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December 13, 2018

Albert E. Cruz, Esq.  
DiFrancesco, Bateman, Kunzman, David, Lehrer, & Flaum, P.C.  
15 Mountain Boulevard  
Warren, New Jersey 07059

**Re: In the Matter of the Application of the Township of Chatham, County of Morris, Docket No. MRS-L-1659-15**

Dear Mr. Cruz:

This letter memorializes the terms of an agreement reached between the Township of Chatham ("Township" or "Chatham"), the declaratory judgment plaintiff, and Fair Share Housing Center, Inc. ("FSHC"), a Supreme Court-designated interested party in this matter in accordance with In re N.J.A.C. 5:96 and 5:97, 221 N.J. 1, 30 (2015)(Mount Laurel IV) and, through this settlement, a defendant in this proceeding.

#### **Background**

Chatham filed the above-captioned matter on July 7, 2015 seeking a declaration of its compliance with the Mount Laurel doctrine and Fair Housing Act of 1985, N.J.S.A. 52:27D-301 et seq. in accordance with In re N.J.A.C. 5:96 and 5:97, supra. Through the declaratory judgment process, the Township and FSHC agreed to settle the litigation and to present that settlement to the trial court with jurisdiction over this matter to review, recognizing that the settlement of Mount Laurel litigation is favored because it avoids delays and the expense of trial and results more quickly in the construction of homes for lower-income households.

#### **Settlement terms**

The Township and FSHC hereby agree to the following terms:

1. FSHC agrees that the Township, through the adoption of a Housing Element and Fair Share Plan conforming with the terms of this Agreement ("Plan" or "HEFSP") and through the implementation of the Plan and this Agreement, satisfies its obligations under the Mount Laurel doctrine and Fair Housing Act of 1985, N.J.S.A. 52:27D-301 et seq., for the Prior Round (1987-1999) and Third Round (1999-2025).
2. At this time and at this particular point in the process resulting from the Supreme Court's Mount Laurel IV decision, when Third Round fair share obligations have yet to be definitively determined, it is appropriate for the parties to arrive at a settlement regarding a municipality's Third Round present and prospective need instead of doing so through plenary adjudication of the present and prospective need.
3. FSHC and Chatham hereby agree that Chatham's affordable housing obligations are as follows:

{A1056702.1 }

|                                                                                                  |     |
|--------------------------------------------------------------------------------------------------|-----|
| Rehabilitation Share (per Kinsey Report <sup>1</sup> )                                           | 63  |
| Prior Round Obligation (pursuant to N.J.A.C. 5:93)                                               | 83  |
| Third Round (1999-2025) Prospective Need (per Kinsey Report, as adjusted through this Agreement) | 387 |

4. For purposes of this Agreement, the Third Round Prospective Need shall be deemed to include the Gap Period Present Need, which is a measure of households formed from 1999-2015 that need affordable housing, that was recognized by the Supreme Court in In re Declaratory Judgment Actions Filed By Various Municipalities, 227 N.J. 508 (2017).
5. The Township's efforts to meet its present need include the following: The Present Need/ Rehabilitation Share obligation, as determined by a structural conditions survey performed by the Township in accordance with applicable law, and confirmed by Special Master Phillip B. Caton, PP, FAICP, is 6 units. The municipality agrees to address the Present Need established by the Court in accordance with applicable law. The parties agree that the municipality shall not be required to establish a rental rehabilitation program. This is sufficient to satisfy the Township's Present Need obligations.
6. As noted above, the Township has a Prior Round prospective need of 83 units, which is met through the following compliance mechanisms:

| Developments/Compliance Mechanisms                                                                                                            | Details/Status                                                                                                                                                                                                                      | Units    | Bonuses |
|-----------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|---------|
| Vernon Grove Condominium at Chatham Glen, family for sale units located at Block 64.02, Lots 1.01 to 2.16, and Block 64.03, Lots 1.01 to 2.20 | These 75 affordable family for sale units were developed as part of an inclusionary development and sold starting in 1986. The deed restrictions were in effect for a period of 30 years, as set forth in Exh. A to this Agreement. | 75       |         |
| Group home located at Block 67, Lot 3                                                                                                         | During the compliance phase of this matter, the municipality will provide documentation evidencing the creditworthiness of these units.                                                                                             | 6        | 6       |
| Total:                                                                                                                                        |                                                                                                                                                                                                                                     | 81       | 6       |
|                                                                                                                                               |                                                                                                                                                                                                                                     | 87 units |         |

7. The municipality, as calculated in Exh. B, has a realistic development potential ("RDP") of 200 units. That RDP will be satisfied as follows:

| Developments/Compliance Mechanisms                                                                                                                                                          | Units | Bonuses |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|---------|
| <b>Details/Status</b><br>1. <i>Regional Contribution Agreement (RCA) with City of Newark:</i><br><br>This 8-unit RCA was approved by the Council on Affordable Housing on November 6, 1996. | 8     |         |

<sup>1</sup> David N. Kinsey, PhD, PP, FAICP, NEW JERSEY LOW AND MODERATE INCOME HOUSING OBLIGATIONS FOR 1999-2025 CALCULATED USING THE NJ COAH PRIOR ROUND (1987-1999) METHODOLOGY, May 2016.

| Developments/Compliance Mechanisms<br>Details/Status                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Units | Bonuses |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|---------|
| <p>2. <i>Vernon Grove Condominium at Chatham Glen, extension of expiring controls on affordable family, for-sale units:</i></p> <p>The documentation evidencing the extension of these controls for a period of at least 30 years is attached as Exh. C. The extension of controls was approved by court order dated May 4, 2018, which is attached hereto as Exh. D.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 72    |         |
| <p>3. <i>Family rental units created through inclusionary zoning of Block 66, Lot 1, a 30.74-acre parcel with provision of off-site units phased with the market-rate units on a portion of Block 48.16, Lot 117.27 (aka "Skate Park site"):</i></p> <p>On December 14, 2017, the Township adopted Ordinance 2017-15, which applies to Block 66, Lot 1. That ordinance provides for the production of 54 market-rate homes and 24 affordable homes on-site or off-site. The Township has stated that it anticipates that 24 units will be provided at the Skate Park site. The municipality will demonstrate a realistic opportunity for 24 affordable units prior to or at the compliance hearing in this matter by providing an agreement with the developer at least 30 days prior to the compliance hearing in this matter.</p> <p>The Township, in order to show a realistic opportunity, and in view of the fact that the developer would have a 31% set aside if it provides 78 total units, including 24 affordable, agrees to provide an agreement with the developer of Block 66, Lot 1 showing the location of the affordable units and evidencing the developer's obligation to provide the affordable units and stating that the developer agrees the zoning for the site presents a realistic opportunity for the development of affordable housing; that the developer has received an adequate compensatory benefit; that the developer specifically waives any claims that could be brought asserting a taking, inverse condemnation and any related claims; and that the developer waives claims regarding the absence or inadequacy of a compensatory benefit and the absence or inadequacy of incentives to the developer required by <u>N.J.S.A. 52:27D-311h</u>. <del>The developer must agree to waive its right to object at the fairness and compliance hearings in this matter and must agree to comply with the Uniform Housing Affordability Controls, as modified by this Agreement regarding providing units at 30% of median income, and with rents that will be adjusted annually in accordance with paragraph 14 of this Agreement, and must agree that half of the units, rounded up, will be available to low-income households, including 4 that will be available to very low income households.</del></p> <p>Prior to the fairness hearing at which this compliance mechanism is evaluated, the Township agrees to provide a letter from the developer in which the developer acknowledges and endorses the rents that it would receive for the 24 units at the Skate Park site.</p> <p>The developer shall further agree to comply with the following phasing requirements: (a) The developer must submit a building permit application for the Skate Park site by the time the first Certificate of Occupancy is issued for the market rate units at the Dixiedale Development. (b) The developer must complete the foundation for the Skate Park site by the time 40% of the market rate units at the Dixiedale Development is completed. (c) The</p> | 24    | 24      |

| Developments/Compliance Mechanisms<br>Details/Status                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Units | Bonuses |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|---------|
| Certificate of Occupancy for the Skate Park site must be issued by the time 70% of the market rate units at the Dixiedale Development is completed.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |       |         |
| <p data-bbox="378 359 1154 449">4. <i>Affordable family rental units through the development of a 100% affordable development on a site to be identified and provided by the municipality</i></p> <p data-bbox="329 478 1174 982">The Township agrees to provide a memorandum of understanding between the Township and a developer for this 100% affordable development and to otherwise provide information necessary to demonstrate a realistic opportunity prior to the hearing at which the fairness of this compliance mechanism is evaluated. At least 30 days prior to the hearing at which the fairness of this compliance mechanism is evaluated, the municipality will identify an appropriate site or sites for 74 affordable family rental units and submit the site or sites for review by the Special Master and FSHC. Prior to the hearing at which the fairness of this compliance mechanism is evaluated, the municipality will acquire or otherwise obtain, including through a tax foreclosure, if necessary, an appropriate site for the 74 affordable family rental units. The parties agree that the municipality may not receive a final judgment in this matter without the identification and provision of an appropriate site for the 74 affordable family rental units and without providing a developer's agreement for the development. The parties further agree that the developer's agreement may be provided after the compliance hearing and shall be provided before the entry of final judgment.</p> | 74    | 26      |
| Total:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 178   | 50      |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |       | 228     |

8. With a Third Round obligation of 387 units, and 228 credits recognized by paragraph 7, in addition to a 4-unit surplus from the Prior Round, the Township has an unmet need of 155 units (387-228-4=155), which shall be addressed through the following mechanisms:
  - a. Within 150 days of the Court's entry of an Order approving the fairness of this settlement, the Township additionally agrees to adopt an ordinance, subject to the review of FSHC and the Special Master, providing that if the Township permits the construction of any multi-family or single-family attached residential development not already included in this Agreement that is "approvable" and "developable," as defined at N.J.A.C. 5:93-1.3, at a gross residential density of 6 units to the acre or more, the Township shall require a 20-percent set-aside of affordable housing. This requirement shall apply beginning with the effective date of the 20-percent set-aside ordinance to any multi-family or single-family attached residential development, including the residential portion of a mixed-use project, which consists of six (6) or more new residential units, whether permitted by a zoning amendment, a variance granted by the Township's Planning or Zoning Board, or adoption of a Redevelopment Plan or amended Redevelopment Plan in areas in need of redevelopment or rehabilitation. Nothing in this paragraph precludes the Township from imposing an affordable housing set-aside in a development not required to have a set-aside pursuant to this paragraph consistent with N.J.S.A. 52:27D-311(h) and other applicable law. This requirement does not create any entitlement for a property owner or applicant for a zoning amendment, variance, or adoption of a Redevelopment Plan or amended Redevelopment Plan in areas in need of redevelopment or rehabilitation, or for approval of any particular proposed

- project. This requirement does not apply to any sites or specific zones otherwise identified in the Settlement Agreement or HEFSP, for which density and set-aside standards shall be governed by the specific standards set forth therein. A property shall not be permitted to be subdivided so as to avoid meeting this requirement.
- b. Overlay zone permitting family rental or for sale units at Block 138, Lot 1, a 3.2-acre parcel that is currently used for an office building. The Township will adopt an overlay zone to permit 12 units to an acre with a 20% set-aside if for sale, and 15% set-aside if for rental.
9. The Township will provide a realistic opportunity for the development of affordable housing through the adoption of inclusionary zoning on the following site, as addressed fully above in paragraph 7:
- a. Block 66, Lot 1, a 30.24-acre parcel with provision of off-site units phased with the market-rate units on a portion of Block 48.16, Lot 117.27 (aka "Skate Park site")
10. The Township has assumed certain obligations with regard to providing affordable housing through means other than inclusionary zoning, as follows:
- a. The non-inclusionary compliance mechanisms are as follows:
    - i. The Township has already extended controls on 72 affordable family for-sale units as documented in Exhs. C and D to this Agreement. This is sufficient to receive credits for those units, provided that during the compliance phase of this matter the municipality demonstrates how it will fund the financial contributions required with regard to those units.
    - ii. Affordable family rental units through the development of a 100% affordable development on a site to be identified and provided by the municipality
  - b. In accordance with N.J.A.C. 5:93-5.5, the Township recognizes that it must provide evidence that the municipality has adequate and stable funding for any non-inclusionary affordable housing developments and compliance mechanisms. The municipality is required to provide a pro forma of both total development costs and sources of funds and documentation of the funding available to the municipality and/or project sponsor, and any applications still pending. In the case where an application for outside funding is still pending, the municipality intends to provide a stable alternative source, such as affordable housing developer fees or municipal bonding, in the event that the funding request is not approved. The Township will meet those obligations in accordance with the deadlines established by paragraph 7 of this Agreement and prior to the compliance hearing in this matter.
  - c. In accordance with N.J.A.C. 5:93-5.5, for non-inclusionary developments and compliance mechanisms, a construction or implementation schedule, or timetable, shall be submitted for each step in the development process: including preparation of a site plan, granting of municipal approvals, applications for State and Federal permits, selection of a contractor and construction. The schedule shall provide for construction to begin by June 30, 2021. The municipality shall indicate the entity responsible for undertaking and monitoring the construction and overall development activity. The Township will meet those obligations in accordance with the deadlines established by paragraph 7 of this Agreement and prior to the compliance hearing in this matter.
11. The Township agrees to require 13% of all units referenced in this Agreement, excepting those units that were constructed or granted preliminary or final site plan approval prior to July 1, 2008, to be very low income units, with half of the very low income units being

available to families. The Township will demonstrate how it will comply with this requirement during the compliance phase of this matter.

12. The Township shall meet its Third Round Prospective Need in accordance with the following standards as agreed to by the Parties and reflected in the table in paragraph 7 above:

- a. Third Round bonuses will be applied in accordance with N.J.A.C. 5:93-5.15(d).
- b. At least 50 percent of the units addressing the Third Round Prospective Need, including unmet need, shall be affordable to very-low-income and low-income households with the remainder affordable to moderate-income households.
- c. At least twenty-five percent of the Third Round Prospective Need, including unmet need, shall be met through rental units, including at least half in rental units available to families.
- d. At least half of the units addressing the Third Round Prospective Need in total, including unmet need, must be available to families.
- e. The Township agrees to comply with an age-restricted cap of 25% and to not request a waiver of that requirement. This shall be understood to mean that in no circumstance may the municipality claim credit toward its fair share obligation for age-restricted units that exceed 25% of all units developed or planned to meet its cumulative prior round and third round fair share obligation, including unmet need.

13. The Township shall add to the list of community and regional organizations in its affirmative marketing plan, pursuant to N.J.A.C. 5:80-26.15(f)(5), Fair Share Housing Center, the New Jersey State Conference of the NAACP, the Latino Action Network, the Morris County Chapter of the NAACP, Newark NAACP, East Orange NAACP, Housing Partnership for Morris County, Community Access Unlimited, Inc., Northwest New Jersey Community Action Program, Inc. (NORWESCAP), Homeless Solutions of Morristown, and the Supportive Housing Association, and shall, as part of its regional affirmative marketing strategies during its implementation of the affirmative marketing plan, provide notice to those organizations of all available affordable housing units. The Township also agrees to require any other entities, including developers or persons or companies retained to do affirmative marketing, to comply with this paragraph.

14. All units shall include the required bedroom distribution, be governed by controls on affordability and affirmatively marketed in conformance with the Uniform Housing Affordability Controls, N.J.A.C. 5:80-26.1 et. seq. or any successor regulation, with the exception that in lieu of 10 percent of affordable units in rental projects being required to be at 35 percent of median income, 13 percent of affordable units in such projects shall be required to be at 30 percent of median income, and all other applicable law. The Township as part of its HEFSP shall adopt and/or update appropriate implementing ordinances in conformance with standard ordinances and guidelines developed by the Council on Affordable Housing ("COAH") to ensure that this provision is satisfied. Income limits for all units that are part of the Plan required by this Agreement and for which income limits are not already established through a federal program exempted from the Uniform Housing Affordability Controls ("UHAC") pursuant to N.J.A.C. 5:80-26.1 shall be updated by the Township annually within 30 days of the publication of determinations of median

income by the United States Department of Housing and Urban Development ("HUD") as follows:

- a. Regional income limits shall be established for the region that the Township is located within (i.e. Region 2) based on the median income by household size, which shall be established by a regional weighted average of the uncapped Section 8 income limits published by HUD. To compute this regional income limit, the HUD determination of median county income for a family of four is multiplied by the estimated households within the county according to the most recent decennial Census. The resulting product for each county within the housing region is summed. The sum is divided by the estimated total households from the most recent decennial Census in the Township's housing region. This quotient represents the regional weighted average of median income for a household of four. The income limit for a moderate-income unit for a household of four shall be 80 percent of the regional weighted average median income for a family of four. The income limit for a low-income unit for a household of four shall be 50 percent of the HUD determination of the regional weighted average median income for a family of four. The income limit for a very low income unit for a household of four shall be 30 percent of the regional weighted average median income for a family of four. These income limits shall be adjusted by household size based on multipliers used by HUD to adjust median income by household size. In no event shall the income limits be less than those for the previous year.
  - b. The income limits attached hereto as Exh. E are the result of applying the percentages set forth in paragraph (a) above to HUD's determination of median income for FY 2018, and shall be utilized until the Township updates the income limits after HUD has published revised determinations of median income for the next fiscal year.
  - c. The Regional Asset Limit used in determining an applicant's eligibility for affordable housing pursuant to N.J.A.C. 5:80-26.16(b)3 shall be calculated by the Township annually by taking the percentage increase of the income limits calculated pursuant to paragraph (a) above over the previous year's income limits, and applying the same percentage increase to the Regional Asset Limit from the prior year. In no event shall the Regional Asset Limit be less than that for the previous year.
  - d. ~~The Parties agree to request the Court prior to or at the fairness hearing in this matter to enter an order implementing this paragraph of this Agreement.~~
15. All new construction units shall be adaptable in conformance with P.L.2005, c.350/N.J.S.A. 52:27D-311a and -311b and all other applicable law.
  16. As an essential term of this Agreement, within one hundred and fifty (150) days of Court's approval of this Agreement, the Township shall introduce and adopt an ordinance or ordinances providing for the amendment of the Township's Affordable Housing Ordinance and Zoning Ordinance to implement the terms of this Agreement and the zoning contemplated herein and adopt a Housing Element and Fair Share Plan and Spending Plan in conformance with the terms of this Agreement.
  17. The Parties agree that if a decision of a court of competent jurisdiction in Morris County, or a determination by an administrative agency responsible for implementing the Fair Housing Act, or an action by the New Jersey Legislature, would result in a calculation of an obligation for the Township for the period 1999-2025 that would be lower by more than twenty (20%) percent than the total prospective Third Round need obligation established

in this Agreement, and if that calculation is memorialized in an unappealable final judgment, the Township and FSHC will consent to amend the judgment in this matter to reduce the Township's fair share obligation accordingly. Notwithstanding any such reduction, the Township shall be obligated to adopt a Housing Element and Fair Share Plan that conforms to the terms of this Agreement and to implement all compliance mechanisms included in this Agreement, including by adopting and retaining any site specific zoning adopted or relied upon in connection with the Plan adopted pursuant to this Agreement; taking all steps necessary to support the development of any 100% affordable developments referenced herein; maintaining all mechanisms to address unmet need; and otherwise fulfilling fully the fair share obligations as established herein. The reduction of the Township's obligation below that established in this Agreement does not provide a basis for seeking leave to amend this Agreement or seeking leave to amend an order or judgment pursuant to R. 4:50-1. If the Township prevails in reducing its prospective need for the Third Round, the Township may carry over any resulting extra credits to future rounds in conformance with the then-applicable law.

18. The Township shall prepare a Spending Plan within the period referenced above, subject to the review of FSHC and approval of the Court, and reserves the right to seek approval from the Court that the expenditures of funds contemplated under the Spending Plan constitute "commitment" for expenditure pursuant to N.J.S.A. 52:27D-329.2 and -329.3, with the four-year time period for expenditure designated pursuant to those provisions beginning to run with the entry of a final judgment approving this settlement in accordance with the provisions of In re Tp. of Monroe, 442 N.J. Super. 565 (Law Div. 2015) (aff'd 442 N.J. Super. 563). On the first anniversary of the execution of this Agreement, which shall be established by the date on which it is executed by a representative of the Township, and on every anniversary of that date thereafter through the end of the period of protection from litigation referenced in this Agreement, the Township agrees to provide annual reporting of trust fund activity to the New Jersey Department of Community Affairs, Council on Affordable Housing, or Local Government Services, or other entity designated by the State of New Jersey, with a copy provided to Fair Share Housing Center and posted on the municipal website, using forms developed for this purpose by the New Jersey Department of Community Affairs, Council on Affordable Housing, or Local Government Services. 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.
19. On the first anniversary of the execution of this Agreement, and every anniversary thereafter through the end of this Agreement, the Township agrees to 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 FSHC, using forms previously developed for this purpose by the COAH or any other forms endorsed by the Special Master and FSHC.
20. The Fair Housing Act includes two provisions regarding action to be taken by the Township during the ten-year period of protection provided in this Agreement. The Township agrees to comply with those provisions as follows:
  - a. For the midpoint realistic opportunity review due on July 1, 2020, as required pursuant to N.J.S.A. 52:27D-313, the Township will post on its municipal website, with a copy provided to Fair Share Housing Center, a status report as to its implementation of the 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 FSHC, 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.

- b. 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 Township will post on its municipal website, with a copy provided to FSHC, 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 FSHC, on the issue of whether the municipality has complied with its very low income housing obligation under the terms of this settlement.

21. FSHC is hereby deemed to have party status in this matter and to have intervened in this matter as a defendant without the need to file a motion to intervene or an answer or other pleading. The parties to this Agreement agree to request the Court to enter an order declaring FSHC is an intervenor, but the absence of such an order shall not impact FSHC's rights.

22. The parties will request that the Court conduct the review and approval of this Agreement and compliance with the Agreement and applicable law as follows:

- a. The fairness of this Agreement must be evaluated by the Court in accordance with Morris Cty. Fair Hous. Council v. Boonton Twp., 197 N.J. Super. 359, 367-69 (Law Div. 1984), aff'd o.b., 209 N.J. Super. 108 (App. Div. 1986), and East/West Venture v. Borough of Fort Lee, 286 N.J. Super. 311, 328-29 (App. Div. 1996).
- b. The parties will request that this Agreement be the subject of two hearings. The first hearing will evaluate the fairness of the present and prospective need obligations assigned to the municipality; the RDP; and all compliance mechanisms intended to satisfy the RDP and address unmet need, with the exception of the 74-unit 100% affordable family rental development on a site to be identified and provided by the municipality. Upon approval of this Agreement at the first hearing, FSHC shall sign a Stipulation of Dismissal with Prejudice and Without Costs in that litigation styled Fair Share Housing Center, Inc. v. Township of Chatham, County of Morris, State of New Jersey, Superior Court of New Jersey, Law Division, Morris County, Docket No. MRS-L-000234-18. The parties agree to request that the Court schedule the first hearing to occur in February 2019.
- c. The second hearing will be a fairness hearing and a compliance hearing, with the fairness review at the second hearing being limited to the 74-unit 100% affordable family rental development on a site or sites to be identified and provided by the municipality. The parties agree to request that the Court schedule the second hearing to occur in July 2019.
- d. The Township shall present its planner as a witness at the hearings scheduled to evaluate fairness and compliance.
- e. The parties agree to support this settlement at the fairness hearing.

- f. As part of the order finding that the municipality has complied with the terms of this Agreement and taken all necessary steps, following the second hearing, the parties contemplate the municipality will receive “the judicial equivalent of substantive certification and accompanying protection as provided under the FHA,” as addressed in the Supreme Court’s decision in In re N.J.A.C. 5:96 & 5:97, 221 N.J. 1, 36 (2015). The “accompanying protection” shall remain in effect through July 1, 2025.
23. The Township agrees to pay FSHC’s attorneys fees and costs in the amount of \$15,000 within forty-five (45) days of the Court’s approval of this Agreement pursuant to a duly-noticed fairness hearing. By separate agreement between the Township and Southern Boulevard Urban Renewal, LLC, this fee is to be paid within thirty (30) days of the Court’s approval of components of this Agreement following the first hearing. In the event Southern Boulevard Urban Renewal, LLC, does not pay the fees to FSHC within thirty (30) days of the approval of this Agreement by the Court following the first hearing, the Township agrees to pay that amount to FSHC within fifteen (15) days of a request being made by FSHC to the Township for the funds.
24. If an appeal is filed of the Court’s approval or rejection of this Agreement, the Parties agree to defend the Agreement on appeal, including in proceedings before the Superior Court, Appellate Division and New Jersey Supreme Court, and to continue to implement the terms of this Agreement if the Agreement is approved before the Law Division unless and until an appeal of the Law Division’s approval is successful, at which point the Parties reserve their right to rescind any action taken in anticipation of the Law Division’s approval. All Parties shall have an obligation to fulfill the intent and purpose of this Agreement.
25. This Agreement may be enforced through a motion to enforce litigant’s rights or a separate action filed in Superior Court, Morris County.
26. Unless otherwise specified, it is intended that the provisions of this Agreement are to be severable. The validity of any article, section, clause or provision of this Agreement shall not affect the validity of the remaining articles, sections, clauses or provisions hereof. If any section of this Agreement shall be adjudged by a court to be invalid, illegal, or unenforceable in any respect, such determination shall not affect the remaining sections.
27. This Agreement shall be governed by and construed by the laws of the State of New Jersey.
28. This Agreement may not be modified, amended or altered in any way except by a writing signed by each of the Parties.
29. This Agreement may be executed in any number of counterparts, each of which shall be an original and all of which together shall constitute but one and the same Agreement.
30. The Parties acknowledge that each has entered into this Agreement on its own volition without coercion or duress after consulting with its counsel, that each party is the proper person and possess the authority to sign the Agreement, that this Agreement contains the entire understanding of the Parties and that there are no representations, warranties, covenants or undertakings other than those expressly set forth herein.

31. Each of the Parties hereto acknowledges that this Agreement was not drafted by any one of the Parties, but was drafted, negotiated and reviewed by all Parties and, therefore, the presumption of resolving ambiguities against the drafter shall not apply. Each of the Parties expressly represents to the other Parties that: (i) it has been represented by counsel in connection with negotiating the terms of this Agreement; and (ii) it has conferred due authority for execution of this Agreement upon the persons executing it.
32. Any and all Exhibits attached to this Agreement are hereby made a part of this Agreement by this reference thereto. Any and all Exhibits now and/or in the future are hereby made or will be made a part of this Agreement with prior written approval of both Parties.
33. This Agreement constitutes the entire Agreement between the Parties hereto and supersedes all prior oral and written agreements between the Parties with respect to the subject matter hereof except as otherwise provided herein.
34. No member, official or employee of the Township shall have any direct or indirect interest in this Agreement, nor participate in any decision relating to the Agreement which is prohibited by law, absent the need to invoke the rule of necessity.
35. Anything herein contained to the contrary notwithstanding, the effective date of this Agreement shall be the date upon which all of the Parties hereto have executed and delivered this Agreement.
36. All notices required under this Agreement ("Notice[s]") shall be written and shall be served upon the respective Parties by certified mail, return receipt requested, or by a recognized overnight or by a personal carrier. Delivery shall be affected as follows, subject to change as to the person(s) to be notified and/or their respective addresses upon ten (10) days notice as provided herein:

**TO FSHC:**

Kevin D. Walsh, Esq.  
Fair Share Housing Center  
510 Park Boulevard  
Cherry Hill, NJ 08002  
Phone: (856) 665-5444  
Email: kevinwalsh@fairsharehousing.org

**TO THE TOWNSHIP:**

Albert E. Cruz, Esq.  
DiFrancesco, Bateman, Kunzman, David, Lehrer, & Flaum, P.C.  
15 Mountain Boulevard  
Warren, New Jersey 07059  
Email: acruz@newjerseylaw.net

**WITH A COPY TO THE  
TOWNSHIP CLERK:**

Greg LaConte, Township Clerk  
58 Meyersville Road  
Chatham, NJ 07928  
Email: glaconte@chathamtownship.org

**WITH A COPY TO THE  
TOWNSHIP  
ADMINISTRATOR:**

Thomas Ciccarone, Township Administrator  
58 Meyersville Road  
Chatham, NJ 07928  
Email: tciccarone@chathamtownship.org

Please sign below if these terms are acceptable.

Sincerely,



Kevin D. Walsh, Esq.  
Counsel for Intervenor/Interested Party  
Fair Share Housing Center

On behalf of the Township of Chatham, with the authorization  
of the governing body:

  
Dated: 12/13/18

List of Exhibits

| Exhibit _____ | Document                                                                                                                                                                                     |
|---------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <u>A</u>      | <u>Portion of original Vernon Grove Condominium Master Deed with thirty (30) year affordable housing deed restriction recorded on September 24, 1986 in Book 2889, beginning at Page 661</u> |
| <u>B</u>      | <u>Vacant Land Analysis prepared by Francis J. Banisch, III, PP/AICP</u>                                                                                                                     |
| <u>C</u>      | <u>Amendment to Vernon Grove Condominium Master Deed Extending Affordability Controls Thirty Years from September 24, 2016 recorded on May 1, 2018 in Book 23336, beginning at Page 727</u>  |
| <u>D</u>      | <u>Partial Judgment on Partial Fairness Hearing filed on May 4, 2018</u>                                                                                                                     |
| <u>E</u>      | <u>2018 Affordable Housing Regional Income Limits by Household Size</u>                                                                                                                      |

**Exhibit A: Portion of original Vernon Grove Condominium Master Deed with thirty (30)  
year affordable housing deed restriction recorded on  
September 24, 1986 in Book 2889, beginning at Page 661**

MASTER DEED  
FOR  
VERNON GROVE CONDOMINIUM

101460

Developed by  
BAKER FIRESTONE LIMITED PARTNERSHIP  
485 Washington Avenue  
Pleasantville, New York 10570

DATED: August 21, 1986

Prepared by:

*[Signature]*  
BARRY A. OSMUN

Record and Return to:  
CPUMMY, DEL DEO, DOLAN, GRIFFINGER & VECCHIONE  
A Professional Corporation  
One Gateway Center  
Newark, New Jersey 07102-5311

RECEIVED  
SEP 24 1 54 PM '86  
*[Signature]*  
MORRIS COUNTY CLERK

COUNTY OF MORRIS,  
COMMISSIONER  
NO. 12  
PROPERTY TRANSFER TAX  
SEP 24 1986  
*[Signature]*  
J.L.B.

ck  
PAID  
284.<sup>00</sup>  
*[Signature]*

66-2860 PAGE 661

nothing contained in this paragraph or elsewhere in this Master Deed shall be deemed to constitute a submission of the Remaining Property or any portion thereof to the Condominium Act.

ARTICLE 17

COVENANTS AND RESTRICTIONS

1. Each Condominium Unit Owner, by virtue of his being the owner of a Unit in the Condominium, and each owner of other real property within the Community, by virtue of such ownership, will automatically become a member of the Community Association and does hereby covenant and agree to be bound by all of the provisions contained in the Condominium Documents including, but not limited to, the By-Laws of the Community Association, as such documents presently exist or as they may be amended in the future.

2. No Condominium, no Condominium Association, no Condominium Unit Owner, no real estate owner, and no tenants in common as hereinafter provided, within the Community, shall terminate its or their respective membership in the Community Association, and unless and until such termination is approved by a vote of not less than ninety (90%) percent of the Condominium Unit Owners in each and every of the condominiums in the Community ninety (90%) percent of such real estate owners and ninety (90%) percent of such tenants in common within the Community.

3. Each Condominium Unit Owner, by virtue of his being the owner of a Unit in the Condominium, does hereby covenant and agree to be bound by all of the restrictions, rules and regulations established by the Glenwood Housing Corporation including, without limitation, those provisions contained in the Glenwood Housing Corporation's Procedures for Selection and Resale, as such document presently exists or as it may be amended from time to time. The provisions of such Procedures for Selection and Resale, which is included as a part hereof as Exhibit "I", include without limitation eligibility criteria for the selection of purchasers of Units, restrictions on pricing and rental of Units and resale restrictions and requirements. Such restrictions shall run for a period of thirty (30) years following the recording of this Master Deed.

4. None of the provisions of any of the Condominium Documents shall be altered, amended or modified except by such procedure as may be specified in such document or, in the absence of any such specified procedure, by a vote of not less

than two-thirds (2/3) of the Unit Owners and two-thirds (2/3) of such real estate owners, and two-thirds (2/3) of the tenants in common as hereinafter set forth; provided, however, only the Unit Owners of the Condominium shall, except as may otherwise be reasonably required in order to maintain community-wide uniformity, have the right to adopt and effect any alteration, amendment, or modification which pertains solely to the Condominium.

5. The rights, restrictions, licenses, privileges, benefits and burdens established by and under this Article of the Master Deed shall be perpetual, except that the restrictions on resale and leasing contained in Glenwood Housing Corporation's Procedures for Selection and Resale shall expire on the thirty-first anniversary of the recording of this Master Deed, and shall run with the land. They shall continue as stated for as long as any portion of the Condominium Property remains subject to the provisions of the Condominium Act. All of the provisions thereof shall be binding upon and shall inure to the benefit of the owner of all or of any part thereof or interest therein, and his heirs, executors, administrators, successors and assigns, but the same are not intended to create nor shall they be construed as creating any rights in or for the benefit of the general public.

Upon removal of all or any portion of the Condominium Property from the provisions of said Act, Unit Owners of the Condominium so removed shall continue to be members of the Community Association in all respects including, but not limited to, the maintenance and management of all Community Facilities administered by the Community and their proportionate contribution toward the maintenance, repair and replacement of such Community Facilities. Upon dissolution of the Community Association under the corporate laws of the State of New Jersey all property of the Community Association shall be distributed in the manner set forth in the By-Laws thereof at the same may exist at such time.

Notwithstanding the foregoing, as long as Community Facilities of the type described herein owned and/or operated by the Community Association remain in operation, there shall be an association, incorporated or unincorporated, which shall maintain, manage and operate such Community Facility in the same manner as though the users thereof were subject to the provisions of the Condominium Act. To effectuate the foregoing, such users shall form an association, which association to the extent practicable shall have all of the powers attributed to an association of Unit Owners under the Condominium Act. All the rights, restrictions, licenses, privileges, benefits and burdens established by this instrument

shall, to the extent applicable to such Association, remain in full force and effect.

6. The Condominium is subject to all covenants, restrictions and easements of record, zoning and other municipal and other governmental ordinances and regulations and to the following restrictions:

(a) Each of the Units may be used only as a private residence for a single family by the Unit Owner thereof or by his permitted lessees and the members of said lessee's immediate family subject, however, to applicable governmental regulations and the By-Laws and Rules and Regulations of the Condominium Association and the Community Association. Notwithstanding the foregoing, the Developer may, without the permission of the Board of Trustees, retain one or more Units for use as models, sales and administrative offices in connection with the sale or rental of the Units. All such use will terminate no later than April 30, 1989. Such retention and use by the Developer will not create any right of Board of Trustees membership beyond the phase out of Developer membership on the Board set forth in the By-Laws of the Condominium Association.

(b) No clothes poles or lines shall be installed or maintained in the Common Elements or Limited Common Elements.

(c) No animals, livestock or poultry of any kind shall be raised, bred or kept in any Unit or in the Common Elements. Dogs, cats or other household pets are permitted, not to exceed two per Unit, provided that they are not kept, bred or maintained for any commercial purpose and that they are housed within the Unit. No outside animal pens or yards shall be permitted; all walking pets must be leashed and all other pets must be in an enclosed cage or other container whenever they are anywhere on the Community Property outside of the Unit of their owner. Each Unit Owner is responsible for properly disposing of any excrement from his pet.

(d) No trailer, tractor (except a small garden tractor), truck (commercial or unregistered), mobile home, recreation vehicle, boat trailer or the like shall be stored or housed on the Condominium Property. All vehicles on the Property must be kept in operable condition and have current plates and inspection stickers.

(e) No portion of the Common Elements or other portion of the Condominium Property shall be used or maintained for the dumping of rubbish or debris. Trash, garbage or other waste shall be kept in sanitary containers on the Property for weekly or more frequent collection.

(f) No exterior loudspeakers other than as contained in portable radios or television sets shall be permitted. No unshielded floodlights shall be installed in any exterior area of any Unit.

(g) No business, trade or profession shall be conducted in any Unit without the prior approval of all municipal and other governmental bodies having jurisdiction over such matters. In the event formal approval is obtained for any such proposed use, the Unit so affected shall in all events be restricted to the office of that of a physician, dentist or other practitioner of the healing arts and sciences, attorney at law, accountant, professional engineer, architect or artist, and the use of the Property for any such purpose shall be restricted to not more than fifty percent (50%) of the livable area of the Unit; and no exterior sign shall be erected or displayed except one nonilluminated sign, which shall be no larger than eight inches in height and thirty inches in length.

(h) No external or visible radio, television, or any type of communication aerial shall be installed or affixed on or about the exterior of any Building constructed or erected on the Property or elsewhere on such Property without the prior written consent of the Association.

(i) No signs of any kind shall be permitted upon the Property except as provided in section (g) above.

(j) In order to provide an orderly procedure in the case of title transfers and to assist in the maintenance of a current, up-to-date roster of Unit Owners, the Owner of a Unit shall give the Secretary of the Condominium Association timely notice of his intent to list his Unit for sale and upon closing of title, the Unit Owner shall forthwith notify such Secretary of the names and home addresses of the purchasers and their institutional mortgage lender, if any.

(k) No Unit Owner or occupant shall build, plant or maintain any matter or thing upon, in, over or under the Common Elements without the prior written consent of the Association.

(l) No Unit Owner or occupant shall burn, chop or cut anything on, over or above the Common Elements.

(m) Unit Owners shall not have any right to paint or otherwise decorate or change the appearance of any portion of the exterior of any Building.

(n) To the extent that equipment, facilities and fixtures within any Unit(s) shall be connected to similar

equipment, facilities or fixtures affecting or serving other Unit(s) or the Common Elements, then the use thereof by the individual Unit Owners shall be subject to the By-Laws and the Rules and Regulations of the Association.

(o) Nothing shall be done or kept in any Unit or in or upon the Common Elements which will increase the rates of insurance of the Building(s) or the contents thereof beyond the rates applicable for Units without the prior written consent of the Association. No Unit Owner shall permit anything to be done or kept in his Unit or in or upon the Common Elements which will result in the cancellation of insurance on any of the Buildings or the contents thereof or which will be in violation of any law.

(p) No noxious or offensive activities shall be carried on, in or upon the Common Elements or in any Unit nor shall anything be done therein either willfully or negligently which may be or become an annoyance or nuisance to the other residents in the Condominium.

(q) No immoral, improper, offensive or unlawful use shall be made of any Unit; and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed.

(r) Nothing shall be done to any Unit or on or in the Common Elements which will impair the structural integrity of any Building or which will structurally change a Building. No Unit Owner (other than the Developer) may make any structural additions, alterations or improvements in or to his Unit or in or to the Common Elements without the prior written approval of the Association or impair any easement without the prior written consent of the Association. The Board of Trustees of the Association shall have the obligation to answer any written request received by it from a Unit Owner for approval of a proposed structural addition, alteration or improvement in such Unit Owner's Unit within forty-five (45) days after receipt of such request and failure to do so within the stipulated time shall constitute a consent to the proposed structural addition, alteration or improvement. Any application to any municipal authority for a permit to make an addition, alteration or improvement in or to any Unit must be approved by the Association and, if approved, shall be executed by the Board of Trustees of the Association and may then be submitted by the Unit Owner. Such approval, however, shall not incur any liability on the part of the Association to any contractor, subcontractor or materialman on account of such addition, alteration or improvement, or to any person having any claim for injury to person or damage to property arising therefrom.

The Unit Owner shall furnish the Association with a copy of any such permit which he has procured. The provisions of this subparagraph (r) shall not apply to Unsold Units until such Unsold Units have been initially sold and conveyed by the Developer.

(s) Draperies, blinds, curtains or other window coverings must be installed by each Unit Owner on all windows of his Unit and must be maintained in said windows at all times. All floor areas in a Unit must be covered by padding, carpeting, area rugs, tile or linoleum of a size and quality reasonably acceptable to the Association. These provisions shall not apply to any Unit(s) owned by the Developer.

(t) The Common Elements shall be used only for the furnishing of the services and facilities for which they are reasonably intended and suited and which are incident to the use and occupancy of the Units.

(u) Units may be rented only upon prior written approval of the Chatham Township Affordable Housing Committee (the "Committee"), at a rental determined by the Committee in accordance with the Glenwood Housing Corporation's Procedures for Selection and Resale, the Master Deed and By-Laws of the Condominium Association, and the By-Laws of the Community Association. Eligibility criteria for renters shall be the same as for the selection of initial purchasers pursuant to the provisions of the Glenwood Housing Corporation's Procedures for Selection and Resale.

In addition to the foregoing restrictions, no Unit owner may lease less than an entire Unit. Further, the right to lease a Unit is conditioned on said Lease being in writing and expressly made subject to all provisions of this Master Deed, the By-Laws of the Associations, the Glenwood Housing Corporation's Procedures for Selection and Resale and all other Condominium Documents as defined herein, including the right of amendment reserved to Developer herein, and provided further that any failure of the Lessee to fully comply with the terms and conditions of such documents shall constitute a default under the Lease.

In the event a tenant of a Unit defaults under his lease by failure to comply with the provisions of this Master Deed or any of the other Condominium Documents, then, in addition to all other remedies which it may have, the Condominium Association shall notify the Unit Owner of such default(s) and demand that the same be cured through the Unit Owner's efforts within thirty (30) days after such notice. If any such default is not cured within said thirty (30) day

period, then the Unit Owner shall immediately thereafter, at his own cost and expense, institute and diligently prosecute an eviction action against his tenant on account of such default(s). Such action shall not be compromised or settled without the prior written consent of the Association. In the event the Unit Owner fails to fulfill the foregoing obligation, then the Association shall have the right, but not the duty, to institute and prosecute such action as attorney-in-fact for the Unit Owner and at the Unit Owner's sole cost and expense, including all legal fees incurred. Said costs and expenses shall be deemed to constitute a lien on the particular Unit involved, and collection thereof may be enforced by the Association in the same manner as the Association is entitled to enforce collection of Common Expenses. By acceptance of a deed to any Unit, each and every Unit Owner does thereby automatically and irrevocably name, constitute, appoint and confirm the Association as his attorney-in-fact for the purposes described in this subparagraph (u).

(v) Each Unit Owner shall have the right to mortgage or encumber his Unit in accordance with the By-Laws of the Condominium Association.

(w) All property taxes, special assessments and other charges imposed by any taxing authority are to be separately assessed against and collected on each Unit as a single parcel as provided in the Condominium Act. In the event that for any year such taxes are not separately taxed to each Unit, but are taxed on the Property as a whole, then each Unit Owner shall pay his proportionate share thereof in accordance with his proportionate undivided percentage interest in the Common Elements.

(x) Each Unit Owner shall pay for his own telephone and other utilities, if any, which are separately metered or billed to each user by the respective utility company. Utilities which are not separately metered or billed shall be treated as part of the Common Expenses.

(y) Nothing contained in any provision of this Article or any other provisions of this Master Deed shall prohibit or impair the establishment by the Condominium Association and/or the Community Association, in conformity with the Condominium Documents, of other or different covenants and/or restrictions as may from time to time appear proper, necessary or desirable in the management of the Condominium.

**Exhibit B: Vacant Land Analysis prepared by**  
**Francis J. Banisch, III, PP/AICP**

# Parcels Contributing to Realistic Development Potential

## Vacant Parcels Outside SSA Contributing to Realistic Development Potential (RDP)

| MAP ID | Block | Lot    | GIS Acres | Prop Code | PropLoc               | Zoning | OwnName                           | SSA | Constrained Acres | Developable Area | 6 Units/Acre   | 20% set aside |
|--------|-------|--------|-----------|-----------|-----------------------|--------|-----------------------------------|-----|-------------------|------------------|----------------|---------------|
| 1      | 48.21 | 181.01 | 2.139     | 3B        | GREEN VILLAGE RD REAR | R-1    | DE POORTERE, ROBERT E & MAUREEN   | N   | 1.62              | 0.519            | 3.114          | 0             |
| 2      | 63    | 4      | 1.144     | 1         | RIVER RD              | R-2    | O HANLON, CAROL & COOK, JOANNE    | N   | 0.54              | 0.604            | 3.624          | 0             |
| 3      | 139   | 3.02   | 1.813     | 1         | SPRING VALLEY RD      | R-1    | PASTERNAK, BLASE & IZA            | N   | 1.183             | 0.63             | 3.78           | 0             |
| 4      | 48.21 | 181    | 1.374     | 3B        | GREEN VILLAGE RD REAR | R-1    | DE POORTERE, ROBERT E & MAUREEN   | N   | 0.7               | 0.674            | 4.044          | 0             |
| 5      | 48.2  | 188    | 14.727    | 1         | BRITTEN RD REAR       | R-1    | MURPHY, DONALD A & ELIZA R        | N   | 13.847            | 0.88             | 5.28           | 1             |
| 6      | 48.21 | 180    | 1.935     | 3B        | 533 GREEN VILLAGE RD  | R-1A   | FERBER, VIRGINIA B                | N   | 1.04              | 0.895            | 5.37           | 1             |
| 7      | 48.21 | 165.04 | 3.728     | 1         | GREEN VILLAGE RD      | R-3    | MILLER, DANIEL S                  | N   | 2.63              | 1.098            | 6.588          | 1             |
| 8      | 139   | 15     | 3.206     | 1         | 10 LOANTAKA LN SO     | R-1    | PAPATHOMAS, JAMES ETAL            | N   | 2.05              | 1.156            | 6.936          | 1             |
| 9      | 48.19 | 157    | 10.512    | 1         | BRITTEN RD            | R-1    | RICE, DANIEL C & MARIE J          | N   | 8.73              | 1.782            | 10.692         | 2             |
| 10     | 48.2  | 183    | 15.938    | 3B        | BRITTEN RD            | R-1A   | RIECK, JOHN J JR & JANE-CZA FARMS | N   | 14.08             | 1.858            | 11.148         | 2             |
| 11     | 143   | 1.05   | 2.592     | 1         | TREADWELL AVE         | R-1    | GASSER, ROBERT C & KARYN ANN      | N   | 0.19              | 2.402            | 14.412         | 2             |
| 12     | 48.18 | 144    | 7.607     | 3B        | 425 GREEN VILLAGE RD  | R-1A   | HINDS, ROSE DORIS, TRUSTEE        | N   | 2.82              | 4.787            | 28.722         | 5             |
| 13     | 144   | 19.03  | 13.574    | 3B        | LOANTAKA WAY          | R-1    | PLATT, HELEN MEAD, TRUSTEE        | N   | 7.44              | 6.134            | 36.804         | 7             |
| 14     | 48.21 | 174    | 25.895    | 3B        | GREEN VILLAGE RD      | R-1    | FERBER, VIRGINIA B                | N   | 19.72             | 6.175            | 37.05          | 7             |
| 15     | 48.18 | 140    | 28.877    | 3B        | GREEN VILLAGE RD      | R-1    | BRILL, JAMES                      | N   | 14.19             | 14.687           | 88.122         | 17            |
|        |       |        |           |           |                       |        |                                   |     |                   | <b>61.082</b>    | <b>366.492</b> | <b>46</b>     |

## Parcels Contributing to Realistic Development Potential

Vacant Parcels in SSA Contributing to Realistic Development Potential (RDP)

| Map ID | Block | Lot           | Acres | Tax Class | Property Location  | Owner            | Constrained | Developable | # Units       | Low/Mod Units @ 20% Set Aside |
|--------|-------|---------------|-------|-----------|--------------------|------------------|-------------|-------------|---------------|-------------------------------|
| A      | 66    | 1             | 30.7  | 3B        | Hillside Avenue    | Harr             | 4.2         | 26.5        | 238.5 @ 9/ac  | 47                            |
| B      | 67    | 17            | 4     | 3B        | Hillside Avenue    | Harr             | 2.1         | 1.9         | 17.1 @ 9/ac   | 3                             |
| C      | 138   | 1             | 3.4   | 1         | Shunpike Road      | Fuller           | 0.2         | 3.2         | 19.2 @ 6/ac   | 3                             |
| D      | 142   | 1 & 2 Giralda | 136   | 15C       | Woodland Avenue    | Chatham Township | 109.9       | 26.1        | 156.6 @ 6/ac  | 31                            |
| E      | 48.15 | 117           | 32.7  | 4A        | Shunpike Road      | Fairmount CC     | 10.8        | 21.9        | 262 @ 12/acre | 52                            |
| F      | 144   | 33            | 13.7  | 15D       | Green Village Road | Oak Knoll School | 4.6         | 7.7         | 91 @ 12/acre  | 18                            |
|        |       |               |       |           |                    |                  | 131.8       | 87.3        | 784.4         | <b>154</b>                    |

RDP from SSA           154  
 RDP from non-SSA    46  
***Townwide RDP       200***

**Exhibit C: Amendment to Vernon Grove Condominium Master Deed Extending  
Affordability Controls Thirty Years from September 24, 2016 recorded on  
May 1, 2018 in Book 23336, beginning at Page 727**

Morris County Recording Cover Sheet



Honorable Ann F. Grossi, Esq.  
Morris County Clerk

MORRIS COUNTY, NJ  
Ann F. Grossi  
AMND-OR BOOK 23336 PG 727  
RECORDED 05/01/2018 10:45:52  
FILE NUMBER 2018023696  
RCPT # 1348458; RECD BY: SKEEFE eRecord  
RECORDING FEES 80.00  
INDEX FEE

*Official Use Only - Realty Transfer Fee*

*Official Use Only - Barcode*

|                                                                 |                                                                  |
|-----------------------------------------------------------------|------------------------------------------------------------------|
| Date of Document:<br>2017-09-19                                 | Type of Document:<br>AMENDMENT TO MASTER DEED                    |
| First Party Name:<br>Vernon Grove Condominium Association, Inc. | Second Party Name:<br>Vernon Grove Condominium Association, Inc. |
| Additional Parties:                                             |                                                                  |

THE FOLLOWING SECTION IS REQUIRED FOR DEEDS ONLY

|                             |      |
|-----------------------------|------|
| Block:                      | Lot: |
| Municipality:               |      |
| Consideration:              |      |
| Mailing Address of Grantee: |      |

THE FOLLOWING SECTION IS FOR ORIGINAL MORTGAGE BOOK & PAGE INFORMATION FOR AN ASSIGNMENT, RELEASE, OR SATISFACTION OF A MORTGAGE OR AN AGREEMENT RESPECTING A MORTGAGE

|                         |                        |
|-------------------------|------------------------|
| Original Book:<br>2889, | Original Page:<br>881, |
|-------------------------|------------------------|

MORRIS COUNTY RECORDING COVER SHEET

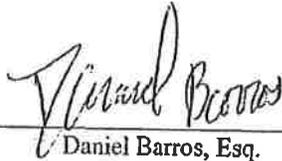
Please do not detach this page from the original document as it contains important recording information and is part of the permanent record.

WARNING: Information contained on the Recording Cover Sheet must exactly match the information within the attached document or the document will be rejected and returned.

AMENDMENT TO THE MASTER DEED EXTENDING AFFORDABILITY CONTROLS  
THIRTY YEARS FROM SEPTEMBER 24, 2016

Dated: 9/19/17

Prepared By:



Daniel Barros, Esq.

Record and return to:

Cutolo Barros LLC  
151 Highway 33 East, Suite 204  
Manalapan, New Jersey 07726

**AMENDMENT TO THE MASTER DEED EXTENDING AFFORDABILITY  
CONTROLS THIRTY YEARS FROM SEPTEMBER 24, 2016**

**WHEREAS**, the Association was established and exists as a non-profit corporation and by virtue of a certain Master Deed, recorded on September 24, 1986, in the Office of the Clerk of Morris County in Deed Book 2889, Page 681, *et seq.*, as may be amended (the "Master Deed"); and

**WHEREAS**, Article 30, Section B of the Master Deed provides, in part, that, "[t]his Master Deed may be amended at any time after the date hereof by a vote of at least two-thirds (2/3) of all Unit Owners at any meeting of the Association duly held in accordance with the provisions of the By-Laws of the Association, provided, however, that any such amendment shall have been approved in writing by each bank, mortgage banker or other institutional holder of a first mortgage on any Unit, which approval shall not be unreasonably withheld, and provided that any such amendment shall not impair the property rights of any Unit Owner or be contrary to the requirements of the Condominium Act, N.J.S.A. 46:8b-1 *et. seq.*, as amended and as the same may from time to time be amended. No amendment shall be effective until recorded in the Office of the Clerk of Morris County, New Jersey..."; and

**WHEREAS**, Article 14 of the Master Deed provides, in pertinent part, "[e]ach Owner or occupant of a Unit shall comply with, and shall assume ownership or occupancy subject to, law, rules and regulations of governmental authorities having jurisdiction over the Condominium, the provisions of this Master Deed, the Articles of Incorporation, the By-Laws and Rules and Regulations of the Condominium Association and the Community Association and any other documents, amendments or supplements to the foregoing as described in Article 2 hereof."; and

**WHEREAS**, Article 14 of the Master Deed provides "[u]pon acceptance of a Deed to a Unit, each Unit Owner shall automatically become a member of the Condominium Association and the Community Association and shall be a member for so long as he shall hold legal title to his Unit, subject to all provisions of this Master Deed, the Condominium Act, the Articles of Incorporation, the By-Laws and the Rules and Regulations which may now or hereafter be established for or by such Condominium and Community Association."; and

**WHEREAS**, Article 17 Section 1 of the Master Deed provides that "[e]ach Condominium Unit Owner, by virtue of his being the owner of a Unit in the Condominium, and each owner of other real property within the Community, by virtue of such ownership, will automatically become a member of the Community Association and does hereby covenant and agree to be bound by all of the provisions contained in the Condominium Documents including, but not limited to, the By-Laws of the Community Association, as such documents presently exist or as they may be amended in the future."; and

**WHEREAS**, Article 17 Section 3 of the Master Deed provides that "[e]ach Condominium Unit Owner, by virtue of his being the Owner of a Unit in the Condominium, does hereby covenant and agree to be bound by all of the restrictions, rules and regulations established by the Glenwood Housing Corporation, including, without limitation, those provisions contained in the Glenwood Housing Corporation's Procedures for Selection and Resale, as such document presently exists or as it may be amended from time to time. The provisions of such Procedures for Selection and Resale, which is included as a part hereof as Exhibit "I", include without limitation eligibility

criteria for the selection of purchasers of Units, restrictions on pricing and rental of Units and resale restrictions and requirements. Such restrictions shall run for a period of thirty (30) years following the recording of this Master Deed.”; and

**WHEREAS**, Article 17 Section 5 of the Master Deed provides that “[t]he rights, restriction, licenses, privileges, benefits and burdens established by and under this Article of the Master Deed shall be perpetual, except that the restrictions on resale and leasing contained in Glenwood Housing Corporation’s Procedures for Selection and Resale shall expire on the thirty - first anniversary of the recording of this Master Deed, and shall run with the land. They shall continue for as long as any portion of the Condominium Property remains subject to the provisions of the Condominium Act. All of the provisions thereof shall be binding upon and shall inure to the benefit of the owner of all or of any part thereof or interest therein, and his heirs, executors, administrators, successors and assigns, but the same are not intended to create nor shall they be construed as creating any rights in or for the benefit of the general public.”;

**WHEREAS**, Article 24 of the Master Deed provides that “[e]ach Owner or occupant of a Unit shall comply with, and shall assume ownership or occupancy subject to laws, rules and regulations of governmental authorities having jurisdiction over the Condominium, the provisions of this Master Deed, the Articles of Incorporation, By-Laws and Rules and Regulations of the Condominium Association and any other documents, amendments or supplements to the foregoing as described in Article 2M hereof, the Articles of Incorporation, By-Laws and Rules and Regulations of the Community Association and to the Glenwood Housing Corporation’s Procedures for Selection and Resale.”; and

**WHEREAS**, the Board of Trustees of the Association and the Membership decided to amend the Master Deed as set forth below; and

**WHEREAS**, a proposed amendment to the Master Deed was placed before the Membership of the Association for approval; and

**WHEREAS**, the necessary quorum of Members was present, either in person or by proxy, to conduct the meeting; and

**WHEREAS**, at least two thirds (2/3) of all Members attending a special meeting on September 19, 2017, either in person or by proxy, did indeed vote in favor of amending the Master Deed and By-Laws; and

**WHEREAS**, the Board of Trustees has determined that it is in the best interest of the Association to have such Amendment recorded in the Morris County Clerk’s Office, the Amendment is now hereby submitted for recording in the Morris County Clerk’s Office.

**NOW, THEREFORE, BE IT RESOLVED THAT:**

1. The Members of the Association voted to amend and did so amend Article 17.3 of the Master Deed to read as follows, with the amended language being set forth in bold:

Each Condominium Unit Owner, by virtue of his being the Owner of a Unit in the Condominium, does hereby covenant and agree to

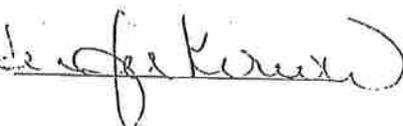
be bound by all of the restrictions, rules and regulations established by the Glenwood Housing Corporation, including, without limitation, those provisions contained in the Glenwood Housing Corporation's Procedures for Selection and Resale, as such document presently exists or as it may be amended from time to time. The provisions of such Procedures for Selection and Resale, which is included as a part hereof as Exhibit "I", include without limitation eligibility criteria for the selection of purchasers of Units, restrictions on pricing and rental of Units and resale restrictions and requirements. **Such restrictions shall run for a period of thirty (30) years from September 24, 2016 and the affordability control restrictions are extended on each individual Unit in Vernon Grove Condominium for thirty (30) years from September 24, 2016.**

2. All other terms and conditions of the Master Deed and By-Laws remain in full force and effect.
3. Should any provision hereof be determined to be invalid, the remaining provisions hereof shall remain in full force and effect.
4. Any provision contained within any previously adopted resolution or amendment of the Association that conflicts with any provisions set forth herein shall be deemed void and the provision contained herein shall govern.

IN WITNESS WHEREOF, Vernon Grove Condominium Association, Inc. has caused this instrument to be executed by its duly authorized representative this 19 day of SEPTEMBER, 2017.

Witness/Attestator  
[complete below]

Vernon Grove Condominium Association, Inc.  
[complete below]

Signature: 

Name: JENNIFER KERWIN

Title: Secretary

Date: [m] 9 / [d] 19 / [y] 2017

Signature: 

Name: ANDREA VEZZOSI-CERZA

Title: President

Date: [m] 9 / [d] 19 / [y] 2017

CORPORATE ACKNOWLEDGMENT

STATE OF NEW JERSEY )  
 ) : SS.  
COUNTY OF MORRIS )

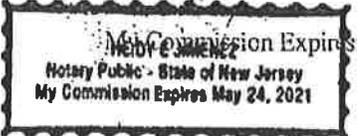
I CERTIFY that on the 19 day of SEPTEMBER 2017, [print] JENNIFER KERWIN personally appeared before me and this person acknowledged under oath, to my satisfaction, that:

- (a) this person is the Secretary of Vernon Grove Condominium Association, Inc, a non-profit corporation of the State of New Jersey, named in this document;
- (b) this person signed this document as attesting witness for the proper corporation officer who is [print] ANDREA VERZOSI-CERDA the President of the corporation;
- (c) this person knows the proper corporate seal of the corporation and the proper corporate seal was affixed; and
- (d) this document was signed and delivered by the corporation as its voluntary act and deed by virtue of authority from its Board of Trustees.

Signature: Jennifer Kerwin  
Name: JENNIFER KERWIN  
Title: Secretary

[notarize]  
Signed and sworn before me on  
September 19<sup>th</sup>, 2017.

Heidy E. Jimenez  
NOTARY PUBLIC OF NEW JERSEY



## Simplifile E-recording Banking Detail

Detail View

Prepared for: Elizabeth Smith  
 Included Organization: Cutolo Barros, LLC  
 For the period: 05/01/2018  
 Account number: NJBTBR  
 Report generated: 05/01/2018 09:18 PM MDT

### Charges

| NAME                               | TYPE                     | PG | ENTRY                      | RECORD DATE             | AMT            | SF              | TOTAL  |
|------------------------------------|--------------------------|----|----------------------------|-------------------------|----------------|-----------------|--------|
| Morris County, NJ                  |                          |    |                            |                         |                |                 |        |
| May 1, 2018                        |                          |    |                            |                         |                |                 |        |
| Master Deed                        |                          |    |                            |                         |                |                 |        |
| 2018.4.30 Amendment to the By-Laws | AMENDMENT TO MASTER DEED | 6  | E.2018023696.B.23336.P.727 | 05/01/2018 10:45 AM EDT | 80.00 <i>A</i> | 4.50 <i>A</i>   | 84.50  |
| Totals for Morris County, NJ       |                          |    |                            |                         | 80.00          | 4.50            | 84.50  |
| LICENSE                            |                          |    |                            |                         | AMT            | SF              | TOTAL  |
| License and Support Fee            |                          |    |                            |                         | 0.00           | 295.00 <i>B</i> | 295.00 |
|                                    |                          |    |                            |                         |                | 295.00          | 295.00 |
| Total of All Charges               |                          |    |                            |                         | 80.00          | 299.50          | 379.50 |

### Payments

| PAYMENT PROCESSING                                  | DESCRIPTION | ACCOUNT # | BANK DATE  | AMT            | SF              | TOTAL  |
|-----------------------------------------------------|-------------|-----------|------------|----------------|-----------------|--------|
| Simplifile ACH: Cutolo Barros LLC Operating Account | License     | *****7054 | 05/02/2018 | 0.00           | 295.00 <i>B</i> | 295.00 |
| Simplifile ACH: Cutolo Barros LLC Operating Account | Record Fees | *****7054 | 05/02/2018 | 80.00 <i>A</i> | 4.50 <i>A</i>   | 84.50  |
| Total of All Payments                               |             |           |            | 80.00          | 299.50          | 379.50 |

Document Count: 1

Package Count: 1

### Questions Contact:

Simplifile Support 800.460.5657, option 3  
 5072 North 300 West  
 Provo, UT 84604

## Simplifile E-recording Banking Detail

Detail View

Prepared for: Elizabeth Smith  
 Included Organization: Cutolo Barros, LLC  
 For the period: 05/01/2018  
 Account number: NJTBTR  
 Report generated: 05/01/2018 09:18 PM MDT

### Charges

| NAME                                | TYPE                     | PG | ENTRY                      | RECORD DATE             | AMT            | SF              | TOTAL         |
|-------------------------------------|--------------------------|----|----------------------------|-------------------------|----------------|-----------------|---------------|
| <b>Morris County, NJ</b>            |                          |    |                            |                         |                |                 |               |
| <b>May 1, 2018</b>                  |                          |    |                            |                         |                |                 |               |
| <b>Master Deed</b>                  |                          |    |                            |                         |                |                 |               |
| 2018.4.30 Amendment to the By-Laws  | AMENDMENT TO MASTER DEED | 6  | E.2018023696 B.23336 P.727 | 05/01/2018 10:45 AM EDT | 80.00 <i>A</i> | 4.50 <i>A</i>   | 84.50         |
| <b>Totals for Morris County, NJ</b> |                          |    |                            |                         | <b>80.00</b>   | <b>4.50</b>     | <b>84.50</b>  |
| <b>LICENSE</b>                      |                          |    |                            |                         |                |                 |               |
| License and Support Fee             |                          |    |                            |                         | 0.00           | 295.00 <i>B</i> | 295.00        |
|                                     |                          |    |                            |                         |                | 295.00          | 295.00        |
| <b>Total of All Charges</b>         |                          |    |                            |                         | <b>80.00</b>   | <b>299.50</b>   | <b>379.50</b> |

### Payments

| PAYMENT PROCESSING                                  | DESCRIPTION | ACCOUNT # | BANK DATE  | AMT            | SF              | TOTAL         |
|-----------------------------------------------------|-------------|-----------|------------|----------------|-----------------|---------------|
| Simplifile ACH: Cutolo Barros LLC Operating Account | License     | *****7054 | 05/02/2018 | 0.00           | 295.00 <i>B</i> | 295.00        |
| Simplifile ACH: Cutolo Barros LLC Operating Account | Record Fees | *****7054 | 05/02/2018 | 80.00 <i>A</i> | 4.50 <i>A</i>   | 84.50         |
| <b>Total of All Payments</b>                        |             |           |            | <b>80.00</b>   | <b>299.50</b>   | <b>379.50</b> |

Document Count: 1  
 Package Count: 1

Questions Contact:  
 Simplifile Support 800.460.5657, option 3  
 5072 North 300 West  
 Provo, UT 84604

**Exhibit D: Partial Judgment on Partial Fairness Hearing**  
**filed on May 4, 2018.**

Steven A. Kunzman, Esq. (Atty I.D. # 012731981)  
Our File No.: C22172

**DIFRANCESCO, BATEMAN, KUNZMAN,  
DAVIS, LEHRER & FLAUM, P.C.**  
15 Mountain Boulevard  
Warren, New Jersey 07059  
Tele: 908-757-7800  
Attorneys for Township of Chatham

**FILED**  
MAY 04 2018  
Maryann L. Vergaard  
J.S.C.

|                                                                                                                                          |                                                                                                                                                                                                                                           |
|------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| IN THE MATTER OF THE TOWNSHIP<br>OF CHATHAM FOR A JUDGMENT<br>OF COMPLIANCE OF ITS THIRD<br>ROUND HOUSING ELEMENT AND<br>FAIR SHARE PLAN | : SUPERIOR COURT OF NEW JERSEY<br>: LAW DIVISION: MORRIS COUNTY<br>: DOCKET NO.: MRS-L-1659-15<br>:<br>: (MOUNT LAUREL)<br>:<br>: <i>Civil Action</i><br>:<br>: <b>PARTIAL JUDGMENT ON</b><br>: <b>PARTIAL FAIRNESS HEARING</b><br>:<br>: |
|------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

**THIS MATTER** having been opened to the Court by DiFrancesco, Bateman, Kunzman, Davis, Lehrer & Flaum, P.C., attorneys for the Plaintiff, Township of Chatham ("Township"), (Steven A. Kunzman, Esq., and Albert E. Cruz, Esq., appearing), in the presence of Kevin D. Walsh, Esq., attorney for interested party, Fair Share Housing Center, Inc. ("FSHC"), and in the presence of Gregg S. Sodini, Esq., attorney for the Vernon Grove Condominium Association, Inc. ("Vernon Grove"), and in the presence of the Court-appointed Special Master, Philip B. Caton, P.P., F.A.I.C.P., ("Special Master") on a Partial Fairness Hearing for approval of that Agreement between the Township of Chatham and Vernon Grove Condominium Association, Inc., last dated March 29, 2018, pursuant to East/West Venture v. Borough of Fort Lee, 286 N.J. Super. 311 (App. Div. 1996); and whereas the Agreement provides that after a Hearing, the Court may enter an Order approving the Agreement and the Amendment to the Master Deed

Extending Affordability Controls Thirty Years from September 24, 2016, in accordance with East/West Venture, *supra*, at 326, which held that Mount Laurel litigation may be settled only after a finding by the Court that (1) the settlement has apparent merit; (2) notice has been given to all members of the class and others who have an interest in the settlement; (3) a hearing has been conducted on the settlement where those affected have sufficient time to prepare; and (4) the settlement is “fair and reasonable to members of the protected class,” and the Court having determined for the reasons set forth on the record at the Partial Fairness Hearing held on May 4, 2018, and memorialized in this Order dated May 4, 2018, and the Court having further heard testimony of the Township’s Planner, Francis J. Banisch, III, P.P., A.I.C.P., and a representative of Vernon Grove as well as the Special Master, and the Court having received and reviewed other documentary evidence, and the Court having found (1) the Agreement is fair and reasonable to low and moderate income persons on whose behalf the affordability controls on the units proposed by the Agreement serve the implementation of the Township’s affordable housing plan; and the Court having found, upon the conclusion of the hearing, for the reasons set forth by the Court that applicable criteria set forth in East/West Venture have been satisfied; and the Court having determined to enter an Order as hereinafter set forth;

IT IS THEREFORE, ON THIS 4<sup>th</sup> DAY OF MAY, 2018, ADJUDGED,  
DECLARED AND ORDERED AS FOLLOWS:

1. Partial Judgment is hereby declared in favor of Township of Chatham approving the Agreement and the Amendment to the Master Deed Extending Affordability Controls Thirty Years from September 24, 2016, pursuant to East/West Venture v. Borough of Fort Lee and the Mount Laurel line of cases.

**AND IT IS FURTHER ORDERED** that a copy of this Partial Judgment on Partial Fairness Hearing be served upon all interested parties in accordance with the procedure previously established in Morris County Mount Laurel litigation matters.

  
HONORABLE MARYANN L. NERGAARD, S.J.C.

Opposed \_\_\_\_\_

Unopposed \_\_\_\_\_

*Reasons placed on the record  
This date*

**Exhibit E: 2018 Affordable Housing Regional  
Income Limits by Household Size**

## 2018 AFFORDABLE HOUSING REGIONAL INCOME LIMITS BY HOUSEHOLD SIZE

Income limits not officially adopted by the State of New Jersey. Contact your municipality to see if applicable in your jurisdiction. Additional information about AHPNJ income limits is posted on

| Region                                                      | Income Level | Household Size |             |          |           |           |             |           |           |           |           | Max Increase |          | Regional Asset Limit**** |           |
|-------------------------------------------------------------|--------------|----------------|-------------|----------|-----------|-----------|-------------|-----------|-----------|-----------|-----------|--------------|----------|--------------------------|-----------|
|                                                             |              | 1 Person       | *1.5 Person | 2 Person | *3 Person | 4 Person  | *4.5 Person | 5 Person  | 6 Person  | 7 Person  | 8+ Person | Rents**      | Sales*** |                          |           |
| Region 1<br>Bergen, Hudson,<br>Passaic and<br>Sussex        | Median       | \$63,597       | \$68,140    | \$72,682 | \$81,767  | \$90,853  | \$94,487    | \$98,121  | \$105,389 | \$112,657 | \$119,926 |              |          |                          |           |
|                                                             | Moderate     | \$50,878       | \$54,512    | \$58,146 | \$65,414  | \$72,682  | \$75,589    | \$78,497  | \$84,311  | \$90,126  | \$95,940  |              |          |                          | \$175,679 |
|                                                             | Low          | \$31,798       | \$34,070    | \$36,341 | \$40,884  | \$45,426  | \$47,243    | \$49,060  | \$52,695  | \$56,329  | \$59,963  |              |          | 2.2%                     | 5.52%     |
| Region 2<br>Essex, Morris,<br>Union and Warren              | Very Low     | \$19,079       | \$20,442    | \$21,805 | \$24,530  | \$27,256  | \$28,346    | \$29,436  | \$31,617  | \$33,797  | \$35,978  |              |          |                          |           |
|                                                             | Median       | \$66,755       | \$71,523    | \$76,291 | \$85,828  | \$95,364  | \$99,179    | \$102,993 | \$110,622 | \$118,252 | \$125,881 |              |          |                          |           |
|                                                             | Moderate     | \$53,404       | \$57,218    | \$61,033 | \$68,662  | \$76,291  | \$79,343    | \$82,395  | \$88,498  | \$94,601  | \$100,705 |              |          | 2.2%                     | 1.22%     |
| Region 3<br>Hunterdon,<br>Middlesex and<br>Somerset         | Low          | \$33,377       | \$35,762    | \$38,146 | \$42,914  | \$47,682  | \$49,589    | \$51,497  | \$55,311  | \$59,126  | \$62,940  |              |          |                          | \$182,955 |
|                                                             | Very Low     | \$20,026       | \$21,457    | \$22,887 | \$25,748  | \$28,609  | \$29,754    | \$30,898  | \$33,187  | \$35,475  | \$37,764  |              |          |                          |           |
|                                                             | Median       | \$75,530       | \$80,925    | \$86,320 | \$97,110  | \$107,900 | \$112,216   | \$116,532 | \$125,164 | \$133,796 | \$142,428 |              |          |                          |           |
| Region 4<br>Mercer,<br>Monmouth and<br>Ocean                | Moderate     | \$60,424       | \$64,740    | \$69,056 | \$77,688  | \$86,320  | \$89,773    | \$93,226  | \$100,131 | \$107,037 | \$113,942 |              |          |                          | \$205,458 |
|                                                             | Low          | \$37,765       | \$40,463    | \$43,160 | \$48,555  | \$53,950  | \$56,108    | \$58,266  | \$62,582  | \$66,898  | \$71,214  |              |          | 2.2%                     | 2.37%     |
|                                                             | Very Low     | \$22,659       | \$24,278    | \$25,896 | \$29,133  | \$32,370  | \$33,665    | \$34,960  | \$37,549  | \$40,139  | \$42,728  |              |          |                          |           |
| Region 5<br>Burlington,<br>Camden and<br>Gloucester         | Median       | \$69,447       | \$74,407    | \$79,368 | \$89,289  | \$99,209  | \$103,178   | \$107,146 | \$115,083 | \$123,020 | \$130,956 |              |          |                          |           |
|                                                             | Moderate     | \$55,557       | \$59,526    | \$63,494 | \$71,431  | \$79,368  | \$82,542    | \$85,717  | \$92,066  | \$98,416  | \$104,765 |              |          | 2.2%                     | 5.19%     |
|                                                             | Low          | \$34,723       | \$37,204    | \$39,684 | \$44,644  | \$49,605  | \$51,589    | \$53,573  | \$57,541  | \$61,510  | \$65,478  |              |          |                          |           |
| Region 6<br>Atlantic, Cape<br>May, Cumberland,<br>and Salem | Very Low     | \$20,834       | \$22,322    | \$23,810 | \$26,787  | \$29,763  | \$30,953    | \$32,144  | \$34,525  | \$36,906  | \$39,287  |              |          |                          |           |
|                                                             | Median       | \$61,180       | \$65,550    | \$69,920 | \$78,660  | \$87,400  | \$90,896    | \$94,392  | \$101,384 | \$108,376 | \$115,368 |              |          |                          |           |
|                                                             | Moderate     | \$48,944       | \$52,440    | \$55,936 | \$62,928  | \$69,920  | \$72,717    | \$75,514  | \$81,107  | \$86,701  | \$92,294  |              |          | 2.2%                     | 5.05%     |
| Region 6<br>Atlantic, Cape<br>May, Cumberland,<br>and Salem | Low          | \$30,590       | \$32,775    | \$34,960 | \$39,330  | \$43,700  | \$45,448    | \$47,196  | \$50,692  | \$54,188  | \$57,684  |              |          |                          |           |
|                                                             | Very Low     | \$18,354       | \$19,665    | \$20,976 | \$23,598  | \$26,220  | \$27,269    | \$28,318  | \$30,415  | \$32,513  | \$34,610  |              |          |                          |           |
|                                                             | Median       | \$51,085       | \$54,734    | \$58,383 | \$65,681  | \$72,979  | \$75,898    | \$78,817  | \$84,655  | \$90,494  | \$96,332  |              |          |                          |           |
| Region 6<br>Atlantic, Cape<br>May, Cumberland,<br>and Salem | Moderate     | \$40,868       | \$43,787    | \$46,706 | \$52,545  | \$58,383  | \$60,718    | \$63,054  | \$67,724  | \$72,395  | \$77,066  |              |          | 2.2%                     | 0.00%     |
|                                                             | Low          | \$25,543       | \$27,367    | \$29,192 | \$32,840  | \$36,489  | \$37,949    | \$39,409  | \$42,328  | \$45,247  | \$48,166  |              |          |                          |           |
|                                                             | Very Low     | \$15,326       | \$16,420    | \$17,515 | \$19,704  | \$21,894  | \$22,769    | \$23,645  | \$25,397  | \$27,148  | \$28,900  |              |          |                          |           |

Moderate income is between 80 and 50 percent of the median income. Low income is 50 percent or less of median income. Very low income is 30 percent or less of median income.

\* These columns are for calculating the pricing for one, two and three bedroom sale and rental units as per N.J.A.C. 5:80-26.4(a).

\*\*This column is used for calculating the pricing for rent increases for units (as previously calculated under N.J.A.C. 5:97-9.3). The increase for 2015 was 2.3%, the increase for 2016 was 1.1%, the increase for 2017 was 1.7%, and the increase for 2018 is 2.2% (Consumer price index for All Urban Consumers (CPI-U); Regions by expenditure category and commodity and service group). Landlords who did not increase rents in 2015, 2016, or 2017 may increase rent by up to the applicable combined percentage from their last rental increase for that unit. In no case can rent for any particular apartment be increased more than one time per year.

\*\*\* This column is used for calculating the pricing for resale increases for units (as previously calculated under N.J.A.C. 5:97-9.3). The price of owner-occupied low and moderate income units may increase annually based on the 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.

Low income tax credit developments may increase based on the low income tax credit regulations.

\*\*\*\* The Regional Asset Limit is used in determining an applicant's eligibility for affordable housing pursuant to N.J.A.C. 5:80-26.16(b)3.

Note: Since the Regional Income Limits for Region 6 in 2017 were higher than the 2018 calculations, the 2017 income limits will remain in force for 2018 (as previously required by N.J.A.C. 5:97-9.2(c)).