, subject to the adoption of rules by the Council on Nonresidential Affordable Housing (COAH).~~

~~A. Pursuant to P.L. 2008, c. 46, Section 8 (N.J.S.A. 52:27D-329.2) and the Statewide Non-Residential Development Fee Act (N.J.S.A. 40:55D-8.1 through 40:55D-8.7), COAH was authorized to adopt and promulgate regulations necessary for the establishment, implementation, review, monitoring and enforcement of municipal affordable housing trust funds and corresponding spending plans. Municipalities that were under the jurisdiction of COAH, and that are now before a court of competent jurisdiction and have a court-approved spending plan, may retain fees collected from nonresidential development. Fees~~

Section 26-43.4.1. Purpose

~~B.a. This section establishes standards for the collection, maintenance, and expenditure of development fees that are consistent with COAH's regulations and policies developed in response to the amended Fair Housing Act (P.L. 20082024, c. 46, Sections 8 and 32-38 (2), N.J.S.A. 52:27D-329.2)C. 5:99, and the Statewide Non-Residential Development Fee Act (N.J.S.A.C. 40:55D-8.1 through ~~40:55D-8.7~~). Fees collected pursuant to this sectionOrdinance shall be used for the sole purpose of providing very low-, low- and moderate-income housing in accordance with a courtCourt-approved spending planSpending Plan.~~

§Section 26-43.4.2. Basic Requirements.

~~a. This section shall not become effective until approved by the court pursuant to N.J.A.C. 5:96-5.1.~~

~~a. The City of Sea Isle CityThe definitions of Section 115-15.1.B shall apply.~~

~~b. The municipality previously adopted a development fee ordinance, which established the Municipal Affordable Housing Trust Fund.~~

~~A.c. The municipality shall not spend development fees until the court has approved a plan for spending such fees in conformance with N.J.A.C. 5:97-8.10 and N.J.A.C. 5:96-5.3.~~

~~b. This section shall be interpreted within the framework of COAH's last adopted rules on development fees, codified at N.J.A.C. 5:97-8, as same may be interpreted and applied by the court.~~

§Section 26-43.4.3. Nonresidential Non-Residential Development Fees.

~~A.a. ImposedImposition of fees.~~

- a.i. Within all zoning districts, ~~nonresidential~~non-residential developers, except for developers of the types of development specifically exempted ~~below~~, shall pay a fee equal to ~~2-1/2~~.5% of the equalized assessed value of the land and improvements, for all new ~~nonresidential~~non-residential construction on an unimproved lot or lots.
- b.i. ~~Nonresidential~~Within all zoning districts, non-residential developers, except for developers of the types of development specifically exempted, shall also pay a fee equal to ~~2-1/2~~.5% of the increase in equalized assessed value resulting from any additions to existing structures to be used for ~~nonresidential~~non-residential purposes.
- e.iii. Development fees shall be imposed and collected when an existing structure is demolished and replaced. The development fee of ~~2-1/2~~.5% shall be calculated on the difference between the equalized assessed value of the ~~preexisting~~pre-existing land and ~~improvement~~improvements and the equalized assessed value of the newly improved structure; i.e., land and ~~improvement~~improvements; and such calculation shall be made at the time ~~the~~a final certificate of occupancy is issued. If the calculation required under this section results in a negative number, the ~~nonresidential~~non-residential development fee shall be zero.
- ~~B.b.~~ Eligible exactions, ineligible exactions and exemptions for ~~nonresidential~~non-residential development-
- a.i. The ~~nonresidential~~non-residential portion of a mixed-use inclusionary or market-rate development shall be subject to ~~the~~a ~~2-1/2~~.5% development fee, unless otherwise exempted below.
- b.ii. The ~~2-1/2~~.5% fee shall not apply to an increase in equalized assessed value resulting from alterations, change in use within existing footprint, reconstruction, renovations and repairs.
- c. ~~Nonresidential~~Non-residential developments shall be exempt from the payment of ~~nonresidential~~non-residential development fees in accordance with the exemptions required pursuant to ~~P.L. 2008, c. 46,~~the Statewide Non-Residential Development Fee Act (N.J.S.A. 40:55D-8.1 through 8.7), as specified in ~~the~~ Form N-RDF, “State of New Jersey Non-Residential Development Certification/Exemption ~~Form.~~” Any exemption claimed by a developer shall be substantiated by that developer.
- d. A developer of a ~~nonresidential~~non-residential development exempted from the ~~nonresidential~~non-residential development fee pursuant to ~~P.L. 2008, c. 46,~~the Statewide Non-Residential Development Fee Act shall be subject to ~~it~~the fee at such time as the basis for the exemption no longer applies, and shall make the payment of the ~~nonresidential~~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 ~~nonresidential~~non-residential development, whichever is later.
- e. If a property, ~~which that~~ was exempted from the collection of a ~~nonresidential~~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 ~~nonresidential~~non-residential development fees under these circumstances may be enforceable by ~~Sea Isle City~~the municipality as a lien against the real property of the owner.

- ~~1. Developers that have received final approval prior to the adoption of a municipal development fee ordinance shall be exempt from paying a development fee, unless the developer seeks a substantial change in the approval.~~
- ~~2. Exempted from these provisions shall be approvals for the following classes of development:~~
 - ~~(a) Utility facilities.~~
 - ~~(b) Educational and cultural facilities.~~
 - ~~(c) Quasi-public uses, including clubs, lodges and similar uses.~~
 - ~~(d) Public uses.~~
 - ~~(e) Hospital uses.~~

§Section 26-43.4.4.— Collection of Fees.Procedures

- ~~A.a.~~ A.a. Upon the granting of a preliminary, final or other applicable approval for a development, the applicable approving authority shall direct its staff to notify the ~~Construction Official~~construction official responsible for the issuance of a building permit.
- ~~B.b.~~ B.b. For ~~nonresidential~~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 ~~as per~~by the ~~instructions provided.~~ The developer ~~of a nonresidential development shall complete Form N-RDF as per the instructions provided.~~ The Construction Official in the Form N-RDF. The construction official shall verify the information submitted by the ~~nonresidential~~non-residential developer as per the instructions provided ~~in the on~~ Form N-RDF. The ~~Tax Assessor~~tax assessor shall verify exemptions and prepare estimated and final assessments as per the instructions provided in Form N-RDF.
- ~~C.c.~~ C.c. The ~~Construction Official~~construction official responsible for the issuance of a building permit shall notify the ~~local~~ tax assessor of the issuance of the first ~~building~~construction permit for a development ~~which~~that is subject to a development fee.
- ~~D.d.~~ D.d. Within 90 days of receipt of that notice, the ~~Municipal Tax Assessor~~tax assessor ~~shall provide an estimate,~~ based on the plans filed, ~~shall provide an estimate~~ of the equalized assessed value of the development.
- ~~E.e.~~ E.e. The ~~Construction Official~~construction official responsible for the issuance of a final certificate of occupancy ~~notifies~~shall notify the ~~Local Assessor~~tax assessor of

any and all requests for the scheduling of a final inspection on property ~~which~~that is subject to a development fee.

~~F.f.~~ Within 10 business days of a request for the scheduling of a final inspection, the ~~Municipal Assessor~~tax assessor shall confirm or modify the previously estimated equalized assessed value of the improvements ~~of~~associated with the development;~~;~~ calculate the development fee;~~;~~ and thereafter notify the developer of the amount of the fee.

~~G.g.~~ Should ~~Sea Isle City~~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~~section 37 of P.L.-2008, c.-46 (N.J.S.A. 40:55D-8.6).

~~H.h.~~ 50%~~One hundred percent (100%)~~ of the development fee shall be collected at the time of issuance of the ~~building permit. The remaining portion shall be collected at the issuance of the~~ certificate of occupancy. The developer shall be responsible for paying the difference between the fee calculated at ~~building~~the time of issuance of the construction permit and that determined at the time of issuance of certificate of occupancy.

~~I.~~ Section 26-43.4.5 ~~Appeal of development fees.~~

~~a.~~ A developer may challenge residential development fees imposed by filing a challenge with the County Board of Taxation. Pending a review and determination by ~~the Board~~that board, collected fees shall be placed in an interest-bearing escrow account by ~~Sea Isle City~~the municipality. Appeals from a determination of the ~~Board~~board may be made to the ~~tax court~~Tax Court in accordance with the provisions of the State Tax Uniform Procedure Law, ~~N.J.R.S.A.~~ 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. ~~escrowed shall be credited to the prevailing party.~~

a. A developer may challenge ~~nonresidential~~non-residential development fees imposed by filing a challenge with the ~~Director~~director of the Division of Taxation. Pending a review and determination by the ~~Director~~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 ~~Sea Isle City~~the municipality. Appeals from a determination of the ~~Director~~director may be made to the ~~tax court~~Tax Court in accordance with the provisions of the State Tax Uniform Procedure Law, ~~N.J.R.S.A.~~ 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.

~~S.~~

~~Section 26-43.4.5-6~~ Affordable Housing Trust Fund.

~~A.a.~~ ~~There is hereby created a~~ separate, interest-bearing ~~housing trust fund~~ to Municipal Affordable Housing Trust Fund shall be maintained by the ~~Sea Isle City Chief Financial Officer~~chief financial officer of the municipality for the purpose of

depositing development fees collected from ~~nonresidential~~residential and non-residential developers and proceeds from the sale of units with extinguished controls.

~~B.b.~~ The following additional funds shall be deposited in the Municipal Affordable Housing Trust Fund and shall at all times be identifiable by source and amount:

~~a.i.~~ Payments in lieu of on-site construction of affordable units, except that payments in lieu of construction shall be separately identifiable from other payments in lieu of construction as a subaccount within the Affordable Housing Trust Fund 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;

~~b.ii.~~ Developer-Funds contributed funds by developers to make 10% of the adaptable entrances in a townhouse or other multistory attached dwelling unit development accessible;

~~e.iii.~~ Rental income from municipally operated units;

~~d.iv.~~ Repayments from affordable housing program loans;

~~e.v.~~ Recapture funds;

~~f.vi.~~ Proceeds from the sale of affordable units; and

~~g.vii.~~ Any other funds collected in connection with Sea Isle City's the municipal affordable housing program including but not limited to interest earned on fund deposits.

~~C.c.~~ Within seven days from the opening of the trust fund account, Sea Isle City The municipality shall provide the court Division with written authorization, in the form of a three tri-party escrow agreement(s) between the municipality, the bank, Division and the court, financial institution in which the municipal affordable housing trust fund has been established to permit the court Division to direct the disbursement of the funds as provided for in N.J.A.C. 5:~~97-8.13(b)~~99-2.1 et seq.

d. Occurrence of any of the following deficiencies may result in the Division requiring the forfeiture of all or a portion of the funds in the municipal Affordable Housing Trust Fund:

i. Failure to meet deadlines for information required by the Division in its review of a development fee ordinance;

ii. Failure to commit or expend development fees within four years of the date of collection in accordance with N.J.A.C. 5:99-5.5;

iii. Failure to comply with the requirements of the Non-Residential Development Fee Act and N.J.A.C. 5:99-3;

iv. Failure to submit accurate monitoring reports pursuant to this subchapter within the time limits imposed by the Act, this chapter, and/or the Division;

v. Expenditure of funds on activities not approved by the Superior Court or otherwise permitted by law;

- vi. Revocation of compliance certification or a judgment of compliance and repose;
- vii. Failure of a municipal housing liaison or administrative agent to comply with the requirements set forth at N.J.A.C. 5:99-6, 7, and 8;
- viii. Other good cause demonstrating that municipal affordable housing funds are not being used for an approved purpose.

~~D.e.~~ All interest accrued in the housing trust fund shall only be used on eligible affordable housing ~~activities~~purposes approved by the ~~court~~Court.

§

Section 26-43.4.6-7 Use of Funds-

a.—The expenditure of all funds shall conform to a ~~spending plan~~Spending Plan approved by ~~the court~~Superior Court. Funds deposited in the ~~housing trust fund~~municipal Affordable Housing Trust Fund may be used for any activity approved by the ~~court~~Court to address ~~Sea Isle City's~~the fair share obligation and may be set up as a grant or revolving loan

a. 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 ~~apartment, marketing~~apartments; a market-to-affordable ~~or regional housing partnership programs,~~program; conversion of existing ~~nonresidential~~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 as permitted pursuant to N.J.A.C. 5:97-8.7 through 5:97-8.9 by Superior Court and specified in the approved ~~spending plan~~Spending Plan.

~~A.b.~~ Funds shall not be expended to reimburse ~~Sea Isle City for past housing~~the municipality or activities that occurred prior to the authorization of a municipality to collect development fees.

~~B.c.~~ At least ~~30%~~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~~municipal Fair Share Plan. ~~1/3 of the affordability assistance~~A portion of the development fees ~~collected which provide affordability assistance~~ shall be used to provide affordability assistance to ~~those very low-income households earning 30% or less of median income by region~~.

~~-i.~~ Affordability assistance programs may include ~~downpayment~~down payment assistance, security deposit assistance, low-interest loans, rental assistance, assistance with ~~homeowners'~~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 to for very low income households earning 30% or less of median income may include producing very low-income units or buying down the cost of low- or moderate-income units in the Municipal municipal Fair Share Plan to make them affordable to households earning 30% or less of median income.~~
- ~~1. Payments in lieu of constructing affordable units on site and funds from the sale of units with extinguished controls shall be exempt from the affordability assistance requirement.~~
- ~~2. Sea Isle City may contract with a private or public entity to administer any part of its Housing Element and Fair Share Plan, including the requirement for affordability assistance, in accordance with N.J.A.C. 5:96-18.~~
- d. No more than 20% of all revenues affordable housing trust funds, exclusive of those collected from development fees may 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 consultant 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 Fair Share Plan, and/or an affirmative marketing program. In the case of a rehabilitation program, no more than 20% of the revenues collected from development fees shall be expended for such administrative expenses. Administrative funds may be used for income qualification of households, monitoring the turnover of sale and rental units, and compliance with the court's monitoring requirements. Legal or other fees related to litigation opposing affordable housing sites or objecting to the Council's regulations and/or action are not eligible uses of the Superior Court and the Program including the costs to the municipality of resolving a challenge.

Section 26-43.4.8 Monitoring

- ~~3. 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.~~

~~§ 26-43.4.7. Monitoring:~~

- a. Sea Isle City shall complete 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 return to the New Jersey Department of Community Affairs (NJCA), Local Government Services, all monitoring forms included in monitoring requirements related to the collection of development fees from nonresidential 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 Sea Isle City's municipal housing program programs, as well as to an accounting of the expenditure expenditures of revenues and implementation of the plan-certified Spending Plan approved by the court. All monitoring reports shall be completed on forms designed by NJDCA or a successor entity for that purpose Court.

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Section 26-43.4.8-9 Ongoing Collection of Fees.

a. ~~The ability for the City of Sea Isle City to impose, collect and expend development fees shall expire with the expiration of the repose period covered by its impending judgment of compliance and repose unless the City of Sea Isle City has first filed an adopted Housing Element and Fair Share Plan with the court or with a designated state administrative agency, has petitioned for a judgment of compliance and repose from the court or for substantive certification or its equivalent from a state administrative agency authorized to approve and administer municipal affordable housing compliance, and has received approval of its Development Fee Ordinance from the entity that will be reviewing and approving the Housing Element and Fair Share Plan.~~

a. The ability to impose, collect and expend development fees shall continue so long as the municipality retains authorization from the Court in the form of Compliance Certification or the good faith effort to obtain it.

b. If the City of Sea Isle City municipality fails to renew its ability to impose and collect development fees prior to the expiration of its judgment Judgment of compliance and repose 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 section 20 of P.L.-1985, c.-222 (N.J.S.A.C. 52:27D-320).

Section 26-43.4.10 Emergent Affordable Housing Opportunities.

~~A.~~ a. 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.

CITY OF SEA ISLE CITY
NEW JERSEY

RESOLUTION NO. 015 2025

WHEREAS, N.J.S.A. 40A:5-17 provides for the approval of claims in manner provides by ordinance; and

WHEREAS, the City Council of Sea Isle City duly enacted Ordinances which provide a method for approval of claims, recordation thereof, and the payment of such claims by the City of Sea Isle City; and:

WHEREAS, The City Council have reviewed and considered invoices as follows:

v

PREVIOUS PAID BILLS:

SEA ISLE CITY PAYROLL	435,081.09
STATE OF NEW JERSEY	5,000.00

<u>VENDOR</u>	<u>AMOUNT</u>
ACE PLUMBING	133.93
AIR & GAS TECHNOLOGIES	3,163.50
ATLANTIC CITY ELECTRIC	2,103.22
ATLANTICARE PHYSICIAN GROUP	32.00
ADVANTAGE RENTAL & SALES	49.29
ALLEGRA PRINTING	170.00
ASSOC OF FLOODPLAIN MGE	180.00
ATLANTIC SALT INC	13,945.92
AMAZON	2,565.65
AXION	5,683.12
ACCLAIM INVENTORY	1,200.00
AUTOZONE PARTS	702.39
AUTOMATED TRANSCRIPTION	189.00
BACKGROUND INVESTIGATION	405.00
BIS DIGITAL	278.13
BUSINESS SOLVER	587.81
BRADLEY MATTHEW	761.05
CAPE MAY COUNTY TREASURE	5,326,867.38
CMC CLERKS ASSOC	400.00
COMCAST	640.75
COMPUTER ACCESS	395.50
CMC ASSOC CERT TAX ASSESSORS	330.00

CHANEL MARINE	133,765.19
CHASE	418,000.00
CDW®	6,158.95
CORE & MAIN	8,648.46
COLLIERS	45,736.65
CONTEMPORARY TECH	14,104.00
COMCAST	4,335.61
CSI TECHNOLOGY	720.00
CORPORATE SOURCE	13,247.60
DILWORTH JASON	150.00
EASTERN LIFT	464.55
EVERON	29,524.83
FAMILY AUTO GLASS	700.00
GARDNER HARDWARE	29.45
JON GANSERT	633.21
GLOCK	808.00
GILLIAN-SCHWARTZ	666.66
IIA FIRE DEPARTMENT TESTING	4,592.68
KYOCERA	244.36
MARSH & MCCLENNAN AGENCY	763.00
MUNCO	100.00
MAJESTIC OIL	2,077.76
MCCARTHY, ZACH	375.00
NATIONAL TIME SYSTEMS	90.50
NJ DEPARTMENT OF HEALTH AND SR SERVICES	11.40
NJAFM	50.00
NORTHEAST ELECTRICAL	36,386.10
OCEAN CITY SENTINAL	191.00
PLAYTECH INTERACTIVE	6,500.00
RALPH VE	97.14
RECDESK	3,990.00
REVESCENT	562.14
SEA ISLE CITY TRUST ACCT	11,750.00
SEA ISLE CITY BOARD OF ED	196,479.83
SEA ISLE CITY W&S OPERATING	11,538.26
SEA ISLE VOLUNTEER FIRE CO	44,800.00
SOUTH STATE	130,349.11
SMELTZER & SONS	5,057.80
SERVICE TIRE TRUCK	420.82
FRED SCHIAVONE CONSTRUCTION	189,397.21
SUMMIT BENEFIT CONSULTANTS	7,000.00
TEC ELEVATOR	647.70
TRANS UNION RISK	128.40
TOTAL TURF	620.00
UNIFIED PRINTING	410.00
W.B. MASON	371.37
WELLS FARGO	839.18
BELL, MICHAEL	369.53
DIBABBO ANTHONY	410.35

7,135,178.53

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Sea Isle City, NJ as follows:

1. All of those invoices as set forth above (with the exception of those items containing a line drawn through them and relisted to paragraph 2 below) are hereby approved. The Municipal Clerk is hereby authorized (as per section 6 of Ordinance 716) to indicate said approval on each invoice and to record same in the official minutes.
2. All of the following invoices are disapproved by this Council:

VENDOR AMOUNT:

The Municipal Clerk is hereby directed to appropriately record the disapproval of the invoices noted in this paragraph in the official minutes.

3. All of those invoices listed in the recital as set forth above containing the initials of not more than one council Person immediately to the left of each line shall be deemed approved (as per paragraph number one above) by a majority vote of the remaining Council members. Those invoices listed in the recital as set forth above containing a line drawn through the vendor's name and amount and relisted in paragraph 2 shall be deemed a rejection of said invoices and shall not be paid.

Recorded Vote:

Mary L. Tighe , Council President

Council	Yes	No	Abstain	Absent	Moved	Second
Edwardi						
Jargowsky						
Ciseck						
Kehner						
Tighe						

I HEREBY CERTIFY THAT the foregoing resolution was duly adopted by the City Council of Sea Isle City, New Jersey, at the regular meeting held on Tuesday, February 10, 2026.

Shannon D. Romano, Municipal Clerk

**CITY OF SEA ISLE CITY
NEW JERSEY
RESOLUTION NO. (2026)**

**RE-APPOINTING MEMBERS TO THE
ZONING BOARD OF ADJUSTMENTS**

WHEREAS, as a result of expiration of terms, appointments to the Zoning Board of Adjustments need to be made;

NOW, THEREFORE BE IT RESOLVED, that the City Council of the City of Sea Isle City, County of Cape May, State of New Jersey appoints the following individuals with the designated terms to the Zoning Board of Adjustments.

<u>NAME</u>	<u>TERM EXPIRATION DATE</u>
Donna Fitpatrick	12/31/2029
Kenneth Cloud	12/31/2029
Richard Browne	12/31/2029
Nick Screnci	12/31/2029

BE IT RESOLVED, that a copy of this Resolution be forwarded to the Mayor, City Clerk and Appointee.

Mary L. Tighe, Council President

Recorded Vote:

Council	Yes	No	Abstain	Absent	Moved	Second
Edwardi						
Jargowsky						
Ciseck						
Kehner						
Tighe						

I HEREBY CERTIFY THAT the foregoing resolution was duly adopted by the City Council of the City of Sea Isle City, New Jersey, at the regular meeting held on Tuesday, February 10, 2026.

Shannon D. Romano, Municipal Clerk

**CITY OF SEA ISLE CITY
NEW JERSEY**

RESOLUTION NO. 017 (2026)

A RESOLUTION DETERMINING THE FUND MAINTAINED BY THE CITY FOR LIFEGUARD PENSIONS IS ADEQUATE FOR THE FUND TO MEET ITS OBLIGATIONS.

WHEREAS, the City of Sea Isle City is mandated to establish and maintain a pension program consistent with the enabling statute for lifeguards; and

WHEREAS, the City has established and maintains the required lifeguard pension program for many years in compliance with the state statute; and

WHEREAS, the City Chief Financial Officer has determined that maintenance of a balance of one (1) million dollars is adequate for the fund due to the earned interest and the City continuing contribution coupled with the salary deduction from each lifeguard; and

WHEREAS, the Council accepts that determination and determines the amount of one (1) million dollars maintained in the lifeguard pension fund is adequate for the fund; and,

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Sea Isle City that the Council hereby determines the maintenance of one (1) million dollars in the fund is adequate for the lifeguard pension fund and directs the Chief Financial Officer to from time to time report to Council the status of the fund and whether any changes in this determination are necessary.

Mary Tighe Council President

Recorded Vote:

Council	Yes	No	Abstain	Absent	Moved	Second
Tighe						
Edwardi						
Jargowsky						
Kehner						
Ciseck						

I HEREBY CERTIFY THAT the foregoing resolution was duly adopted by the City Council of the City of Sea Isle City, New Jersey, at the regular meeting of said Council held on Tuesday, February 10, 2026.

Shannon Romano, Municipal Clerk

**CITY OF SEA ISLE CITY
 CAPE MAY COUNTY, NEW JERSEY
 RESOLUTION NO. 018 (2026)**

WHEREAS, on February 4, 2026, the Municipal Clerk of the City of Sea Isle City received bids for **“RECONSTRUCTION OF 31ST, STREET, 49TH STREET and 75TH STREET, CITY OF SEA ISLE CITY, CAPE MAY COUNTY, NEW JERSEY – PROJECT NO. SIC0264 ”**

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Sea Isle City, New Jersey, that:

1. The foregoing facts are hereby ratified and affirmed; and
2. The required certificate executed by the Chief Financial Officer stating that funds are available in the treasury to cover for **“RECONSTRUCTION OF 31ST, STREET, 49TH STREET and 75TH STREET, CITY OF SEA ISLE CITY, CAPE MAY COUNTY, NEW JERSEY – PROJECT NO. SIC0264”** is hereby attached and that when payment is made for same, the cost therefore will be charged to Bond is Ordinance 1710, Account No. C-04-55-171-002-901.
3. The contract for **“RECONSTRUCTION OF 31ST, STREET, 49TH STREET and 75TH STREET, CITY OF SEA ISLE CITY, CAPE MAY COUNTY, NEW JERSEY – PROJECT NO. SIC0264”** is hereby awarded to South State, Inc of Bridgeton, New Jersey, in the amount of \$366,757.50.
4. The Mayor and Municipal Clerk be and they hereby are authorized and directed to enter into a formal contract with the aforementioned company, signing on behalf of the City of Sea Isle City, provided that all provisions of the laws of the State of New Jersey have been complied with.

WHEREAS, the Chief Finance Officer certifies that funds are available.

CERTIFICATION OF FUNDS

Jennifer McIver, CFO

Mary L. Tighe, Council President

Recorded Vote:

Council	Yes	No	Abstain	Absent	Moved	Second
Ciseck						
Edwardi						
Jargowsky						
Kehner						
Tighe						

I HEREBY CERTIFY THAT the foregoing resolution was duly adopted by the City Council of the City of Sea Isle City, New Jersey, at the regular meeting held on Tuesday, February 10, 2026.

 Shannon Romano, Municipal Clerk

THIS CERTIFIES that I have reviewed the above bids and find that South State, Inc, of Bridgeton, New Jersey is the lowest responsible bidder. Their bid amounted to \$366,757.50 and I have recommended to the Mayor of the City of Sea Isle City that this contract be awarded to South State, Inc. of Bridgeton, New Jersey.

 Andrew A. Previti, P.E., Municipal Engineer