



development – representing over 950 housing units and tens of thousands of square feet of retail throughout New Jersey. In evaluating potential projects, it does not move forward until the project is viable, and RPM does not apply for tax credit funding on a project unless it feels the project will win an award of tax credits.

Pursuant to her September 16, 2016 Special Master’s Report, the Special Master ranked RPM as Additional Site No. 2 “*based on the application of Judge Wolfson’s criteria, submitted site suitability assessment, inclusion within a redevelopment area, and proposing 100% affordable units*” (see Appendix 29).

As stated in *N.J.A.C. 5:93-5*, affordable housing sites shall be available, approvable, developable, and suitable, as defined in *N.J.A.C. 5:93-1.3*, for the production of low- and moderate-income housing. As stated below, the RPM site meets these criteria:

- Site Control – RPM has signed an agreement with the owner of the property wherein they have the authority to acquire all the necessary right, title and/or interest in the property to allow it to develop the Henderson Road site.
- Site Suitability – The site is suitable and developable as defined at *NJAC 5:93-1.3*. There are freshwater wetlands located along the northerly property line and a flood hazard area in the northern corner of the site; however, these encumbrances do not preclude the development of affordable housing on the site. The site is adjacent to residential land uses and other compatible land uses. The RPM site has access to an appropriate street – Henderson Road (County Route 610), which leads to U.S. Route 1. Water and sewer infrastructure are currently available along the roadway.

A review of NJDEP’s NJ-GeoWeb mapping indicates the site is not on the “Known Contaminated Sites” list, does not contain a Deed Notice, nor a groundwater contamination area (CKE or CEA). The site is located within the Middlesex County Utility Authority’s sewer service area identified in the Lower Raritan/Middlesex County Water Quality Management Plan and the South Brunswick Water Department water purveyor area. According to Tim Lesko, Water Department Supervisor for South Brunswick Township, there is adequate water service capacity to accommodate the full 116 unit mixed-income development, which would need customary approvals from NJDEP and other external authorities. As noted above, there are infiltration and inflow issues impacting sewer capacity that must be resolved. It appears that the site can be developed consistent with RSIS and all other state regulations such as those of the NJDEP.

- Accessibility – All units at the site must comply with the Barrier Free Subcode at *N.J.A.C. 5:23-7*.



- Administrative Entity – The Township entered into an agreement with RPM for RPM to own and operate the entire development including the affordable units. RPM is an experienced owner and manager of mixed-income developments throughout the State. For the proposed third round affordable units, RPM will affirmatively market the units, income qualify applicants, place a minimum 30-year affordability control deed restrictions plus a 15-year extended use control period on the units and provide long-term administration of the units in accordance with *N.J.A.C. 5:93 et seq.* and UHAC with one (1) exception to UHAC regarding very-low income units noted below.
- Very Low/Low/Moderate Income Split – At least 13% of the units in the project will be reserved as very low-income units; at least 37% of the units will be reserved as low-income units; and the balance of 50% of the units may be moderate-income units with rents set no higher than 60% of the median income per *N.J.A.C. 5:93-2.20* and UHAC.
- Affirmative Marketing – RPM will affirmatively market the units in accordance with *N.J.A.C. 5:93, et seq.* and UHAC.
- Controls on Affordability – RPM will place at least 30-year affordability controls deed restrictions plus a 15-year extended use control period for a total of 45 years on the units in accordance with *N.J.A.C. 5:93 et seq.* and UHAC per pursuant to the terms of the Township’s agreement.
- Bedroom Distribution – RPM will follow the UHAC requirements in developing the bedroom breakdown of the affordable units in accordance with *N.J.A.C. 5:80-26.1*.
- Funding – RPM intends to file an application with HMFA for funding through the State’s Low Income Housing Tax Credit program 2019 mixed-income funding cycle. RPM has also received a pledge of support from the County of Middlesex, which has indicated that it would fund the Henderson Road project for up to \$960,000. The Township/RPM Developer’s Agreement obligates the Township to pay up to \$17,500 per affordable unit or up to a maximum of \$1,102,500 for 63 affordable units out of the South Brunswick Affordable Housing Trust Fund. RPM may also explore other various funding sources including but not limited to a HUD Fund Reservation, DCA Balanced Housing funds, Federal Home Loan Bank funds, and HMFA tax-exempt bond financing. Also, the Township will enter into a payment-in-lieu of taxes (PILOT) agreement with RPM. To the extent required by HMFA, it is understood that the monetary contribution from the Township together with any County contribution, shall address HMFA’s tax credit requirement for municipal/county contributions for that portion of the Project. See the attached Pro Forma for the development (see Appendix 33).



- Construction Schedule – RPM’s construction schedule for the Henderson Road complex anticipates that the first phase will begin construction in 2019 (see Appendix 33). RPM will be responsible for monitoring the construction and overall development activity. Construction shall begin within two years of Court approval.

MARKET-TO-AFFORDABLE PROGRAM

REACH

As previously indicated, with the Township’s vast experience in administering hundreds of affordable housing units, and pursuant to COAH’s waiver approval South Brunswick proposes a small 5-unit Third Round market-to-affordable program. The Township is currently operating a 21-unit sale market-to-affordable program towards the satisfaction of the Prior Round obligation. The proposed 5 units will be applied towards the Township’s Third Round Gap + Prospective Need Obligation.

Market to Affordable

This program entails conversion of existing market-rate units to deed restricted low or moderate income units.

The market to affordable program will be administered by the Township’s in-house affordable housing department. The affordable units will have 30-year affordability controls and will be affirmatively marketed. The Township will income qualify applicants and will provide long-term administration of the units in accordance with COAH’s rules at *N.J.A.C. 5:93 et seq.* and UHAC (see Appendix 34). In the case of the market-to-affordable sale program, the Township will address *N.J.A.C. 5:97-6.9* and will include the following:

- Maintain an up-to-date inventory of units that meet the requirements of a market-to-affordable program;
- Qualify and place income eligible households in low and moderate income units upon initial occupancy;
- Place income eligible households in low and moderate income units as they become available during the minimum 30-year term of affordability controls; and,
- Enforce the terms of the deed restriction and mortgage lien.

N.J.A.C. 5:97-6.9 requires a municipality to provide a minimum subsidy of \$25,000 per moderately priced unit and \$30,000 for low income sale units. The Township has supplemented the subsidy with additional resources so as to ensure that the units meet the affordability standards established in UHAC and may provide a range from \$25,000 to \$125,000. To date, the per-unit cost of the program has averaged approximately \$75,000 (including per-unit funds for potential renovations). South Brunswick receives funding for the



market-to-affordable program from sources including, but not limited to, development fees and payments in lieu of construction. The Township currently has sufficient funds in its Trust Fund Account to fully fund the minimum \$375,000 cost of the 5-unit market-to-affordable REACH program.

EXTENSIONS OF EXPIRING CONTROLS

The March 10, 2015 NJ Supreme Court decision found that “certain guidelines can be gleaned from the past and can provide assistance to the designated Mount Laurel judges in the vicinages” (p. 41). The NJ Supreme Court ruled that

“the Appellate Division also approved the allowance of bonus credits towards satisfaction of a municipality’s affordable housing obligations. For example, in In re Adoption of N.J.A.C. 5:94 & 5:95, supra, the panel affirmed the validity of a new construction credit, N.J.A.C. 5:94-4.16(a), which provided a municipality with credit ‘for each low or moderate income for-sale housing unit that [wa]s subject to affordability controls that [we]re scheduled to expire ... if the affordability controls [we]re extended in accordance with’ N.J.A.C. 5:80-26. 390 N.J. Super. At 81-84. ... Again, the Mount Laurel judges may exercise the same level of discretion when evaluating a municipality’s plan for Mount Laurel compliance.” (p. 43-44)

Extension of Expiring Controls

Low and moderate income units whose affordability controls will expire during the current round are eligible for another credit in a subsequent round if the controls are extended for a minimum of 30 years.

Consistent with the March 10, 2015 NJ Supreme Court decision, the Township is proposing extensions of expiring controls as a compliance mechanism to satisfy a portion of its Third Round (gap + prospective need) obligation.

Regal Point, Monmouth Walk, and Nassau Square

The Township expanded its successful extensions of controls program to include Prior Round developments that were at risk of expiring in the Third Round such as Regal Point (5 units), Monmouth Walk (43 units), Nassau Square (49 units) (see Appendix 35).

The affordability controls were first established for Regal Point in March 1989, Monmouth Walk in September 1990, and Nassau Square in December 1989. Therefore, the affordability controls were due to expire in March 2019, September 2020, and December 2019, respectively.

The Township’s completed 97-unit extensions of controls address N.J.A.C. 5:97-6.14 as follows:



- The units meet the criteria of post-1986 credits set forth in N.J.A.C. 5:97-4.2 or 4.3;
- The affordability controls for the units were scheduled to expire during the 2015 through 2025 period;
- The Township obtained a certified statement from the municipal building inspector stating that the restricted units meet all of the code standards.

The Township adopted resolutions in 2017 to extend controls on all 97 affordable units and the Township has successfully had 97 of the current owners sign Control Extensions to keep their units designated for affordable housing use (see Appendix 34). Furthermore, the provisions in the Master Deeds and Affordable Housing Plans for Monmouth Walk and Nassau Square allow the Township to extend the period of initial controls and restrictions may be extended for a longer period of time by the Township Council adopting a resolution.

All 97 units in these three (3) condominiums may be retained as affordable housing units following expiration of the initial period of controls and restrictions to address the Third Round.

Wheeler Road, Major Road, and Dungarvin (30 Cranston Road) Group Homes

Delta Community Supports, an experienced provider of special needs units, operates two (2) 3-bedroom group homes in the Township: one at 38 Wheeler Road and one at 186 Major Road. Both facilities have long-term restrictions through renewable capital funding agreements with the New Jersey Department of Disabilities (“DDD”). The facilities received COs in 1987 and 1988 and continue to be operational. On September 7, 2016, Delta Community Supports extended the affordability controls for both 38 Wheeler Road and 186 Major Road for an additional 30 years until at least November 20, 2048. (see Appendix 35)

Dungarvin New Jersey, Inc./Eclipse Investments, LLC (“Dungarvin”) is an experienced provider of supportive and special needs housing across the state. Dungarvin previously established one (1) group home in South Brunswick (receiving no prior COAH credit but listed in the Township’s CTM and on the COAH credit list) at 30 Cranston Road, receiving a certificate of occupancy on March 31, 2000. The four-bedroom group home was funded by the NJ Department of Human Services, Division of Developmental Disabilities (“DDD”), in a 20-year renewable capital funding agreement commencing on November 9, 1999. Dungarvin has expressed an interest to the Township in extending its affordability controls on its Cranston Road Group Home (4 units, credit by the bedroom) through an amendment to its 2009 agreement with the Township. (see Appendix 35)



SATISFACTION OF THE PRIOR ROUND & THIRD ROUND OBLIGATIONS											
Program	Prior Round: 937 units					Third Round: 1,417 units					
	Rental	Senior	Family	Total Units	Units	Bonus Credits	Total Credits	Units	Bonus Credits	Total Credits	
<u>Prior Cycle Credits</u>											
Deans Apartments	X		X	40	40	0	40	0	0	40	0
Charleston Place I	X	X		54	54	0	54	0	0	54	0
<u>Inclusionary Housing Developments</u>											
Regal Point			X	5	5	0	5	0	0	5	0
Monmouth Walk			X	43	43	0	43	0	0	43	0
Nassau Square			X	49	49	0	49	0	0	49	0
Summerfield			X	70	70	0	70	0	0	70	0
Deans Pond Crossing			X	20	20	0	20	0	0	20	0
Southridge / Southridge Woods	X		X	124	124	124	248	0	0	248	0
Sassman			X	1	1	0	1	0	0	1	0
Menowitz (Cambridge Crossing)			X	8	8	0	8	0	0	8	0
East Meadows Estates			X	6	6	0	6	0	0	6	0
Windsor Associates	X		X	17	0	0	0	17	0	0	17
Princeton Orchards	X		X	46	0	0	0	46	46	0	92



SATISFACTION OF THE PRIOR ROUND & THIRD ROUND OBLIGATIONS												
Program	Rental	Senior	Family	Total Units	Prior Round: 937 units			Third Round: 1,417 units				
					Units	Bonus Credits	Total Credits	Units	Bonus Credits	Total Credits		
South Brunswick Center	X		X	336	0	0	0	336	309	645		
South Brunswick Center	X	X		24	0	0	0	24	0	24		
Stanton Girard	X		X	36	0	0	0	36	0	36		
American Properties			X	18	0	0	0	18	0	18		
Avalon Bay	X		X	42	0	0	0	42	0	42		
TG Acquisitions	X		X	34	0	0	0	34	0	34		
K. Hovnanian (Bellemead)			X	30	0	0	0	30	0	30		
PPF Industrial			X	121	0	0	0	121	0	121		
Toll Brothers			X	11	0	0	0	11	0	11		
Wilson Farm	X	X		156	0	0	0	156	0	156		
<u>Assisted Living</u>												
Buckingham Place / Brandywine	X	X		23	23	0	23	0	0	0		
Harbor Retirement Development	X	X		16	0	0	0	16	0	16		
<u>Special Needs</u>												
Wheeler Road Group Home	X			3	3	0	3	0	0	0		



SATISFACTION OF THE PRIOR ROUND & THIRD ROUND OBLIGATIONS											
Program	Rental	Senior	Family	Total Units	Prior Round: 937 units			Third Round: 1,417 units			
					Units	Bonus Credits	Total Credits	Units	Bonus Credits	Total Credits	
Major Road Group Home	X			3	3	0	3	0	0	0	0
CIL Woods	X			16	16	0	16	0	0	0	0
CIL Wynwood	X			7	7	7	14	0	0	0	0
Dungarvin (30 Cranston Road)	X			4	4	0	4	0	0	0	0
Dungarvin Group Homes	X			8	8	0	8	0	0	0	0
Triple C Group Homes	X			6	6	0	6	0	0	0	0
Community Options Group Homes	X			14	14	0	14	0	0	0	0
ARC of Middlesex Group Homes	X			15	15	0	15	0	0	0	0
Dungarvin Group Home (agreement)	X			3	3	0	3	0	0	0	0
<u>100% Affordable Housing Developments</u>											
Woodhaven	X		X	80	80	80	160	0	0	0	0
Charleston Place II	X	X		30	30	0	30	0	0	0	0
Oak Woods	X	X		73	73	0	73	0	0	0	0
<u>Municipally-Sponsored Affordable Housing</u>											
RPM Mixed-Income	X		X	63	0	0	0	63	0	0	63



SATISFACTION OF THE PRIOR ROUND & THIRD ROUND OBLIGATIONS											
Program	Rental	Senior	Family	Prior Round: 937 units			Third Round: 1,417 units				
				Total Units	Units	Bonus Credits	Total Credits	Units	Bonus Credits	Total Credits	
<u>Market to Affordable</u>											
REACH			X	26	21	0	21	5	0	5	
<u>Extension of Controls</u>											
Regal, Monmouth Walk, Nassau Square			X	97	0	0	0	97	0	97	
Wheeler Road, Major Road, Dungarvin (30 Cranston Road) Group Homes	X			10	0	0	0	10	0	10	
Total				1,788	726	211	937	1,062	355	1,417	

PRIOR ROUND CREDIT SUMMARY		
	Required	Provided
Prior Round Total Credits	937	937
Prior Round Total Units		726
Prior Round Rental	211 (min.)	503
Prior Round Senior	210 (max.)	180



THIRD ROUND CREDIT SUMMARY		
	Required	Provided
Third Round Total Credits	1,417	1,417
Third Round Total Units		1,062
Third Round Rental	355 (min.)	780
Third Round Family Rental	178 (min.)	574
Third Round Senior	354 (max.)	196
Third Round Family	531 (min.)	856
Third Round Very-Low Income	135 (min.)	369
Third Round Family Very-Low Income	65 (min.)	107

INCOME DISTRIBUTION

Affordable units addressing the Prior Round or Third Round obligation and which are subject to UHAC shall be composed of a minimum of 50% low income units; the remaining units may be moderate income.

One exception to UHAC, pursuant to the 2008 amendments to the FHA, P.L. 2008, c. 46 (codified as N.J.S.A. 52:27D-329.1), municipalities must provide very low-income units equal to 13% of all affordable units approved and constructed after July 17, 2008 at 30% of the regional median income instead of the UHAC standard of 10% at 35% of the regional median income.

Low Income Units

The Township is eligible for credit for 1,681 units to satisfy the Prior Round and Third Round obligations. Of these, 974 units, or 57.9%, are low income units; the remaining 707 units, or 42.1%, are moderate income units.

SATISFACTION OF INCOME DISTRIBUTION						
Program				Income Level		
	Rental	Senior	Family	Very Low	Low	Moderate
<u>Prior Cycle Credits</u>						
Deans Apartments	x		x	28	12	0
Charleston Place I	x	x		54	0	0
<u>Inclusionary Housing Developments</u>						
Regal Point			x	0	1	4
Monmouth Walk			x	0	22	21
Nassau Square			x	0	26	23
Summerfield			x	0	35	35
Deans Pond Crossing			x	0	10	10
Southridge / Southridge Woods	x		x	0	50	74
Sassman			x	0	0	1

SATISFACTION OF INCOME DISTRIBUTION						
Program				Income Level		
	Rental	Senior	Family	Very Low	Low	Moderate
Menowitz (Cambridge Crossing)			x	0	4	4
East Meadows Estates			x	0	0	6
Windsor Associates	x		x	3	6	8
Princeton Orchards	x		x	10	14	22
South Brunswick Center	x		x	44	124	168
South Brunswick Center	x	x		4	8	12
Stanton Girard	x		x	5	13	18
American Properties			x	3	6	9
Avalon Bay	x		x	6	15	21
TG Acquisitions	x		x	5	12	17
K. Hovnanian (Bellemead)			x	4	11	15
PPF Industrial			x	16	45	60
Toll Brothers			x	2	4	5
Wilson Farm	x	x		21	57	78
Assisted Living						
Buckingham Place / Brandywine	x	x		0	23	0
Harbor Retirement Development	x	x		0	16	0
Special Needs						
Wheeler Road Group Home	x			3	0	0
Major Road Group Home	x			3	0	0
CIL Woods	x			0	16	0
CIL Wynwood	x			0	7	0
Dungarvin (30 Cranston Road)	x			0	4	0

SATISFACTION OF INCOME DISTRIBUTION						
Program	Rental	Senior	Family	Income Level		
				Very Low	Low	Moderate
Dungarvin Group Homes	x			8	0	0
Triple C Group Homes	x			6	0	0
Community Options Group Homes	x			14	0	0
ARC of Middlesex Group Homes	x			15	0	0
Dungarvin Group Home (Agreement)	x			3	0	0
<u>100% Affordable Housing Developments</u>						
Woodhaven	x		x	0	40	40
Charleston Place II	x	x		30	0	0
Oak Woods	x	x		73	0	0
<u>Municipally-Sponsored Affordable Housing</u>						
RPM Mixed-Income	x		x	9	23	31
<u>Market to Affordable</u>						
REACH			x	0	1	25
<u>Extension of Controls</u>						
Regal, Monmouth Walk, Nassau Square			x	N/A	N/A	N/A
Wheeler Road, Major Road, Dungarvin (30 Cranston Road) Group Homes	x			N/A	N/A	N/A
Total				369	605	707

Very Low Income Units

The Township has/will have 1,034 affordable units proposed, approved, and constructed on or after July 17, 2008. As such, the very low income obligation is 135 units ($.13 \times 1,034 = 134.42$), including the following:

VERY-LOW INCOME OBLIGATION CALCULATION	
Project	Affordable Units
Sassman	1
Menowitz (Cambridge Crossing)	8
East Meadows Estate	6
Windsor Associates	17
Princeton Orchards	46
South Brunswick Center	360
Stanton Girard	36
American Properties	18
Avalon Bay	42
TG Acquisitions (Roedel)	34
K.Hovnanian (Bellemead)	30
PPF Industrial	121
Toll Brothers	11
Wilson Farm	156
Buckingham Place / Brandywine	23
Harbor Retirement Development	16
Dungarvin Group Homes	8
Triple C Group Home	6
Community Options Group Homes	14
ARC of Middlesex Group Homes	15
Dungarvin (Executed Agreement)	3
RPM Mixed-Income	63
Total	1,034
13%	134.42

As illustrated in the Income Distribution table, the Township far exceeds its very low income obligation. Additionally, 107 of the Township's very low income units are family units in that they are not restricted to special needs or age-restricted households.

AFFORDABLE HOUSING ADMINISTRATION & AFFIRMATIVE MARKETING

South Brunswick Township has prepared an Affordable Housing Ordinance in accordance with COAH's substantive rules and UHAC and the 2008 statutory changes including very-low income units (see Appendix 36). The Affordable Housing Ordinance will govern the establishment of affordable units in the Township as well as regulating the occupancy of such units. The Township's Affordable Housing Ordinance covers the phasing of affordable units, the low/moderate income split, very-low income units, bedroom distribution, occupancy standards, affordability controls, establishing rents and prices, affirmative marketing, income qualification, etc. One exception to UHAC, pursuant to the 2008 amendments to the FHA, P.L. 2008, c. 46 (codified as N.J.S.A. 52:27D-329.1), municipalities must provide very low-income units equal to 13% of all affordable units approved and constructed after July 1, 2008 at 30% of the regional median income instead of the UHAC standard of 10% at 35% of the regional median income.

Affirmative Marketing

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

The Township has established the position of the Municipal Housing Liaison and has appointed a staff member to the position (see Appendix 36). The Township's Affordable Housing Office, an experienced affordable housing Administrative Agent, conducts the administration and affirmative marketing of many of its affordable housing sites totaling over 400 affordable units. SBCDC and other experienced entities administer the balance of affordable units in the Township. Affirmative marketing plans are designed to attract buyers and/or renters of all majority and minority groups, regardless of race, creed, color, national origin, ancestry, marital or familial status, gender, affectional or sexual orientation, disability, age or number of children to the affordable units located in the Township. Additionally, the affirmative marketing plan is intended to target those potentially eligible persons who are least likely to apply for affordable units and who reside in the Township's housing region, Region 3, consisting of Hunterdon, Middlesex, and Somerset counties.

The affirmative marketing plans include regulations for qualification of income eligibility, price and rent restrictions, bedroom distribution, affordability control periods, and unit marketing in accordance to *N.J.A.C. 5:80-26.1 et seq.* (see Appendix 36). All newly created affordable units will comply with at least 30-year affordability control required by UHAC, *N.J.A.C. 5:80-26.5* and *5:80-26.11*. This plan must be adhered to by all private, non-profit, and municipal developers of affordable housing units and must cover the period of deed restriction or affordability controls on each affordable unit.

AFFORDABLE HOUSING TRUST FUND

The Township has collected development fees since March 11, 1993 when COAH approved the Township's first development fee ordinance. The ordinance has been amended multiple times since then. Most recently, the Township revised its development fee ordinance pursuant to COAH's rules at *N.J.A.C. 5:97-8.3*²¹ to increase the residential development fees equal to 1.5% of the equalized assessed value of new residential construction and nonresidential development fees equal to 2.5% of the equalized assessed value of new nonresidential construction pursuant to *N.J.S.A. 40:55D-8.1* Statewide Non-Residential Development Fee Act.

Eligible Trust Fund Expenditures

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

The Township's spending plan, which discusses anticipated revenues, collection of revenues, and the use of revenues, was prepared in accordance to *N.J.A.C. 5:93-5.1(c)*. All collected revenues will be placed in the Township's Affordable Housing Trust fund and will be dispensed for the use of affordable housing activities. Pursuant to the Township's plan, South Brunswick Township may use the funds in the trust fund for any of the below listed items, pursuant to *N.J.A.C. 5:93-8.16*:

- Rehabilitation program;
- New construction of affordable housing units and related development costs;
- Extensions or improvements of roads and infrastructure directly serving affordable housing development sites;
- Acquisition and/or improvement of land to be used for affordable housing;

²¹ Per the March 10, 2015 NJ Supreme Court Order, the Court determined "many aspects to the two earlier versions of the Third Round Rules were found valid by the appellate courts...Judges may confidently utilize similar discretion when assessing a town's plan, if persuaded that the techniques proposed by a town will promote for that municipality and region the constitutional goal of creating the realistic opportunity for producing its fair share of the present and prospective need for low- and moderate-income housing." It is our opinion that the provision of *N.J.A.C. 5:97-8.5* which increased the residential development fee from 1% to 1.5% can be found valid by the Courts as it allows municipalities a more realistic opportunity for providing affordable housing.

- Purchase of existing market rate or affordable housing for the purpose of maintaining or implementing affordability controls, such as in the event of foreclosure;
- Green building strategies designed to be cost-saving for low- and moderate income households, either for new construction that is not funded by other sources, or as part of necessary maintenance or repair of existing units;
- Maintenance and repair of affordable housing units;
- Repayment of municipal bonds issued to finance low- and moderate-income housing activity; and
- Any other activity as specified in the approved spending plan.
- Affordability assistance.

At least 30% of collected development fees, excluding expenditures made from the inception of the fund to June 2, 2008 on all new construction, previously funded RCAs and rehabilitation activities, shall be used to provide affordability assistance to very-low-, low- and moderate-income households in affordable units included in a municipal Fair Share Plan. Additionally, no more than 20% of the revenues collected from development fees each year, exclusive of the fees used to fund an RCA, shall be expended on administration, including, but not limited to, salaries and benefits for municipal employees or consultant fees necessary to prepare or implement a rehabilitation program, a new construction program, a housing element and fair share plan, and/or an affirmative marketing program.

As of December 31, 2018, the Township has a balance of \$6,660,872.64 in its Housing Trust Fund. The Township anticipates receiving an additional \$2,073,984 in development fees, \$171,875 in payment-in-lieu of development, and \$112,293 in interest for the balance of the Third Round for a total projected balance of \$9,019,024.64. The Township anticipates expending \$1,090,000 on rehabilitation, \$598,380.62 on administrative expenses, and the balance of \$7,330,644.02 on affordability assistance. A copy of the Spending Plan is provided in Appendix 37.

COST GENERATION

South Brunswick Township's Land Use Ordinance has been reviewed to eliminate unnecessary cost generating standards; it provides for expediting the review of development applications containing affordable housing. Such expedition may consist of, but is not limited to, scheduling of pre-application conferences and special monthly public hearings. Furthermore, development applications containing affordable housing shall be reviewed for consistency with the Land Use Ordinance, Residential Site Improvement Standards (N.J.A.C.

5:21-1 et seq.), the Municipal Land Use Law (N.J.S.A. 40:55D-40.1 through 40.7), and the mandate of the FHA regarding unnecessary cost generating features. South Brunswick Township shall comply with COAH's requirements for unnecessary cost generating requirements, N.J.A.C. 5:93-10.1(a), procedures for development applications containing affordable housing, N.J.A.C. 5:93-10.1(b), and requirements for special studies and escrow accounts where an application contains affordable housing, N.J.A.C. 5:93-10.3.

MONITORING/STATUS REPORTS

The Township will provide annual reporting of trust fund activity to the New Jersey Department of Community Affairs ("NJDCA") or COAH, with a copy provided to the Special Master and posted on the municipal website, using forms developed for this purpose by the NJDCA or COAH.

The reporting shall include an accounting of all housing trust fund activity, including the source and amount of funds collected and the amount and purpose for which any funds have been expended.

In addition, the Township will provide annual reporting of the status of all affordable housing activity within the municipality through posting on the municipal website with a copy of such posting provided to the Special Master, using forms previously developed for this purpose by COAH or any other forms endorsed by the Special Master.

The Fair Housing Act includes two provisions regarding action to be taken by the Township for mid-point monitoring. The Township will comply with those provisions as follows:

- a. The Township will address *N.J.S.A. 52:27D-313* for its midpoint review on July 1, 2020.
- b. For the review of very-low income housing requirements required by *N.J.S.A. 52:27D-329.1*, the Township will post on its municipal website, with a copy provided to the Special Master, a status report as to its satisfaction of its very-low income requirements.

SUMMARY

Pursuant to a Judge Bergman's Court Order dated December 5, 2018, the Township has been ordered to provide for 1,417 units of affordable housing as its Third Round Fair Share obligation.

The Superior Court has further ordered that the Township submit an amendment to the Township's Housing Element and Fair Share Plan which includes all of the sites proposed by