

Housing Element & Fair Share Plan

Township of Manchester

Ocean County, New Jersey



December 2017



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Adopted by the Manchester Township Planning Board on December 11, 2017.

Endorsed by the Manchester Township Committee on December 11, 2017.

Prepared by:



A handwritten signature in black ink, appearing to read 'Daniel N. Bloch'.

Daniel N. Bloch, P.P., AICP
N.J. Professional Planners License #06107



A handwritten signature in black ink, appearing to read 'Marcia R. Shiffman'.

Marcia R. Shiffman, P.P., AICP, LLA
N.J. Professional Planners License #02428

TABLE OF CONTENTS

Introduction	1
Affordable Housing History	1
Municipal Summary.....	3
Affordable Housing Obligation	4
Goals & Objectives	5
Content of Housing Element	8
Population Demographics.....	9
Age Distribution of Population.....	10
Household Size & Type.....	11
Housing Demographics	12
Housing Type.....	12
Occupancy Status	12
Value & Rent of Housing Stock.....	13
Condition of Housing Stock.....	14
Projection of Housing Stock.....	16
Employment Demographics.....	17
Occupational Characteristics	17
In-Place Employment By Industry	18
Employment Trends	19
Employment Projections.....	19
Travel Time to Work	20
Income & Poverty Status	20
Capacity for Fair Share	23
Land Capacity.....	23
Wastewater Capacity	23
Water Capacity	24
Potential Affordable Housing Developers	24
Anticipated Development Patterns.....	25
Content of Fair Share Plan.....	28
Regional Income Limits	28
Affordable Housing Obligation	29
Present Need (Rehabilitation Obligation).....	29
Prior Round (1987-1999).....	31
Third Round Prospective Need (1999-2025)	33
Proposed Developments To Address Future Township Obligations	36
Adjustments.....	36
Development Fees	36
Implementation Schedule.....	37
Spending Plan	37
Appendix.....	38
Appendix I	38
Appendix II	(Separate Attachment)

Township of Manchester

INTRODUCTION

According to the Fair Housing Act of 1985, a Housing Plan Element shall be designed to achieve the goal of access to affordable housing to meet present and prospective housing needs, with particular attention to low and moderate-income housing.

This is Manchester Township's Housing Element and Fair Share Plan ("HEFSP") for the period between 1999 and 2025. On March 10, 2015, the Supreme Court ruled that the New Jersey Council on Affordable Housing ("COAH") has failed to act and as a result, the Courts will be assuming jurisdiction over the Fair Housing Act.

This HEFSP is prepared in accordance with the approved Settlement Agreement between Manchester Township and the Fair Share Housing Center, the approved Settlement Agreement between Manchester Township and the Manchester Development Group, utilizing the Prior Round Rules, as well as the guidance provided in the March 10, 2015 Supreme Court Order. As indicated by the Court Order, each municipality in the State has a three-part obligation:

1. Present Need (Rehabilitation Obligation),
2. Any remaining Prior Round Obligation that has not been addressed, and
3. Prospective Need (Third Round Obligation).

AFFORDABLE HOUSING HISTORY

Manchester Township has been active in the affordable housing process for many years. A summary of Manchester Township's historic Affordable Housing timeline is included below:

December 19, 1986	Housing Element and Fair Share Plan prepared by E. Eugene Gross Associates.
1987	Township adopted Round 1 Housing Plan.
October 27, 1993	Township adopted revised Round 1 Housing Plan.
1993	Hovson Inc. brought a Mount Laurel Complaint against the Township (OCN-L-3457-93 PW).
October 18, 1994	Township adopted Development Fee Ordinance #94-235.
June 2, 1995	Township petitioned COAH for certification
September 18, 1995	Revised Round 2 Housing Plan adopted.
December 6, 1995	COAH issued final certification of Round 2 Housing Plan.
February 28, 1999	Revised Round 2 Housing Plan adopted.
March 15, 1999	Revised Round 2 Housing Plan adopted.
December 20, 1999	Township received Judgement of Partial Repose and Compliance for Beckerville Apartments (Block 79, Lot 31).
2000	Manchester Development Group, LLC (MDG), Stavola Construction Materials Inc., filed suit. Pulte Homes of NJ became a party to the suit.
March 27, 2002	Township established Affordable Housing Trust Fund which was authorized by Ordinance 94-035 and formally established in 2002.

Township of Manchester

August 2002 through 2013	Settlement of Developers Agreements with a number of developers: Woodland Properties (aka Kokes Organization) and Wranglebrook Associates re: Meadows West or The Reserve County Walk LLC re: Country Walk Cherry Street Associates re: The Woodlands
June 22, 2004	Court Fairness Hearing held re: Agreement between MDG, Stavola and Pulte Homes of NJ for three affordable housing sites.
July 27, 2005	Township Second Round Certification expired.
November 18, 2005	Settlement Agreement with Heritage Minerals, Hovson, Inc and Homeland Corp.
April 9, 2007	Township adopted revised Development Fee Ordinance (Ordinance # 07-011).
September 8, 2008	Township revised Development Fee Ordinance (Ordinance # 08-036).
January 18, 2009	Draft Round 3 Housing Plan prepared. Housing Plan was forwarded to Court and Court Appointed Special Master. Township petitioned Court for protection from Builders Remedy Lawsuits. Draft Round 3 Housing Plan was not adopted due to Court Order invalidating Round 3 Rules.
April 14, 2009	Manchester granted protection against exclusionary lawsuits by the Court (Docket # OCN-L-2905-08).
May 4, 2012	Superior Court Order issued approving Development Fee Spending Plan for specific group home at 1941 Trenton Avenue.
July 16, 2012	Township prepared revised Spending Plan.
November 15, 2012	Township adopts amended Spending Plan
December 27, 2013	COAH approved Spending Plan.
February 14, 2014	Court approved Spending Plan.
August 11, 2014	Township adopts amended Spending Plan.
October 29, 2014	Township adopts amended Spending Plan.
January 23, 2015	Court Order approved Amended Spending Plan dated October 29, 2014.
July 7, 2015	Township filed Declaratory Judgement with Court.
December 8, 2015	Township filed 3rd Round Plan with Court
December 18, 2015	Township resubmits 3rd Round Plan with Court
February 17, 2016	Trial Court issues Opinion on Gap
July 11, 2016	Appellate Division issues Gap decision
July 27, 2016	Judge extended immunity through November 30, 2016
October 19, 2016	Judge extended immunity through December 31, 2016
December 16, 2016	Judge extended immunity through February 10, 2017
January 18, 2017	Supreme Court issued Gap decision
February 6, 2017	Settlement Agreement with Township and Fair Share Housing Center
February 6, 2017	Settlement Agreement with Township and MDG
April 7, 2017	Court holds Fairness Hearing; immunity extended through Sep. 1, 2017
July 10, 2017	Township Council adopts Ordinance 17-008, amending zoning for Manchester Development Group pursuant to Settlement Agreement
August 7, 2017	Township Planning Board adopts Housing Element and Fair Share Plan
September 15, 2017	Court holds Compliance Hearing, granting conditional immunity through 2025

Township of Manchester

December 11, 2017	Township Planning Board adopts Updated Housing Element and Fair Share Plan
December 11, 2017	Township Council Endorses Housing Element and Fair Share Plan and adopts Affordable Housing Ordinance, Spending Plan, Rehabilitation Manual, Affordability Assistance Manual

MUNICIPAL SUMMARY

Manchester Township contains approximately 82.4 square miles (or 52,756.5 acres), situated in the north-central part of Ocean County, New Jersey. Manchester's northern and western boundaries are formed by the Brendan T. Byrne State Forest, Joint Base McGuire-Dix-Lakehurst, and the Manchester Wildlife Management Area. Manchester Township shares municipal borders with the Townships of Plumsted, Jackson, Toms River, Berkeley, and Lacey in Ocean County, as well as Woodland and Pemberton Townships in Burlington County. Additionally, the Borough of Lakehurst is surrounded by Manchester Township and situated in the north-eastern part of the Township.

The Township is readily accessible to the regional highway network which serves the New York and Philadelphia metropolitan areas. Manchester Township's primary thoroughfares are County Road 539, NJ State Highway Route 70, and NJ State Highway Route 37. Route 70 traverses the Township in a northeasterly/southwesterly direction, whereas CR 539 and Route 37 cross through Manchester in a southeasterly/northwesterly direction.

Manchester Township is predominantly rural with compact developments spread throughout the Township. Manchester Township has an estimated population of 43,251 residents and estimated 3,849 jobs. Manchester Township expects to see growth of 1,291 new housing units and 910 new jobs by 2025.

Manchester Township is located within the regulatory jurisdictions of the Pinelands Commission and the New Jersey Department of Environmental Protection Coastal Area Facilities Regulatory Act (CAFRA). The Pinelands Comprehensive Management Plan regulates and limits development in approximately 73 percent of the Township. The remaining 27 percent of the Township is located within and regulated by CAFRA.

The following Pinelands Management Areas are located within Manchester Township: 4,961.7 acres of "Federal or Military Facility, 14,564.6 acres of Forest Area, 4,404 acres of Pinelands Town, 160.6 acres of Pinelands Village, 17,809.1 acres of Preservation Area, and 3,202.8 acres of Regional Growth Area and 1,838.6 acres of Rural Development Area. The far north-east corner of the township is the only area not located in a Pinelands Management Area. The majority of the lands within the Pinelands Area of Manchester Township are environmentally constrained and/or preserved as open space.

According to the 2001 State Development and Redevelopment Plan (SDRP) Policy Map, 7,988.4 acres of Manchester Township are situated in the PA2 Suburban Planning Area, 4,373.5 acres in the Environmentally Sensitive Planning Area, 1,805.6 acres in a State Park and 38,589 acres in the Pinelands.

A large portion of Manchester Township is environmentally sensitive and constrained from development. About 28.3 percent (or 14,939.3 acres) of Manchester Township are environmentally constrained, pursuant to COAH's rules (N.J.A.C. 5:93-4.2(e)), including 10,249 acres of wetlands and associated buffers; 11,762 acres

Township of Manchester

within the FEMA Special Flood Hazard Area; 82.2 acres of steep slopes and 666.6 acres of open water. These figures include overlapping areas of constraints.

In addition, according to the NJDEP Landscape Rank Map, 78.8 percent of Manchester Township (41,588 acres) is identified as critical wildlife habitat for threatened and endangered species in Ranks 3, 4 and 5. There are also 108 acres of confirmed vernal habitat per NJDEP mapping. Manchester Township has a total of 3,971.1 acres within the following Natural Heritage Priority Sites: Blacks Branch, Crossley, Forked River Mountain Macrosite, Fort Dix Line Site, Pasadena Goose Pond, Pole Bridge Branch, West Plains Fireshed Macrosite, Whitesbog Spung Sandhill, Whitesbog Upper Reservoir Road, and Whiting Clay Pits.

According to the 2003 Open Space, Recreation and Conservation Element of the Master Plan, Manchester has a total of 22,280 acres (42.1%) of dedicated public park and recreation land including 21,440 acres of State of New Jersey Forests and Wildlife Management Areas, 44 acres of Ocean County Parks and 796 acres of parkland owned by the Township. Additionally, there are 1,481 acres of private/nonprofit open space/recreation facilities, including 152.2 acres owned by the Nature Conservancy.

Manchester Township provides sanitary sewerage service to major developed portions of the Township. The Township provides a sewerage collection system; the sewerage then flows into regional interceptors to the Ocean County Utility Authority (“OCUA”) Central Regional Treatment Plant in Berkeley Township. There are two regional interceptors serving Manchester Township: the Crestwood Interceptor and the Union Branch Interceptor. The Crestwood Interceptor serves most of the Pinelands Whiting Town Area, including all of the Whiting Town retirement communities and nearly all businesses in the Whiting area. The Union Branch Interceptor serves the entire eastern portion of Manchester Township and a portion of Jackson Township.

Manchester’s drinking water is operated by the Manchester Township Water Utility with ten wells, seven which draw from the Kirkwood-Cohansey Aquifer, and three which draw from the Potomac-Raritan-Magothy Aquifer.

AFFORDABLE HOUSING OBLIGATION

Based on the Settlement Agreement executed on February 7, 2017, Manchester and the Fair Share Housing Center agree that Manchester has a rehabilitation obligation of 99 units, Prior Round obligation of 370 units, and Third Round obligation of 340 units.

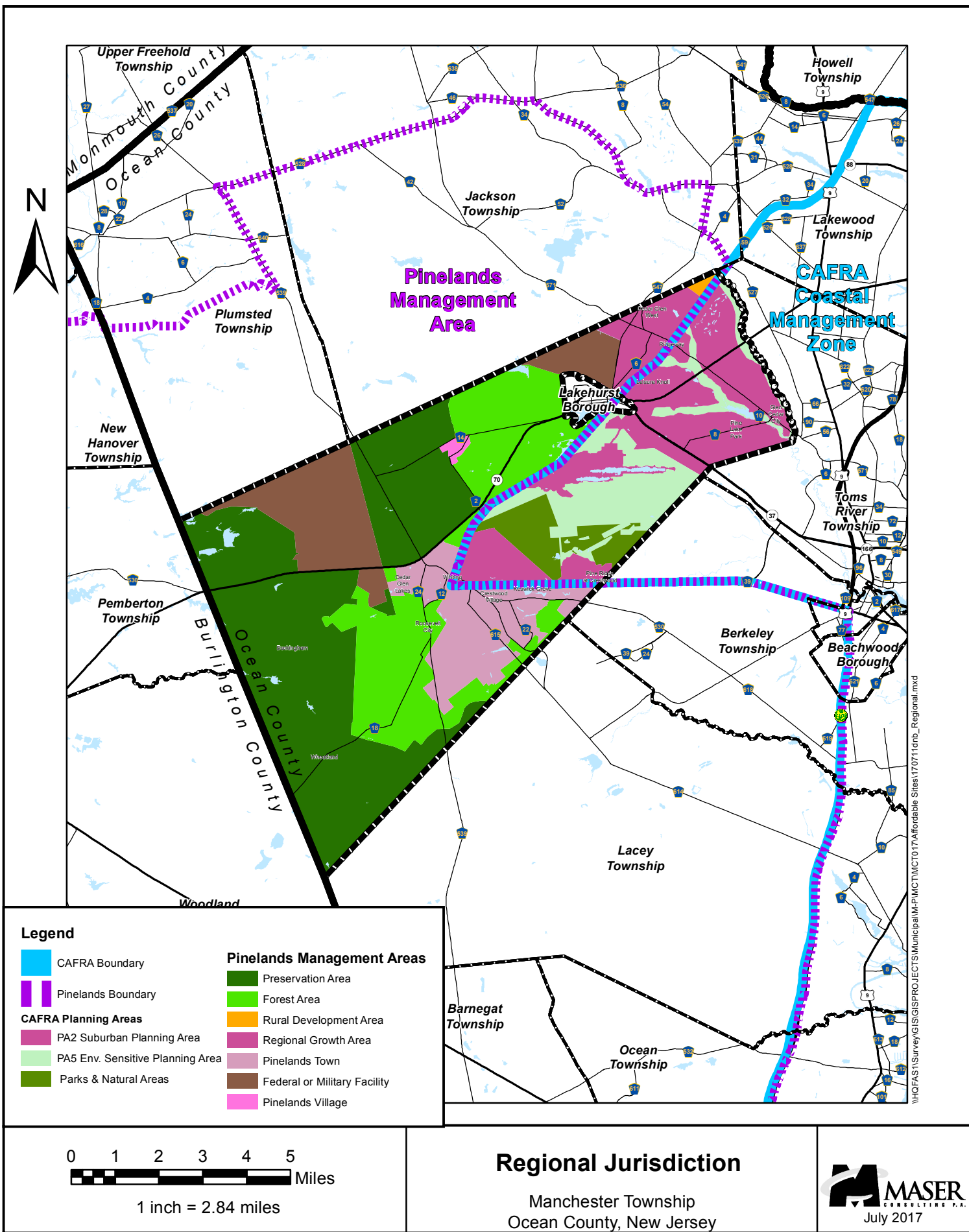
AFFORDABLE HOUSING OBLIGATIONS		
Rehabilitation Obligation	Prior Round Obligation	Third Round Obligation
99 Units	370 Units	340 Units

Township of Manchester**GOALS & OBJECTIVES**

Manchester has historically addressed its constitutional obligation to create realistic opportunities for low and moderate-income housing. The Township of Manchester is committed to meeting its fair share of the region's low and moderate-income housing needs and has made its best efforts to prepare a realistic, workable plan.

The Township's goals and objectives as it relates to the Housing Plan are as follows:

- a. To conserve and improve the existing housing stock through housing rehabilitation from various funding sources, including the Township Housing Trust Fund.
- b. To provide for a variety of housing types and choices in the Master Plan and provide for Manchester's fair share of low and moderate-income housing as set forth in the Housing Plan.
- c. To preserve and conserve existing viable residential neighborhoods and to encourage upgrading residential neighborhoods as needed.





HOUSING ELEMENT



CONTENT OF HOUSING ELEMENT

The Fair Housing Act requires that “the housing element be designed to achieve the goal of access to affordable housing to meet present and prospective housing needs, with particular attention to low and moderate-income housing”. As per the MLUL, specifically N.J.S.A. 52:27D-310, a housing element must contain at least the following items:

- An inventory of the municipality's housing stock by age, condition, purchase or rental value, occupancy characteristics and type, including the number of units affordable to low and moderate-income households and substandard housing capable of being rehabilitated;
- A projection of the municipality's housing stock, including the probable future construction of low and moderate-income housing for the next ten years, taking into account, but not necessarily limited to, construction permits issued, approvals of applications for development and probable residential development of lands;
- An analysis of the municipality's demographic characteristics, including but not necessarily limited to, household size, income level and age;
- An analysis of the existing jobs and employment characteristics of the municipality, and a projection of the probable future jobs and employment characteristics of the municipality;
- A determination of the municipality's present and prospective fair share for low and moderate-income housing and its capacity to accommodate its housing needs, including its fair share for low and moderate-income housing; and
- A consideration of the lands that are most appropriate for construction of low and moderate-income housing and of the existing structures most appropriate for conversion to, or rehabilitation for, low and moderate-income housing, including a consideration of lands of developers who have expressed a commitment to provide low and moderate-income housing.

Additionally, the rules require the following items:

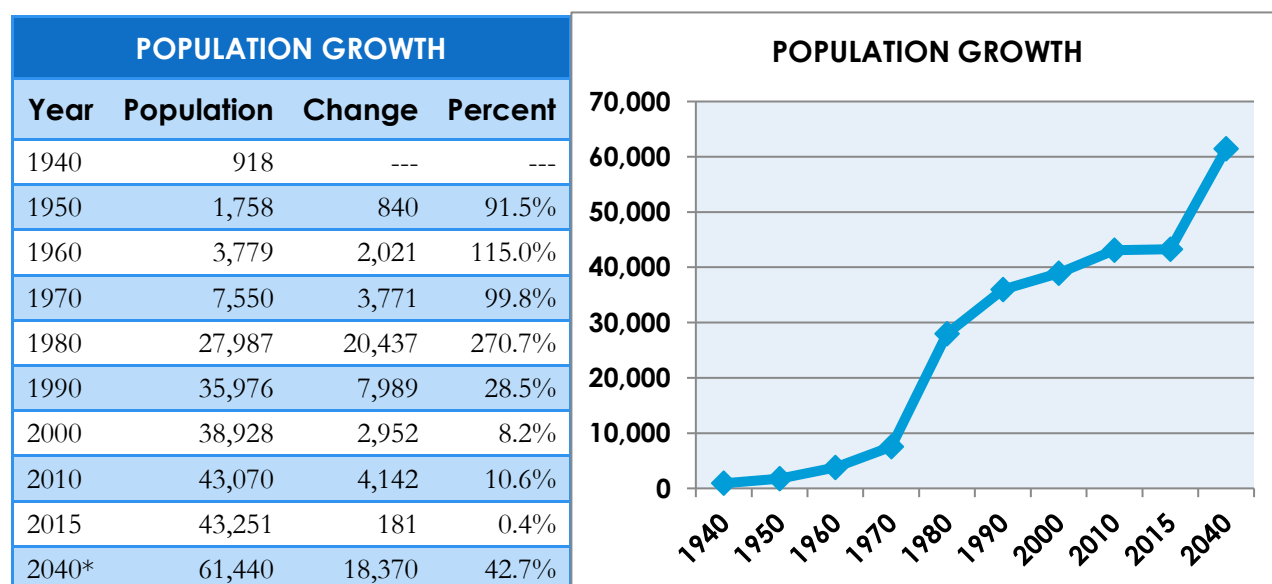
- A map of all sites designated by the municipality for the production of low and moderate-income housing and a listing of each site that includes its owner, acreage, lot and block. The owner, acreage, lot and block are included in each site description. The Appendix includes maps for each proposed site.
- The location and capacities of existing and proposed water and sewer lines and facilities relevant to the designated sites.
- Copies of necessary applications for amendments to, or consistency determinations regarding, applicable area-wide water quality management plans (including waste water management plans) (see the Appendix).
- A copy of the most recently adopted municipal master plan and where required, the immediately preceding, adopted master plan (see the Appendix).

Township of Manchester

POPULATION DEMOGRAPHICS

Manchester Township was incorporated in 1865 from Dover Township. The Township was a sparsely populated rural community from the 1800s up until the 1960s. Manchester Township's population has increased drastically over the past fifty years. The single largest period of growth in Manchester was between 1970 and 1980, when the Township grew by 20,437 people. This represents a 270.7% increase from the previous decade. Since 1980, Manchester has continued to grow and has added approximately 15,246 residents since 1980, or roughly 35% of its population. The slowest period of growth for the township was between 1990 and 2000, when the town added only 2,952 residents. Between 2000 and 2010, 4,142 residents were added. The 2015 American Community Survey (hereinafter "ACS") estimates that the Township currently has 43,251 residents, an increase of only 181 residents since the 2010 Census. Manchester's population growth appears to have stabilized since its explosive growth period between 1960 and 1990.

The North Jersey Transportation Planning Authority ("NJTPA") projects that Manchester Township will grow to 61,440 residents by the year 2040, representing a 42.7 percent increase over the 2015 population.



Sources:

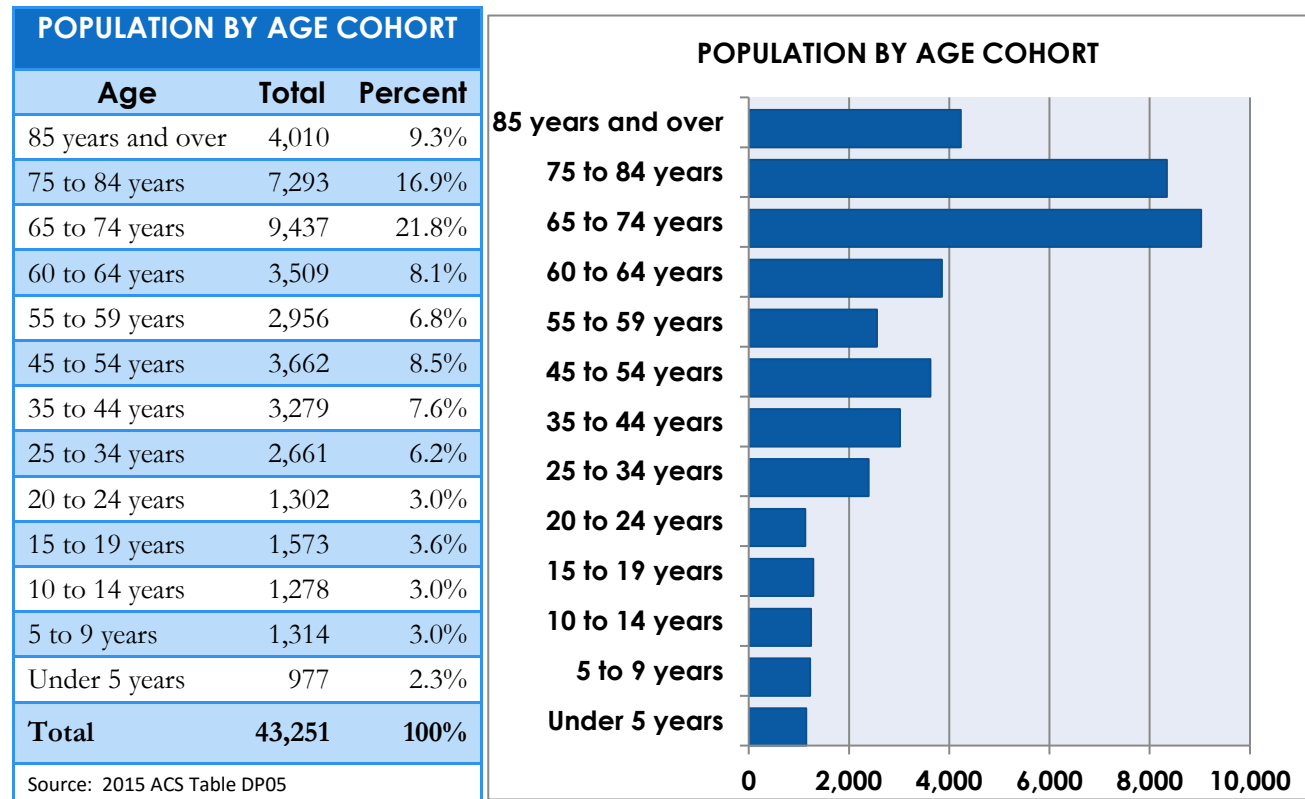
2010 Census Table DP-1 & 2015 ACS Table DP05 <http://wd.dol.state.nj.us/labor/lpa/census/2kpub/njsdcp3.pdf>;

*2040 NJTPA Population Forecast by County and Municipality

Township of Manchester

AGE DISTRIBUTION OF POPULATION

In 2015, 48% of the population in Manchester was 65 years or older. The percentage of school aged children, aged 19 or younger, comprised approximately 11.9 percent of the Township's total population. The ACS estimated the Township's median age to be 63.8 which is a decrease from the 2010 Census median age of 65.1 years old and the 2000 median age of 67.7 years old. In comparison, the median age for New Jersey in 2015 was 39.4 and 42.8 for the United States. The high median age in Manchester is a reflection of the large number of retirement communities in the Township.



Township of Manchester

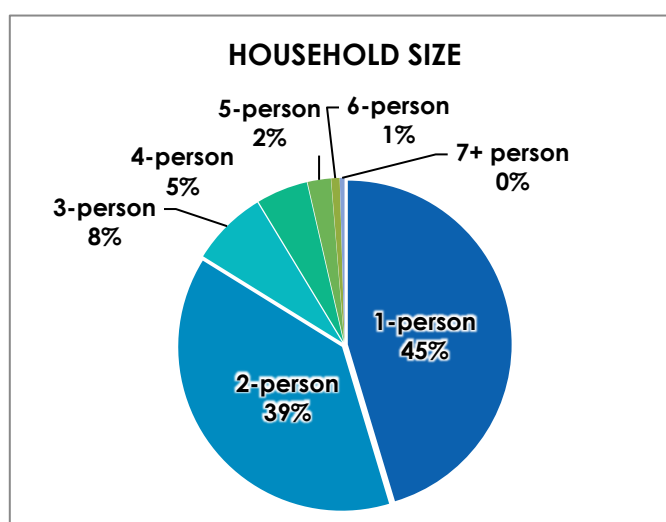
HOUSEHOLD SIZE & TYPE

According to the 2015 ACS, Manchester had an estimated 22,591 households. Of that estimate, 11,603 or 51.4% were family households and 10,988 (48.6 percent) were non-family households. Non-family households include persons living alone or a householder who is not related to any of the other persons sharing their home. The vast majority of family households are husband-wife families with no children under 18. This is due to the high percentage of age-restricted communities within Manchester.

HOUSEHOLD TYPE		
Type	Number	Percent
Family Households	11,603	51.4%
Husband-Wife Family	9,545	42.3%
with children under 18	1,808	8.0%
Male Householder, no wife	606	2.7%
Female Householder, no husband	1,452	6.4%
Non-family Households	10,988	48.6%
Male living alone	2,719	12.0%
Female living alone	7,555	33.4%
Total	22,591	100%
Source: 2015 ACS Tables DP02 & B11010		

As shown in the table below, one- and two-person households make up 84 percent of all households in Manchester. Households of more than two persons comprised 16 percent of all households within the Township. This reflects the large stock of age-restricted housing in the Township. The average household size in 2015 was 1.88, a marginal increase from the 2010 Census.

HOUSEHOLD SIZE		
Size	Total	Percent
1-person	10,274	45.5%
2-person	8,671	38.4%
3-person	1,710	7.6%
4-person	1,032	4.6%
5-person	648	2.9%
6-person	146	0.6%
7+ person	110	0.5%
Total	22,591	100%
Source: 2015 ACS Table B25009		



Township of Manchester

HOUSING DEMOGRAPHICS

HOUSING TYPE

According to the 2015 ACS, there are 25,665 housing units in Manchester Township, including single-family detached, single-family attached (i.e. townhomes), multi-family dwellings and mobile homes. More than half of the housing stock consists of single-family detached dwellings. Single-family attached townhouse units comprised more than a quarter of the housing stock. Duplexes account for 2.6 percent of the housing stock. Multi-family dwellings (3 or more units) account for 13 percent of the housing in Manchester. The 1,892 mobile homes in Manchester represent 32 percent of the 5,932 mobile homes in all of Ocean County.

HOUSING TYPE BY UNITS IN STRUCTURE		
Unit Type	Number of Units	Percent
Single-Family, Detached	12,927	50.4%
Single-Family, Attached	6,859	26.7%
Two-Family	680	2.6%
3 or 4 Units	1,762	6.9%
5 to 9 Units	379	1.5%
10 to 19 Units	274	1.1%
20 or more Units	892	3.5%
Mobile Home	1,892	7.4%
Other	0	0.0%
Total	25,665	100%
Source: 2015 ACS Table DP04		

OCCUPANCY STATUS

The ACS estimated that there were 22,591 occupied units (88 percent) and 3,074 (12 percent) vacant housing units in 2015. Of the 22,591 occupied units, 87 percent are owner occupied and 13 percent are renter occupied. As the table below shows, most of vacancies are classified as “other”. For the vacant units that are classified, the majority are units for sale or that had recently been sold but not occupied yet.

The 2015 average household size in Manchester was 1.88 persons, while the average family size was 2.60 persons. Comparing tenure, the average owner-occupied household size was 1.90 persons in 2015, while the average renter-occupied household size was 1.75 persons.

OCCUPANCY STATUS		
	Households	Percent
Occupied Total	22,591	88.0%
Owner Occupied	19,743	87.4%
Renter Occupied	2,848	12.6%
Vacant Total	3,074	12.0%
For rent	49	1.6%
Rented, not occupied	53	1.7%
For Sale	334	10.9%
Sold, not occupied	148	4.8%
Seasonal	382	12.4%
Other	2,108	68.6%
Total	25,665	100%
Source: 2015 ACS Tables DP04 & B25004		

Township of Manchester

VALUE & RENT OF HOUSING STOCK

Nearly half of Manchester's 19,743 owner-occupied housing units are valued under \$100,000 and almost 20 percent are valued at less than \$50,000. The median value of all owner-occupied homes is \$123,200, which is a fraction of the median value of homes in Ocean County (\$262,700) and State-wide (\$315,900).

VALUE OF OWNER OCCUPIED UNITS		
Value	Number of Units	Percent
Less than \$50,000	3,927	19.9%
\$50,000 to \$99,999	4,751	24.1%
\$100,000 to \$149,999	2,490	12.6%
\$150,000 to \$199,999	2,095	10.6%
\$200,000 to \$299,999	3,945	20.0%
\$300,000 to \$499,999	2,242	11.4%
\$500,000 to \$999,999	208	1.1%
\$1,000,000 or more	85	0.4%
Total	19,743	43.4%
Source: 2015 ACS Table DP04		

The 2015 estimated median gross rent for the Township is \$1,136, which is consistent with the median rent in Ocean County (\$1,322) and State-wide (\$1,192).

COST OF RENTALS		
Cost	Number of Units	Percent
Less than \$1,000	917	32.2%
\$1,000 to \$1,499	1,031	36.2%
\$1,500 or more	568	19.9%
No cash rent	332	11.7%
Total	2,848	100%
Median (in dollars)	\$1,136	
Source: 2015 ACS Table DP04		

Township of Manchester

The 2015 ACS provides a calculation of housing costs as a percentage of income for owner-occupied units and renter-occupied units. The data indicates that approximately 35 percent of households with a mortgage and 21 percent of households without a mortgage spend more than 35 percent of their income on housing costs. Nearly 40 percent of renters spend more than 35 percent of the income on housing costs.

HOUSING COSTS AS PERCENTAGE OF INCOME						
	Housing units w/ mortgage		Housing units w/o mortgage		Occupied Units Paying Rent	
	<i>Units</i>	<i>Percent</i>	<i>Units</i>	<i>Percent</i>	<i>Units</i>	<i>Percent</i>
Less than 20 percent	2,295	22.6%	5,838	32.9%	223	7.3%
20.0 to 24.9 percent	997	12.7%	1,744	14.7%	561	19.7%
25.0 to 29.9 percent	979	12.5%	975	8.2%	225	7.9%
30.0 to 34.9 percent	837	10.7%	642	5.4%	201	7.1%
35.0 percent or more	2,702	34.5%	2,455	20.6%	1,114	39.1%
Not computed	30	0.4%	249	2.1%	388	13.6%
Total	7,840	100%	11,903	100%	2,848	100%
Source: 2015 ACS Table DP04						

CONDITION OF HOUSING STOCK

The Census does not classify housing units as standard or substandard, but it can provide an estimate of the substandard housing units that are occupied by low and moderate-income households. The Appellate Division upheld COAH's use of three indicators to determine substandard housing in the State. Those three indicators are houses built before 1959 and which are overcrowded with more than one person per room. The second indicator is homes lacking complete plumbing and the third indicator are homes lacking kitchen facilities.

Most of the Census indicators available at the municipal level indicate a sound housing stock. According to the ACS estimates, 0.1% of housing units within the Township lack complete plumbing and 0.2% lack complete kitchen facilities.

CONDITION OF HOUSING STOCK		
Fuel Type	Number of Units	Percent of Occupied Units
Lack of complete plumbing	35	0.1%
Lack of complete kitchen	40	0.2%
Total	22,665	0.3%
Source: 2015 ACS Table DP04		

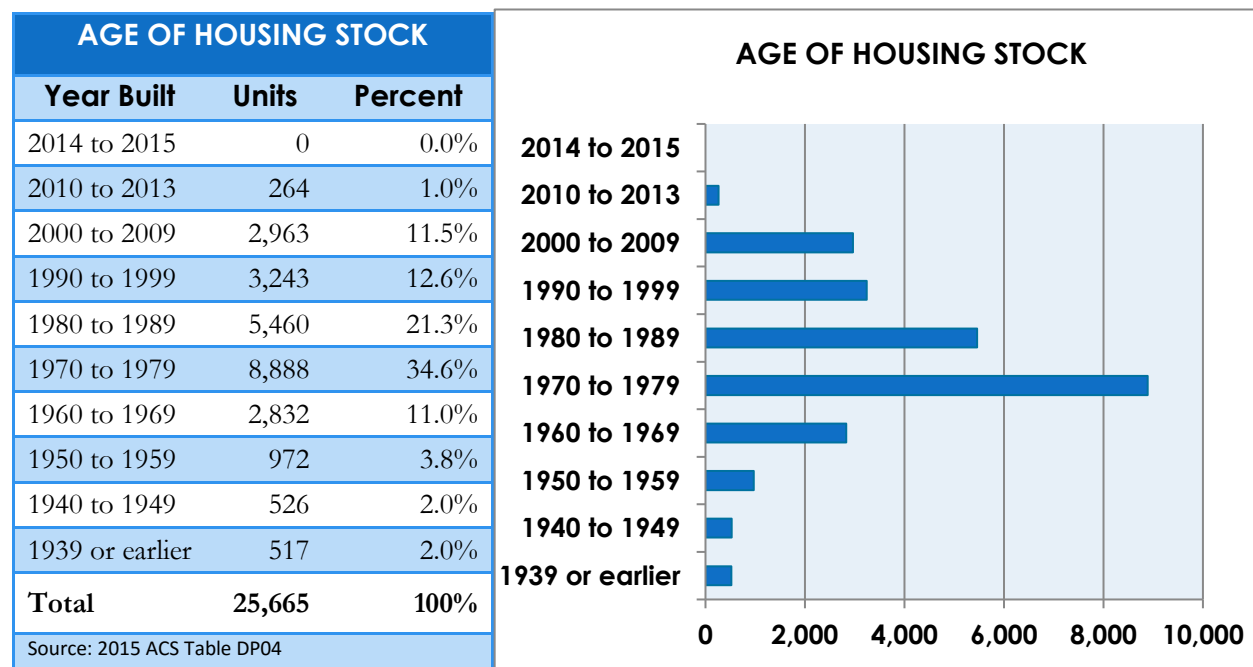
Housing with 1.01 or more persons per room is an index of overcrowding. According to the 2015 ACS, 99.7 percent of the 22,591 occupied units had 1.00 or less occupants per room, while 0.36 percent of units have rates of 1.01 per room or higher.

Township of Manchester

OCCUPANTS PER ROOM		
Occupants	Number of Units	Percent
1.00 or less	22,521	99.7%
1.01 to 1.50	57	0.3%
1.51 or more	13	0.06%
Total	22,591	100%
Source: 2015 ACS Table DP04		

Research has demonstrated that units built 50 or more years ago are much more likely to be in substandard condition. Housing units built in 1959 or earlier are now flagged instead of units built in 1939 or earlier. Included in the rehabilitation calculation are overcrowded units and dilapidated housing. Overcrowded units are defined by the U.S. Department of Housing and Urban Development as those with more than one person living per room.

The table and bar graph below provide the 2015 ACS estimates. Only 7.9 percent of Manchester's housing stock was built before 1960. The years between 1970 and 1979 produced the Township's largest amount of housing (8,888 units). As the bar graph shows, home building has been declining since the 1970's construction boom.



Township of Manchester

PROJECTION OF HOUSING STOCK

As per the MLUL, specifically N.J.S.A. 52:27D-310, a housing element must contain a projection of the municipality's housing stock, including the probable future construction of low and moderate-income housing for the next ten years, taking into account, but not necessarily limited to, construction permits issued, approvals of applications for development and probable residential development of lands.

The Department of Community Affairs' Division of Codes and Standards website provides data on Certificates of Occupancy and demolition permits for both residential and non-residential development. Within the Division of Codes and Standards website is the New Jersey Construction Reporter, which contains building permit, certificate of occupancy and demolition data that is submitted by the municipal construction officials within the State each month. The New Jersey Construction Reporter has information dating back to 2000, which can be used to show the Township's historic development trends.

As shown in the table below, 2,864 residential building permits were issued between 2000 and 2015 while 2,578 certificates of occupancy were issued. There were 203 demolitions during the same time period. Therefore, the Township gained a net of 2,661 new housing units during the 15-year period with 2,578 becoming occupied. Housing construction has consistently been declining since 2005.

HISTORIC TREND OF RESIDENTIAL CONSTRUCTION AND DEMOLITION																	
	'00	'01	'02	'03	'04	'05	'06	'07	'08	'09	'10	'11	'12	'13	'14	'15	Total
Permits Issued	488	327	522	280	470	267	115	120	79	33	44	37	22	41	8	11	2,864
COs Issued	131	422	338	337	348	283	234	164	60	53	50	38	40	47	23	10	2,578
Demolitions	46	5	8	2	1	7	7	20	20	7	35	25	1	1	1	17	203
Net Development	442	322	514	278	469	260	108	100	59	26	9	12	21	40	7	-6	2,661
Source: 2000 - 2015 "New Jersey Construction Reporter" - New Jersey Department of Community Affairs.																	

Manchester Township believes that the trend since 2008 will continue throughout the Third Round period. This would translate into housing growth of approximately 21 units per year or 210 new units from 2016 to 2025. In addition, the Township expects that the proposed affordable housing projects, as detailed further in the Fair Share Plan, would be developed by 2025. These projects would result in an additional 1,081 new housing units, as shown below. In total, the Township expects approximately 924 new units to be developed by 2025.

Future Development	Units
Manchester Development Group	404
Presidential Gardens	519
North Ocean Habitat for Humanity	1
Total	924

Township of Manchester

EMPLOYMENT DEMOGRAPHICS

Many changes have occurred in the economy between the 2000 and 2010 Census. The stock market crash in 2008 led to many companies either failing or laying off hundreds of workers.

In 2015, the ACS estimates that Manchester had 15,156 residents in the labor force. Of those 16 years and older, 89.3% or 13,537 persons were employed and a total of 1,619 persons were not employed. Of Manchester's population age 16 and over, 65 percent or 28,095 residents were not in the labor force.

Nearly three-quarters of workers within the Township were private wage and salary workers in 2015. The remainder were either government workers or self-employed.

CLASS OF WORKER		
Class of Worker	Number of Workers	Percent
Private wage and salary workers	10,832	71.5%
Government workers	1,941	12.8%
Self-employed workers	764	5.0%
Unpaid family workers	0	0.0%
Total employed residents	13,537	89.3%
Total unemployed residents	1,619	10.7%
Total residents in workforce	15,156	100%
Source: 2015 ACS Table DP03		

OCCUPATIONAL CHARACTERISTICS

In 2015, the ACS estimates that 27.3% of the Township's residents were employed in sales and office occupations. 3,643 or 26.9% of residents are approximated to be employed in management, professional, science or arts occupations and 20.2% are employed by service jobs. Approximately 13.3% of residents are employed in the natural resources, construction or maintenance field.

EMPLOYED CIVILIAN POPULATION BY OCCUPATION (AGE 16 YEARS OR OLDER)				
Occupation	Manchester Township		Ocean County	
	Total	Percent	Total	Percent
Management, professional, and related	3,643	26.9%	85,028	34.5%
Service	2,740	20.2%	45,756	18.5%
Sales and office	3,694	27.3%	67,494	27.4%
Natural resources, construction, and maintenance	1,807	13.3%	26,485	10.7%
Production, transportation, and material moving	1,653	12.2%	21,917	8.9%
Total	13,537	100%	246,680	100%
Source: 2015 ACS Table DP03				

Township of Manchester

IN-PLACE EMPLOYMENT BY INDUSTRY

New Jersey's Department of Labor and Workforce Development ("NJDOLEWD") is the entity that reports on employment and wages within the State of New Jersey. The latest municipal-level report was completed in 2015. According to the data, there were an average of 3,849 private sector employees within the Township, which were provided by 308 employers. Note that these are jobs within Manchester – the daytime working population regardless of where the employee lives.

The Health/Social sector was the largest employer in the Township, providing 36 percent or 1,353 jobs. The Retail Trade sector ranked second with 891 jobs, followed by the Accommodations/Food sector with 297 jobs. The Local Government Education sector provided 632 jobs within the Township in 2015.

EMPLOYMENT BY INDUSTRY SECTOR AND NUMBER OF EMPLOYEES (2015)					
Industry	Establishments		Employees		Annual Wages
	<i>Total</i>	<i>Percent</i>	<i>Total</i>	<i>Percent</i>	
Utilities	-	-	-	-	-
Construction	36	12.3%	247	6.6%	\$49,035
Manufacturing	-	-	-	-	-
Wholesale Trade	-	-	-	-	-
Retail Trade	32	10.9%	891	23.7%	\$20,185
Transportation/Warehousing	14	4.8%	120	3.2%	\$21,213
Finance/Insurance	21	7.2%	124	3.3%	\$55,006
Real Estate	12	4.1%	184	4.9%	\$39,847
Professional/Technical	19	6.5%	109	2.9%	\$53,324
Management	-	-	-	-	-
Administration/Waste Remediation	22	7.5%	153	4.1%	\$45,313
Health/Social	54	18.4%	1,353	36.0%	\$34,657
Arts/Entertainment	-	-	-	-	-
Accommodations/Food	27	9.2%	297	7.9%	\$17,644
Other Services	47	16.0%	274	7.3%	\$32,297
Unclassified	9	3.1%	9	0.2%	\$34,307
Private Sector Total	308	-	3,849	-	\$53,806
Local Govt Total	10	62.5%	874	58.0%	\$56,223
Local Govt Education	6	37.5%	632	42.0%	\$53,547
Source: NJ Department of Labor and Workforce Development, Employment and Wages, 2015 Annual Report					

Township of Manchester

EMPLOYMENT TRENDS

The NJDLWD provides historic data reporting annual trends in employment and wages covered by unemployment insurance from 2003 to 2015. In 2003, Manchester Township had 2,754 private sector jobs. Over the next 12 years, Manchester saw net growth of 1,095 new jobs, an average of 91 new jobs per year or 2.9 percent annual growth.

EMPLOYMENT TRENDS			
Year	Jobs	Change	Percent
2003	2,754	--	--
2004	2,908	154	5.6%
2005	3,078	170	5.8%
2006	3,227	149	4.8%
2007	3,423	196	6.1%
2008	3,676	253	7.4%
2009	3,808	132	3.6%
2010	3,771	-38	-1.0%
2011	3,672	-99	-2.6%
2012	3,637	-35	-1.0%
2013	3,700	63	1.7%
2014	3,797	98	2.6%
2015	3,849	52	1.4%
Source: NJ Department of Labor and Workforce Development, Employment and Wages, 2003-2015 Annual Reports			

EMPLOYMENT PROJECTIONS

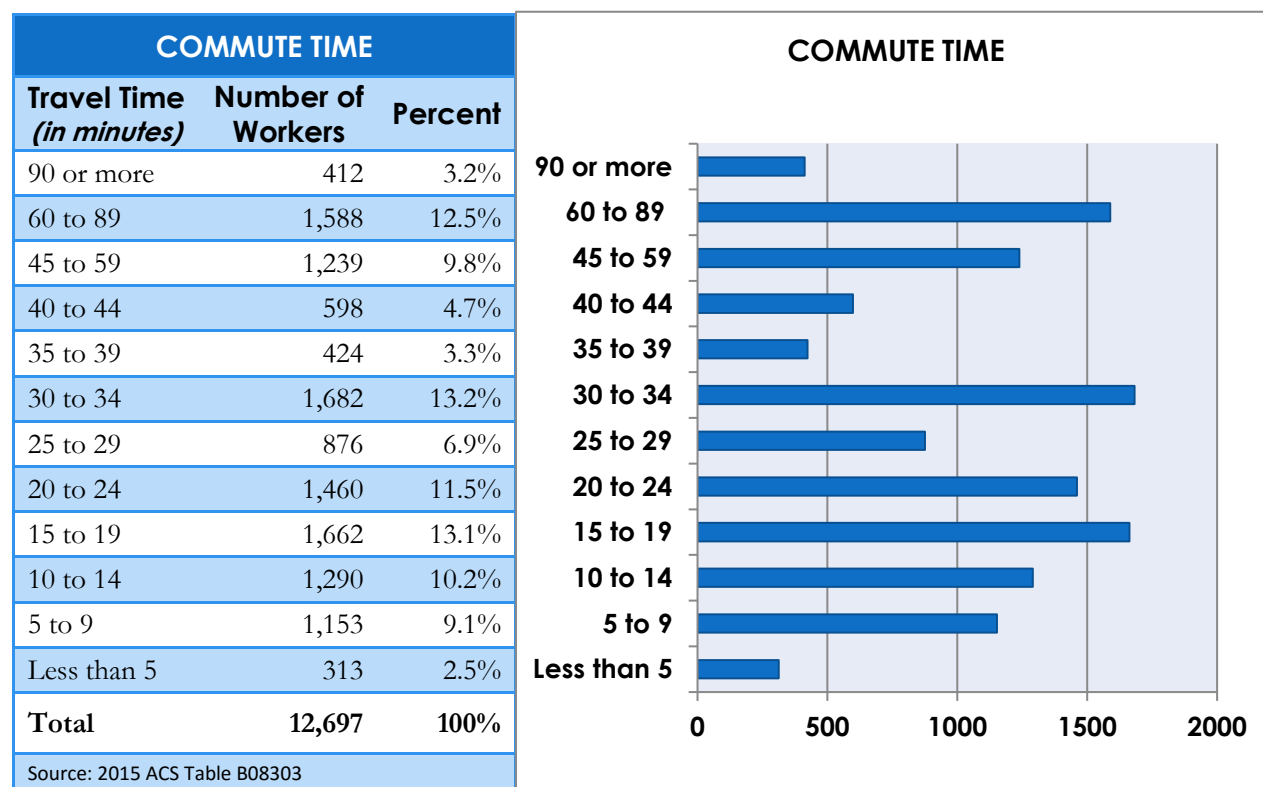
In order to project future job growth, Manchester Township utilizes the historic trend of 91 new jobs per year from 2003 to 2015. Continuing the same trend for the remainder of the Third Round period would result in 910 new jobs from 2015 to 2025, for a total of 4,759 jobs.

EMPLOYMENT PROJECTION			
Year	Jobs	Change	Percent
2015	3,849	---	---
2025	4,759	910	23.6%

Township of Manchester

TRAVEL TIME TO WORK

In 2015, more than half of Manchester's workers spent less than 30 minutes commuting to work. One out of ten workers spent less than 10 minutes each day commuting to work. On the other hand, a quarter of Manchester's workers spent more than 45 minutes each day commuting to work, with 3.2% commute times of more than 90 minutes.



INCOME & POVERTY STATUS

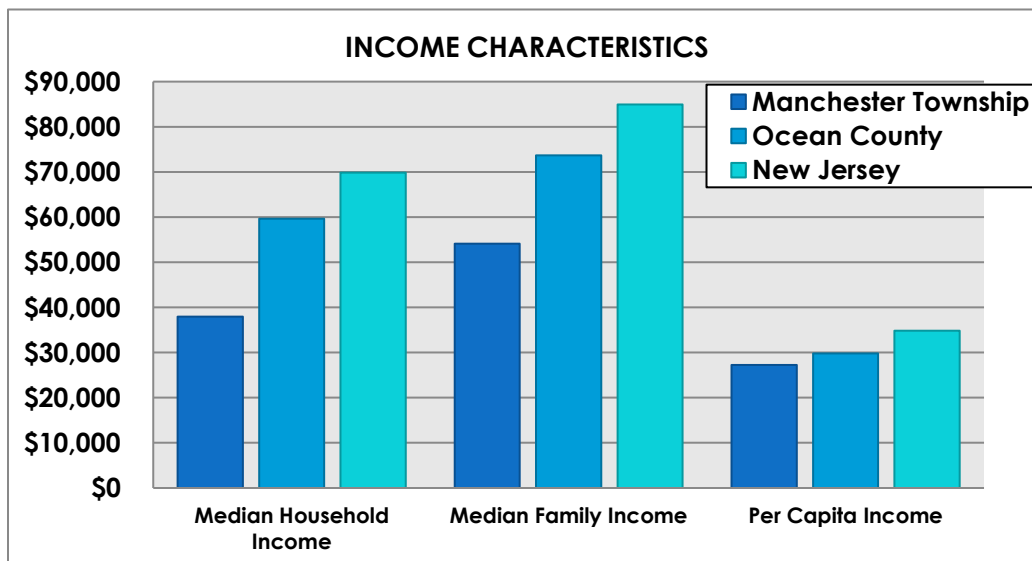
The 2015 ACS data indicates that the median household income for Manchester was \$40,154 in 2015. This is approximately \$20,000 lower than Ocean County's median household income and approximately \$30,000 than the State's median income. Similarly, the Township's median family income of \$61,448 is significantly lower than the County and State medians. Income levels are reflective of the large number of retired individuals who make the Township their home.

Per capita income for Manchester Township is estimated to be \$29,090. This is lower than the County's per capita income of \$31,200 and the State's per capita income of \$34,858.

Finally, in reviewing poverty status of both people and families, Manchester's poverty rate for both individuals and families is lower than both the State's and County's poverty rate. The poverty rate for individuals is estimated to be 8.3%, whereas the poverty rate for families is estimated to be 4.7%.

Township of Manchester

INCOME CHARACTERISTICS			
Income Type	Manchester Township	Ocean County	New Jersey
Median Household Income	\$40,154	\$61,994	\$72,093
Median Family Income	\$61,448	\$76,934	\$88,335
Per Capita Income	\$29,090	\$31,200	\$34,858
Poverty Status (Percent of People)	8.3%	11.3%	10.8%
Poverty Status (Percent of Families)	4.7%	7.7%	8.2%
Source: 2015 ACS Table DP03			



Manchester's household income data is sourced from the 2015 ACS five-year estimates. Based on the ACS income brackets, the greatest number of households in Manchester earn between \$55,000 and \$74,999 per year (16.9 percent). About 85 percent of Manchester's households earned less than \$100,000 per year compared to 72 percent of Ocean County's households and 64 percent of New Jersey's households. Similarly, 59 percent of Manchester's households earn less than \$50,000 per year, compared to 41 percent of Ocean County's households and 26 percent of the State's.

Township of Manchester

HOUSEHOLD INCOME						
	Manchester Twp		Ocean County		New Jersey	
	<i>Total</i>	<i>Percent</i>	<i>Total</i>	<i>Percent</i>	<i>Total</i>	<i>Percent</i>
Less than \$10,000	1,183	5.2%	9,825	4.4%	175,687	5.5%
\$10,000 to \$14,999	1,323	5.9%	9,043	4.1%	120,837	3.8%
\$15,000 to \$24,999	3,969	17.6%	22,942	10.3%	259,935	8.1%
\$25,000 to \$34,999	3,448	15.3%	21,027	9.5%	247,533	7.8%
\$35,000 to \$49,999	3,351	14.8%	28,128	12.6%	336,106	10.5%
\$50,000 to \$74,999	3,823	16.9%	39,819	17.9%	504,991	15.8%
\$75,000 to \$99,999	2,306	10.2%	28,335	12.7%	399,593	12.5%
\$100,000 to \$149,999	2,168	9.6%	36,639	16.5%	547,517	17.2%
\$150,000 to \$199,999	714	3.2%	15,695	7.1%	276,465	8.7%
\$200,000 or more	306	1.4%	11,041	5.0%	320,822	10.1%
Total	22,591	100%	222,494	100%	3,189,486	100%
Source: 2015 ACS Table DP03						

The ACS also collects data on alternative means of income, but the data does not discern households that have multiple means of income. The ACS shows that 15,000 households receive social security benefits and 9,000 households earn retirement income.

HOUSEHOLDS WITH ALTERNATIVE INCOME		
	Households	Mean Income
With earnings	9,205	\$66,285
With Social Security	15,836	\$19,694
With retirement income	9,454	\$20,963
With Supplemental Security Income	1,093	\$9,778
With cash public assistance income	438	\$1,591
With Food Stamp/SNAP benefits in the past 12 months	1,482	***
Source: 2015 ACS Table DP04		

CAPACITY FOR FAIR SHARE

This chapter of the HEFSP provides the following information as required by the rules:

- Manchester's capacity to accommodate its housing needs.
- A consideration of the lands that is most appropriate for construction of low and moderate-income housing and of the existing structures most appropriate for conversion to, or rehabilitation for, low and moderate-income housing.
- Lands of developers who have expressed a commitment to provide low and moderate-income housing.
- The location and capacities of existing and proposed water and sewer lines and facilities relevant to the proposed affordable housing sites.

The ability to accommodate Manchester's present and prospective affordable housing needs is determined by three components – available land, water capacity and sewer capacity.

LAND CAPACITY

Land development is limited by environmental constraints, such as wetlands, flood plains, easements (conservation, sewer, water, power utility, etc.), parcel size, and land use regulations. Manchester Township conducted a study of the remaining vacant lands and found that there is adequate land available to meet the affordable housing needs of the Township.

WASTEWATER CAPACITY

Manchester Township provides sanitary sewerage service to major developed portions of the Township. Manchester Township was included in the Ocean County Wastewater Management Plan ("OCWMP"), which was approved by the New Jersey Department of Environmental Protection ("NJDEP") on December 30, 2015.

The Township provides a sewerage collection system which then connects to two regional interceptors to the Ocean County Utility Authority ("OCUA") Central Water Pollution Control Facility ("CWPCF") located in Berkeley Township. The two regional interceptors serving Manchester Township are the Crestwood Interceptor and the Union Branch Interceptor.

The Crestwood Interceptor, which serves most of the Pinelands Whiting Town Area, is sized to accommodate the development that was authorized by the Pinelands Commission as part of the municipal conformance plan. All of the Whiting Town retirement communities and nearly all businesses in the Whiting area are serviced by this system.

The Union Branch Interceptor serves the entire eastern portion of Manchester Township and a portion of Jackson Township. This interceptor consists of 24-inch, 30-inch, and 42-inch pipes. It originates in the Borough of Lakehurst and replaced the former Lakehurst Sewage Treatment Plant. It proceeds southerly and terminates at the Toms River Interceptor at the Manchester - Toms River Township boundary.

Township of Manchester

The OCWMP analyzes the existing and potential future wastewater flows for each of the municipalities in the CWPCF and finds that the treatment plant is capable of treating the existing wastewater flows and the present capacity is anticipated to remain sufficient through the year 2035.

The MTMU and the OCUA have confirmed that there is existing wastewater infrastructure adjacent to the site and there exists adequate capacity at the interceptors and the OCUA Central Regional Treatment Plant to serve the proposed affordable housing development.

WATER CAPACITY

Manchester's drinking water is derived from ten wells, seven which draw from the Kirkwood-Cohansey Aquifer, and three which draw from the Potomac-Raritan-Magothy Aquifer. The system is operated by the Manchester Township Water Utility, and is capable of pumping 10.830 MGD.

Water availability increased substantially with completion of a new water treatment plant in 1992; however, the capacity of the current water supply system reached its regulated maximum per the NJDEP in 2006. In 2007, a water hook-up moratorium was instituted for new development.

The limitation of water service for new development, including major portions of the Court ordered inclusionary housing developments in the Hovsons, Inc., MDG and Stavola Builder Remedy lawsuits, resulted in additional litigation by Hovsons pertaining to allocation of the remaining system capacity under a COAH Rule pertaining to "limited resources". In conjunction with discussions with Hovsons and other Builder Remedy litigants on allocation of water allocation, the Township applied to the NJDEP for increased allocation of ground water, for development of a new water treatment facility and for expansion of the water distribution system in 2006. The NJDEP had been modeling the Cohansey and Raritan aquifers to determine the limits on the amount of future groundwater withdrawals. In the spring of 2012, the NJDEP authorized the Township to interconnect the Whiting area through the Heritage Minerals property with the Manchester (eastern area) of the Township. This interconnect will permit the expansion of the Township water system to provide for Township water service to proposed new retirement community and other development along Routes 37 and 70.

According to the Township's Water Engineer, there is sufficient firm capacity to serve the anticipated affordable housing developments.

POTENTIAL AFFORDABLE HOUSING DEVELOPERS

Presently, there are multiple developers within Manchester who are proposing or have received approvals for inclusionary developments. The Fair Share Plan includes those developments that have either been already constructed, those with approved site plan approvals and those with current Settlement Agreements that have a realistic opportunity of being constructed.

In March 2004, Manchester Development Group (MDG) was part of a Settlement Agreement with the Township, which resulted in rezoning; however, no development was constructed. In February 2017, the Township entered into another Settlement Agreement with MDG. In July 2017, a zoning ordinance

Township of Manchester

amendment was adopted to effectuate the terms of the Settlement Agreement, which require 81 affordable family rental units.

In March 2017, Hovson Inc. and Heritage Minerals, Inc (Hovsons) filed a motion to intervene in the Settlement Agreement between the Township and the FSHC. The 2005 Hovsons Settlement Agreement provided for the construction of 2, 205 age-restricted housing units; however, Hovsons are no longer interested in developing the site as permitted in the 2005 Settlement Agreement. The Hovsons site is not required to address the Township's current Prior Round and Third Round obligations. The Township expects to continue to work with Hovsons to plan their large tract to include affordable housing to meet the Township's future affordable housing obligations. The Court Master John Maczuga, PP had recommended that the Hovsons site be included as an additional inclusionary site with crediting "to be determined".¹

Stavola Materials Inc. was an intervenor and a party to a Settlement Agreement with the Township in 2004 which resulted in a rezoning of their property for multifamily development with 17 affordable units. Stavola has not constructed this development and has approached the Township with interest in a new development plan for the property. In June 2017, Stavola representatives met with the Township. They indicated that they wish to develop the property in the future, after the sand mining operations are completed.

At this time, neither the Hovsons nor Stavola properties have an approved development plan. It is expected that affordable residential units on these sites would be used to address the Township's future housing obligations. Both properties will be included as 'place-holders' in the HEFSP.

Other developments have been approved, but not yet constructed. These include Presidential Gardens, and an Ocean County Habitat for Humanity affordable single family for-sale home. Additional information on these developments is included in the Appendix.

ANTICIPATED DEVELOPMENT PATTERNS

Anticipated development patterns within Manchester are expected to follow the established zoning. Manchester is zoned for single family residential, apartments, town center commercial, community commercial, highway commercial, limited manufacturing, health facilities and conservation. The majority of the Town is zoned for single family residential of various densities. See the Zoning Map on the next page for details.

¹ John D. Maczuga, PP, Mater's Report: Fairness/Compliance Hearing, dated March 20, 2017.





FAIR SHARE PLAN



CONTENT OF FAIR SHARE PLAN

The Fair Share Plan contains the following information:

- Description of existing credits intended to satisfy the obligation;
- Description of mechanisms that will be used to meet any outstanding obligation; and
- An implementation schedule that sets forth a detailed timetable for units to be provided.

In adopting its housing element, a municipality may provide for its fair share of low and moderate-income housing by means of any technique or combination of techniques that provide a realistic opportunity for the provision of the fair share. As per N.J.A.C. 5:93, these potential techniques include but are not limited to:

- Rehabilitation of existing substandard housing units;
- Municipally-sponsored and 100% affordable developments;
- Zoning for inclusionary development;
- Alternative living arrangements;
- Assisted living residences;
- Accessory apartment program;
- Purchase of existing homes;
- Write-down/buy-down programs;
- ECHO units (as a Rehabilitation credit).

REGIONAL INCOME LIMITS

Dwelling units are affordable to low and moderate-income households if the maximum sales price or rental cost is within their ability to pay such costs, based on a specific formula. The State provides income limits based upon the median gross household income of the affordable housing region in which the household is located. A moderate-income household is one with a gross household income between 50 percent and 80 percent of the median gross regional household income. A low-income household has 50 percent or less of the median gross regional household income. Very-low income households are those with a gross household income equal to 30 percent or less of the median gross household income. Manchester is located within Region 4, which contains Mercer, Monmouth and Ocean County.

The latest regional income limits from COAH were released in 2014. Using the 2014 regional income limits, a four-person household moderate income is capped at \$74,091. Two-person households could make up to \$59,273 and be considered a moderate-income household or earn up to \$37,046 and be considered a low-income household. See the following table for greater detail:

2014 REGIONAL INCOME LIMITS FOR REGION 4				
Income	Household Size			
	1 Person	2 Person	3 Person	4 Person
Median	\$64,830	\$74,091	\$83,353	\$92,614
Moderate	\$51,864	\$59,273	\$66,682	\$74,091
Low	\$32,415	\$37,046	\$41,676	\$46,307
Very Low	\$19,449	\$22,227	\$25,006	\$27,784

Township of Manchester

The Affordable Housing Professionals of New Jersey (“AHPNJ”), in consultation with the Fair Share Housing Center, has developed a methodology to calculate the new income limits, which it first did in 2016 and again for 2017. Using the 2017 AHPNJ regional income limits, a four-person household moderate income is capped at \$75,454. Two-person households could make up to \$60,363 and be considered a moderate-income household or earn up to \$37,727 and be considered a low-income household.

2017 REGIONAL INCOME LIMITS FOR REGION 4				
Income	Household Size			
	1 Person	2 Person	3 Person	4 Person
Median	\$66,022	\$75,454	\$84,885	\$94,317
Moderate	\$52,817	\$60,363	\$67,908	\$75,454
Low	\$33,011	\$37,727	\$42,443	\$47,158
Very Low	\$19,807	\$22,636	\$25,466	\$28,295

In order to utilize the 2017 AHPNJ regional income limits, a Settlement Agreement or Court Order would be necessary. A sample Court Order is provided by AHPNJ, which can be filed with the Court at any time. It is recommended that the Township seek a Court Order from the Ocean County Superior Court for approval for Manchester to use the 2017 income limits.

AFFORDABLE HOUSING OBLIGATION

This Fair Share Plan describes the projects and mechanisms that Manchester proposes to address its affordable housing obligation.

PRESENT NEED (REHABILITATION OBLIGATION)

Obligation • 99 Units

The Opinion issued by the Supreme Court of New Jersey on March 10, 2015 (the Mount Laurel IV Opinion) directs that that the Prior Round methodology be used to calculate municipal Present Need. This methodology was utilized by David N. Kinsey, PhD, FAICP, P.P. in his July 22, 2016 report “New Jersey Fair Share Housing Obligations for 1999-2025 (Third Round) Under Mount Laurel IV”, prepared on behalf of the Fair Share Housing Center (“FSHC”), to calculate the Present Need. For Manchester, the Kinsey Report calculates a Present Need of 99 units in need of rehabilitation. In accordance with the Settlement Agreement, Manchester and FSHC have agreed that Manchester will address a Present Need of 99 units.

N.J.A.C. 5:93-5.2(g) and (h) requires a minimum of \$8,000 for rehabilitation work (not including \$2,000 in administration fees) to be spent per unit and a six-year control on affordability for owner-occupied units.²

² The rules specifically require a minimum of \$2,000 per unit to be spent on administration and \$8,000 per unit to be spent on the rehabilitation activity, which totals at least \$10,000.

Township of Manchester

Rental units are required to have ten-year controls on affordability. Additionally, a major system³ must be repaired in order for a home to qualify as a credit.

Manchester's Rehabilitation Program

Ocean County Community Development Division has provided and supervised the rehabilitation of qualified housing units in the Township through its Community Block Development Grant (CBDG) program. Since 2010, the Ocean County has completed the rehabilitation of three (3) qualified homes located in Manchester Township. (A list of these properties rehabilitated through the Ocean County CBDG program is included in the Appendix.)

In 2015, the Township implemented a Home Improvement Program to address housing owned or rented by low and moderate-income households. The Township appointed Community Grants, Planning & Housing ("CGP&H") to administer the Township's Home Improvement Program and to act as the Township's Administrative Agent. (A copy of the Resolution hiring the Rehabilitation Housing Consultant, the Manchester Home Improvement Program handout, the Home Improvement Manual, Policies and Procedures and a list of properties that have been rehabilitated through the Township Home Improvement Program are included in Appendix II.)

As of June 2017, the Township has completed the qualified rehabilitation of nine homes. Additionally, two homes are currently under rehabilitation, as demonstrated by contract date but no final inspection date. Two homes are currently in the preconstruction phase as demonstrated by certificate of eligibility date, but no contract date is shown. Thirteen homes are considered eligible for crediting under the Manchester Home Improvement Program. As of June 2017, the Township has expended \$193,230 for rehabilitation contracts (not including administrative fees) for this program, which is being funded through its Affordable Housing Trust Fund.

A total of 16 homes have been rehabilitated in the Township since 2010 and these homes qualify for crediting to meet the Township's Present Need obligation.

The Township plans to continue to utilize its Housing Trust Fund to fund its on-going Home Improvement Program to meet its remaining 83-unit rehabilitation obligation. The rehabilitated units are affordability restricted with a 10-year lien filed against the property. It is a zero percent (0%) forgivable loan after 10 years, if the owner complies with the program requirements.

The Township's Spending Plan, which is included in the Appendix, has estimated that the additional 83 homes could be rehabilitated through 2025 with the anticipated funding. On average, \$10,000 is estimated to rehabilitate a home. The Spending Plan estimates \$830,000 will be available to fund 83 rehabilitation projects over the next 9 years. The rehabilitation credit obligation will be subject to rehabilitation funds being made available to the Town through its Housing Trust Fund.

³ A major system is defined by N.J.A.C. 5:93-5.2(b) as weatherization, a roof, plumbing (including wells), heating, electricity, sanitary plumbing (including septic systems) and/or a load bearing structural system.

Township of Manchester

Present Need (Rehabilitation) Obligation	
Mechanism	Total
Manchester Township Home Improvement Program & CDBG Program Rehabilitation Units Completed or Under Repair	16
Estimated Rehabilitation Units to be Completed by 2025	83
Total Rehabilitation Credits	99
Rehabilitation Obligation	99

PRIOR ROUND (1987-1999)

Obligation • 370 Units

The March 10, 2015 Supreme Court Order directed municipalities to use the Prior Round Obligation (“PRO”) that COAH established in 1993. Manchester’s unadjusted 1987 to 1999 obligation, published in 1993, was a Pre-Credited need of 370 units, with a net Rehabilitation Component of 35 units.

COAH certified the Township’s Prior Round Plan (1987-1999) on December 6, 1995, which included a 370-unit obligation.

This HEFSP has updated the PRO compliance credits based upon current data. Under the COAH rules⁴ the Township has a minimum 62-unit rental obligation, a maximum 62-unit credit rental bonus, and a maximum 62-unit age-restricted housing requirement.⁵

Prior Round Credits

The Township has addressed this entire PRO of 370 units. This includes the following developments, which have all been constructed and occupied except for Presidential Gardens, which has site plan approval. (See the Existing and Proposed Affordable Housing Sites Table and Map in Appendix I.)

The following section summarizes the developments used to address the Township’s PRO.

⁴ N.J.A.C. 5:93-5-15

⁵ Minimum rental obligation: =25% (prec Credited need – prior cycle credits – rehabilitation obligation);
= 25% (405 -122 - 35) = 248 x 0.25 = 62 units minimum rental obligation

Maximum age-restricted units: = 25% (prec Credited need – prior cycle credits – rehabilitation credits); = 25% (405 -122 - 35)
= 248 x 0.25 = 62 units maximum age-restricted units

Maximum rental bonus: = 1 unit for each rental unit not to exceed the minimum rental obligation; = 62-unit maximum rental bonus

Township of Manchester

1. **Credits without Controls (Crestwood).** The COAH regulations⁶ provide "credits" for affordable housing units constructed between April 1, 1980 and December 15, 1986. Credits are granted to municipalities for affordable public housing units which are occupied by low and moderate households and for housing units which are affordable, but do not have deed restrictions or other income controls. On March 22, 1996, Court Master Phillip Caton completed an analysis of the credits without controls surveys in Manchester Township pursuant to the Case Management Order of October 12, 1996. He concluded from this analysis that 134 units are eligible for credits without controls under N.J.A.C. 5:93-3.2(b)1-3 and 122 units are eligible for such credits applying the additional criteria of N.J.A.C. 5:93-3.2(b)4-5. Manchester has utilized 122 credits without control units in meeting their PRO.
2. **Presbyterian Homes** (Block 82.09, Lot 14.01). This is an existing 100% affordable senior development including 84 age-restricted rental units; 51 units are included in the Prior Round Plan and the remaining 33 units are included in the Third Round Plan.
3. **Birchwood (Willows) at Whiting** 1110 Route 70. (Block 83.01, L7.03). This is a 100 percent affordable age-restricted rental development, which received Planning Board approval on February 1, 2016 for 76 units. The Township Committee approved a 30-year PILOT on August 10, 2015. The development has been completed. Eight units address the PRO and the remaining 68 units will be used to address future affordable housing obligations.
4. **North Ocean Habitat for Humanity** (Block 1.127, Lot 30, 31, 32 and Block 2, Lot 776.04). These are two existing affordable family for-sale homes.
5. **Group Homes.** A total of 33 bedrooms for very low-income persons have been built in the Township. These include the following:

ARC Ocean County Group Home, (Block 120, Lot 9):	5 bedrooms
Easter Seals Group Home, (Block 129, Lot 34):	3 bedrooms
Devereux Foundation, (Block 143, Lot 22):	3 bedrooms
Serv Property and Management Inc., (Block 41.10, Lot 22.01):	3 bedrooms
Serv Property and Management Inc., (Block 99.86, Lot 8):	4 bedrooms
ARC Ocean County Chapter, (Block 99.112, Lot 8):	4 bedrooms
Employ Ability Unlimited, (Block 99.158, Lot 8):	4 bedrooms
Preferred Behavioral Health, (Block 99.353, Lot 4):	3 bedrooms
Mobility Special Care Housing (Block 1.428, Lot 19)	4 bedrooms
6. **Ridge Creek** (Block 43.05, Lots 7 and 21; and Block 43.06, Lots 8 and 23). This includes four affordable family for-sale homes as part of an existing inclusionary development.
7. **Presidential Gardens** (Block 46.01, Lot 1.01 and 1.03). This is a planned inclusionary development located on the southeast corner of Route 37 and Colonial Drive. It was granted preliminary and major subdivision approval on October 1, 2012. It has received two one-year extensions. It includes 519

⁶ N.J.A.C. 5:93-1 et. seq.

Township of Manchester

apartments with a 20% set-aside or 104 family rental affordable units. Thirty-one (31) units are included in the PRO. The remaining 73 units address the Township's Third Round Obligation ("TRO").

8. **Manchester Village** (Block 79, Lot 31). This includes 57 family rental units as part of an existing inclusionary development.

As shown in the table below, the Township has total of 308 affordable units to address the PRO. Except for the 31 units for Presidential Gardens, the remaining 277 credited units are already constructed. There are 121 (not age restricted) rental units. Township is eligible for a rental bonus credit up to a maximum of 62 units. The 62 rental bonus credits added to the 308 affordable units result in a total of 370 affordable unit credits. The PRO includes 59 age-restricted units, which is less than the maximum permitted 62 age-restricted units. Therefore, the Township has met its Prior Round Obligation.

PRIOR ROUND OBLIGATION				
Project	Credit Type	Credit	Bonus	Total
Credits without Controls (Crestwood)	Prior-Cycle	122	0	122
Presbyterian Homes	AR/R	51	0	51
Birchwood at Whiting	AR/R	8	0	8
Habitat for Humanity	NAR/S	2	0	2
Group Homes	NAR/R	33	0	33
Ridge Creek	Inclusionary NAR/S	4		4
Presidential Gardens	Inclusionary NAR/R	31	5	36
Manchester Village	Inclusionary NAR/R	57	57	114
Total		308	62	370
Prior Round Obligation				370
BALANCE				0
Key: ALA – Assisted Living; AR – Age Restricted; NAR – Not Age Restricted; R – Rental; S – Sales				

THIRD ROUND PROSPECTIVE NEED (1999-2025)

Obligation • 340 Units

In accordance with the Settlement Agreement with the FSHC, Manchester will address a TRO of 340 affordable units for the period 1999-2025. At this time, Manchester has been very proactive in addressing affordable housing and has planned for additional affordable units to address housing needs for its residents.

As of this date, the Township completely meets its TRO. The Township also has several developments under discussion which will address its future affordable housing obligations. These developments include the Heritage Minerals, Inc. and Hovsons tract (Hovsons) and the Stavola Materials tract. As mentioned previously, both these developments had Settlement Agreements with the Township in 2005 and 2004 respectively, which included affordable housing. These developments are now engaged in revising their original plans. Both these

Township of Manchester

properties have been included on the Existing and Proposed Affordable Housing Sites table located in the Appendix and these properties will be used by the Township to address future housing obligations.

Third Round Credits

The table below identifies the development credits used to completely address Manchester's negotiated 340-unit TRO. The specific projects are summarized below. Further documentation is included in the Appendix.

1. **Manchester Development Group (MDG)**, (Block 62, Lots 15, 16, and 33). The Township and MDG have entered into a settlement to permit MDG's inclusion in the Township's Fair Share Plan. In July 2017, the Township rezoned the MDG property as an inclusionary development permitting up to 404 residential units with 20% of these units to be family rental units. This will yield 81 family rental units. (A copy of the adopted resolution and the Settlement Agreement is in the Appendix.)
2. **Presidential Gardens** (Block 46.01, Lot 1.01 and 1.03). This is an inclusionary development which includes 519 apartments with a 20% set-aside or 104 family rental affordable units. Thirty-one (31) units were already included in the PRO. The remaining 73 units are included in the TRO.
3. **Autumn Ridge** (Manchester Associates, Inc) (Block 30, Lot 1.01, 2, 4, and 52). In 2016, this development received Planning Board approval for 82 townhouse units with a 20% set-aside which yields 17 affordable units. The 17 affordable family sale units have been constructed.
4. **Presbyterian Homes** (Block 82.09, Lot 14.01). This is an existing 100% affordable senior housing development of 84 age-restricted rental units. The Prior Round Plan included 51 units and the remainder of 33 units in Third Round Plan.
5. **Heritage at Whiting** (Manchester Senior Housing LP), (Block 100, Lot 10.02). This is an existing completed development as of November 2016. This development involved the rehabilitation of existing apartments into 70 affordable rental apartments including 65 age-restricted apartments and 5 family rental apartments. Fifty-one (51) age-restricted rental units are included in Third Round. The remaining 19 units will be included in future round obligations.
6. **Rental Bonus Credits**. Manchester's TRO includes 85 rental bonus credits, which is the maximum permitted.

THIRD ROUND PROSPECTIVE NEED OBLIGATION (1999-2025)				
Project	Credit Type	Credit	Bonus	Total
Manchester Development Group (MDG)	NAR/R	81	12	93
Presidential Gardens	NAR/R	73	73	146
Autumn Ridge (Manchester Associates, Inc.)	NAR/S	17	0	17
Presbyterian Homes (AR/R)	AR/R	33	0	33
Heritage at Whiting (Manchester Senior Housing LP)	AR/R	51	0	51
Total		255	85	340
Third Round Obligation				340
BALANCE				0
Key: ALA – Assisted Living; AR – Age Restricted; NAR – Not Age Restricted; R – Rental; S – Sales				

Township of Manchester

Third Round Credit Obligation Requirements⁷

There are certain minimum and maximum affordable housing credit obligation requirements agreed to with the Fair Share Housing Center as per the Settlement Agreement of February 6, 2016. These are detailed in the table below based on the 340-unit TRO. The actual development credits to address these requirements are also shown. The Township will be in compliance with these TRO requirements. In fact, Manchester significantly exceeds the rental housing and rental family housing requirements.

Regarding the Very Low-Income Housing requirement, the Township shall require 13% of all units referenced in this plan, with the exception of units constructed prior to July 1, 2008, and units which have already received preliminary or final site plan approval, to be very low-income units. (See Appendix I for Summary of Very Low and UHAC Compliances, Manchester Township table.)

THIRD ROUND OBLIGATION REQUIREMENTS		
<i>(Based on 255 Units Addressing 340 Unit TRO)</i>		
Third Round Compliance Standards and Incentives	Units Required/ Permitted	Units Proposed in TRO
Low-Income and Very Low-Income Housing – Minimum 50% of Units Addressing TRO	$255 \times 50\% = 128$	157
Very Low-Income Housing – Minimum 13% of Units Addressing TRO, constructed after July 1, 2008	$255 \times 13\% = 34$	69
Family Housing - Minimum 50% TRO	$340 \times 50\% = 170$	171
Rental Housing - Minimum 25% TRO	$340 \times 25\% = 85$	238
Family Rental Housing – Minimum 50% Rental Housing Obligation or 12.5% Units Addressing TRO	$85 \times 50\% = 43$	154
Age-Restricted Housing Cap – Maximum 25% TRO	$340 \times 25\% = 85$	84
Rental Bonus Cap - Maximum 25% TRO	$340 \times 25\% = 85$	85
Smart Growth Bonus –1.33 credit per post 1999 unit in TOD in PA1, 2, or designated center subject to Bonus Cap	Based upon units	0
Redevelopment Bonus - 1.33 credit /unit subject to Bonus Cap	Based upon units	0

⁷ These obligation requirements are based upon N.J.A.C. 5:97 rules.

Township of Manchester

PROPOSED DEVELOPMENTS TO ADDRESS FUTURE TOWNSHIP OBLIGATIONS

In addition to the sites that are currently addressing the Township's Prior and Third Round obligations, the additional developments are being planned that would address future affordable housing obligations. Proposed developments include: Hovsons (Heritage Minerals, Block 75.01, Lots 1, 2, 4, 6, 11, 37, 40, 55) and Stavola Materials Inc. (Block 62, Lots 21,30, 32). The ultimate design of these developments and their affordable housing obligation is not known at this time.

There is also one planned North Ocean Habitat for Humanity single-family dwelling (Block 31.02, Lot 2) that can be credited in future rounds. This home received a Township donation of \$65,000 from the Manchester Affordable Housing Trust Fund.

Two existing completed developments have affordable units that can be credited for future needs. The Birchwood at Whiting development (Block 83.01, Lot 7.03) is a completed development that includes 76 age-restricted rental units. Eight of the units are credited to the PRO. The remaining 68 units will address future obligations.

Heritage at Whiting (Block 100, Lot 10.02) is an existing 70-unit age-restricted rental development. Fifty-one affordable units were credited to meet the TRO. This leaves 19 units that can be credited in future rounds. Five of these 19 units are family rental units.

(See Existing and Proposed Affordable Housing Sites table and map in the Appendix I.)

ADJUSTMENTS

Manchester is not seeking any downward adjustment of its Rehabilitation, Prior Round or Third Round obligations as part of this plan.

DEVELOPMENT FEES

Manchester will continue to collect residential and non-residential development fees as permitted under the State-wide Non-Residential Fee Act. The Township's Development Fee Ordinance was adopted in October 18, 1994, and amended on April 9, 2007, September 8, 2008, November 10-2014, and April 27, 2015. These funds will be utilized to satisfy the Township's obligation, provide affordability assistance, to pay for administrative costs as permitted by law and to utilize funds to rehabilitate affordable housing units through the on-going Manchester Home Improvement Program.

Township of Manchester

IMPLEMENTATION SCHEDULE

The anticipated implementation schedule for the mechanisms that are proposed within the Township of Manchester Fair Share Plan to address its Third Round obligation of 340 units is provided below. The Township's Rehabilitation Program will continue as an on-going mechanism to address the Township's Present Need obligation.

Of the developments listed to address this Third Round obligation, two developments have not yet been built. These include MDG (which was recently settled) and Presidential Gardens. The planned Ocean County Habitat for Humanity home will be credited in a future round.. Other developments included in the TRO are existing developments and therefore are not included in the Implementation Schedule.

IMPLEMENTATION SCHEDULE									
Mechanism	2017	2018	2019	2020	2021	2022	2023	2024	2025
Home Improvement Program									
Solicit Applicants									
Rehabilitate Units									
Manchester Development Group									
Amend Zoning									
Site Plan Approval									
Construction									
Presidential Gardens									
North Ocean Habitat for Humanity									

SPENDING PLAN

The Township has prepared a Spending Plan to address its planned disbursement of funds collected through the Town's adopted Development Fee Ordinance. A Development Fee Ordinance creating a dedicated revenue source for affordable housing was adopted by the Township on September 8, 2008, and amended on April 9, 2007, September 8, 2008, November 10-2014, and April 27, 2015.

The ordinance establishes the Township's Housing Trust Fund for which the Town's Spending Plan has been prepared. The Spending Plan has estimated 83 units to be rehabilitation over the next 10 years, unless additional funding is made available. In addition, the Township approved a donation of \$65,000 toward the construction of a single-family low/moderate unit which is to be built by North Ocean Habitat for Humanity. The Township will also undertake affordability assistance as required and has set-aside 30% of the Manchester Housing Trust Fund for this purpose.

APPENDIX

APPENDIX I

1. Planning Board Resolution adopting Housing Element and Fair Share Plan
2. Township Committee Resolution approving Housing Element and Fair Share Plan
3. Existing & Proposed Affordable Housing Sites Table
4. Affordable Housing Sites Maps
5. Spending Plan
6. Draft Affordable Housing Ordinance
7. February 6, 2017 Settlement Agreement between Township and Fair Share Housing Center
8. February 6, 2017 Settlement Agreement between Township and Manchester Development Group
9. Summary of Very-Low and UHAC Compliances Table

1. Planning Board Resolution adopting Housing Element and Fair Share Plan

2. Township Committee Resolution approving Housing Element and Fair Share Plan

3. Existing & Proposed Affordable Housing Sites Table

Existing and Proposed Affordable Housing Sites

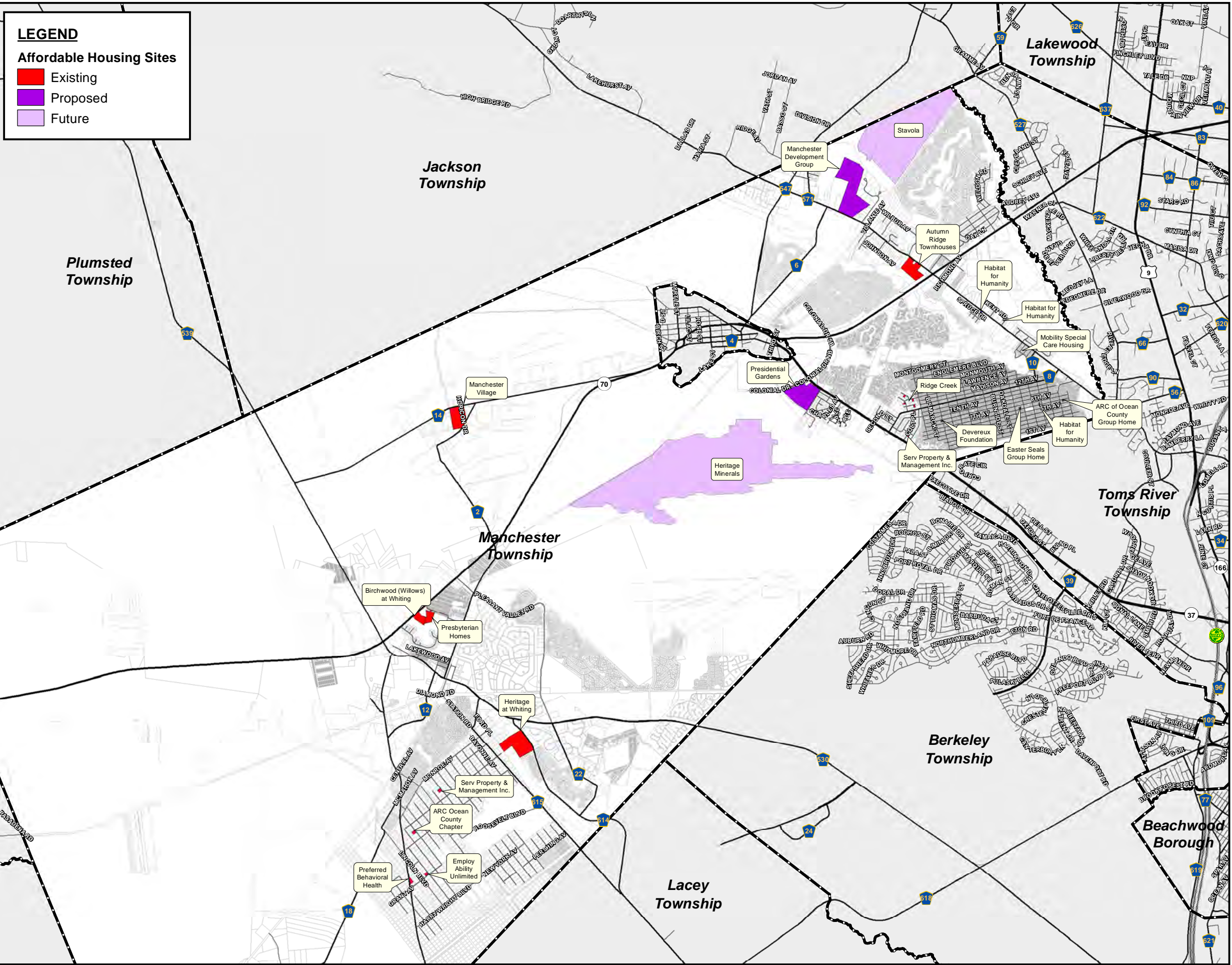
Township of Manchester

Ocean County, New Jersey

Project Name	Address	Block, Lot	Owner	Acres	Zoning	Project Type	Affordable Units	Status
EXISTING AFFORDABLE HOUSING								
ARC Ocean County Chapter	1841 Delaware Ave	B99.112, L8	Arc Ocean County Chapter Inc	1.01	WTR-40	Group Home	4	3/27/2012
ARC Ocean County Group Home	2108 Sixth Ave	B1.120, L9	Arc of Ocean County	0.23	R-10	Group Home	5	6/20/1991
Autumn Ridge Townhouses, Manchester Associates	3085 Ridgeway Rd	B30, L1.01; 52, 2, 4	Placek, Charles J & Gaul, W A Jr	23.45	MF-6	Inclusionary	17	Complete and Occupied
Birchwood (Willows) at Whiting	1110 Hwy 70	B83.01, L7.03	Wrangle Brook Associates LLC	7.48	WTRC	100% affordable age restricted	76	Complete
Devereux Foundation	713 Northampton Blvd	B1.143, L22	The Devereux Foundation	0.23	R-10	Group Home	3	11/11/2011
Easter Seals Group Home	1617 Sixth Ave	B1.129, L34	Easter Seals Society of NJ	0.29	R-10	Group Home	3	10/1/2002
Employ Ability Unlimited	1601 Chester Ave	B99.158, L6	Employ Ability Unlimited Inc/Lawson	0.91	WTR-40	Group Home	4	10/16/1996
Heritage at Whiting (Manchester Senior Housing LP	40 Lacey Road	B100, L10.02	Manchester Senior Living, LLC	5.00	WTRC	Age-restricted affordable units	70	Heritage at Whiting, Manchester Senior Housing, LP, rehabilitation of independent apartments for l/m rental units. 65 AR, 5 NAR.
Manchester Village	372 Horicon Ave	B79, L31	Beckerville Urban Renewal	25.16	BVR-40	Inclusionary	57	
Northern Ocean Habitat for Humanity	1833 Sixth Ave	B1.127, L30, 31, 32	Romano, Maria & Lawson, Arvie	0.17	R-10	Affordable Unit	1	
Northern Ocean Habitat for Humanity	2173 Hwy 70	B2, L776.04	Krupnick Family Trust	0.25	HD-3	Affordable Unit	1	
Preferred Behavioral Health	1801 Hwy 539	B99.353, L4	Preferred Behavioral Health of NJ	1.43	WTR-40	Group Home	3	6/11/1997
Presbyterian Homes	3204 Hilltop Rd	B82.09, L14.01	Presbyterian Home @ Manchester Inc	7.57	WTRC	A/R	84	
Ridge Creek (INC)	Woodland Ct / Ridgeview Ct	Block 43.05, Lots 7 & 21; Block 43.06, Lots 8 23	Manto, Silvestro & Maureen	1.36	R-14	Affordable Units	4	
Serv Property & Management Inc.,	94 Colt Pl	B41.10, L22.01	Serv Properties & Management Inc	0.32	R-14	Group Home	3	9/12/2011
Serv Property & Management Inc.,	1941 Trenton Ave	B99.86, L8	Serv Properties & Management Inc	0.97	WTR-40	Group Home	4	8/10/2012
Mobility Special Care Housing	1730 Alberta St	B1.428, B19	Mobility Special Care Housing Inc		R-10	Group Home	4	2017
PROPOSED AFFORDABLE HOUSING								
North Ocean Habitat for Humanity	2643 Ridgeway Rd	B31.02, L2	Manchester Township	0.23	R-15	Affordable Unit	1	Township donated \$65,000 toward construction of affordable family sale home.
Manchester Development Group	Route 571 / Ridgeway Rd	B62, L15, 16, 33	Diocese of Trenton / Wilshire Heath Group LLC	99.61	PAF-1	Inclusionary	81	2017 Court Settlement required 20% affordable units. Zoning ordinance was amended in July 2017. 404 units proposed with 81 affordable family rental units.
Presidential Gardens	2501 Hwy 37 / 50 So Colonial Dr	B46.01, L1.01, 1.03	Long Road Investors/William Hiering	49.77	TC	Inclusionary	104	Planning Board Approved October 2012; Two 1-year extensions granted.
FUTURE AFFORDABLE HOUSING								
Stavola, Inc.		Block 62, Lots 30, 21, 32				Inclusionary	TBD	2004 Court Settlement required 10% affordable units with 50% as RCAs. Revisions to settlement agreement needed.
Heritage Minerals and Hovsons (Hovsons)		Block 75.01 Lot 1				Inclusionary	TBD	2005 Court Settlement/Redevelopment. Revisions to settlement agreement needed

4. Affordable Housing Sites Maps

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LEGEND

Affordable Housing Sites

- Existing
- Proposed
- Future

AFFORDABLE HOUSING SITES

TOWNSHIP OF MANCHESTER

OCEAN COUNTY
NEW JERSEY



0 2,000 4,000 6,000 8,000 Feet
1 inch = 6,000 feet

This map was developed using NJDEP and County GIS digital data, but this secondary product has not been verified by NJDEP and is not state-authorized.



DECEMBER 2017



0 50 100 150 200 250
Feet
1 inch = 200 feet

Presbyterian Homes
Block 82.09, Lot 14.01
3204 Hilltop Rd
Township of Manchester, Ocean County, NJ

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CONSULTING P.A.
November 2017

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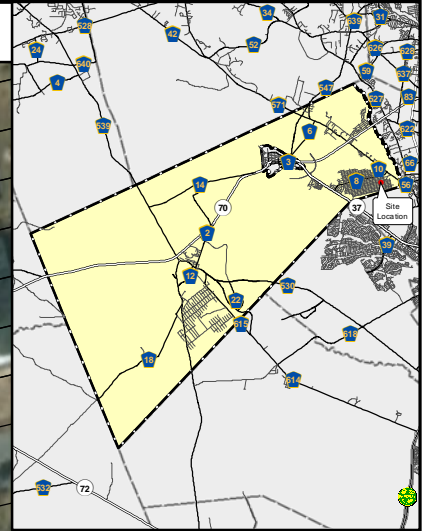


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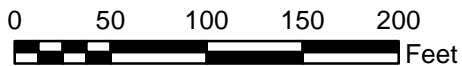
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Feet
1 inch = 200 feet

Birchwood (Willows) at Whiting
Block 83.01, Lot 7.03
1110 Hwy 70
Township of Manchester, Ocean County, NJ

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November 2017



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1 inch = 100 feet

North Ocean Habitat for Humanity

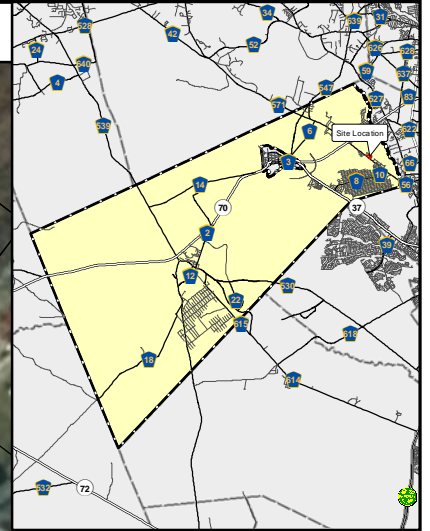
Block 1.127, Lot 30

1833 Sixth Ave

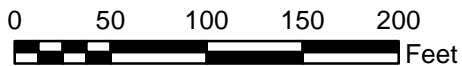
Township of Manchester, Ocean County, NJ



November 2017



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1 inch = 100 feet

North Ocean Habitat for Humanity

Block 2, Lot 776.04

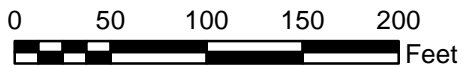
2173 Hwy 70

Township of Manchester, Ocean County, NJ





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North Ocean Habitat for Humanity

Block 31.02, Lot 2

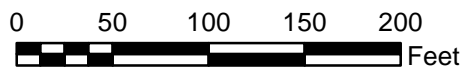
2643 Ridgeway Rd

Township of Manchester, Ocean County, NJ





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1 inch = 100 feet

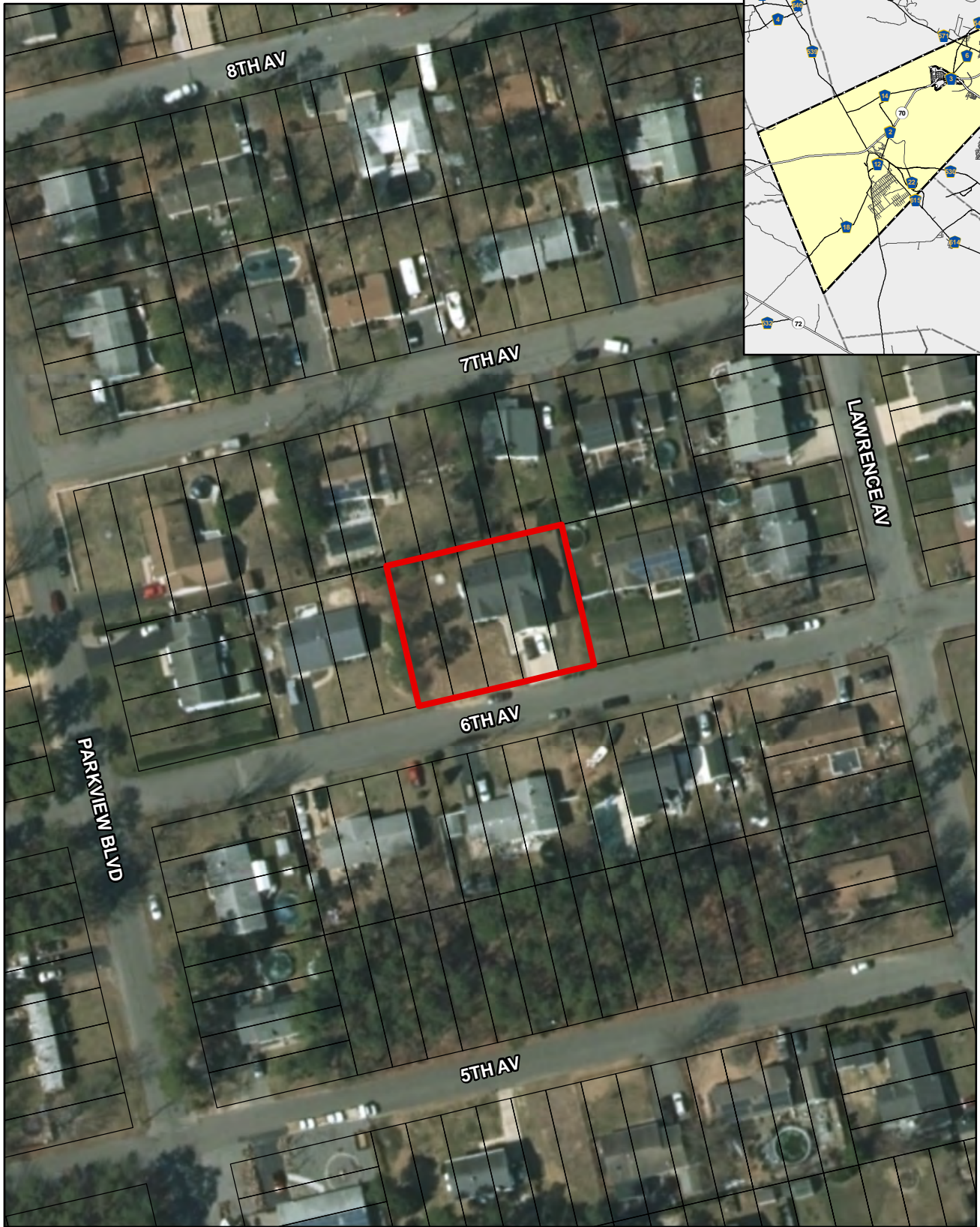
ARC of Ocean County Group Home

Block 1.120, Lot 9

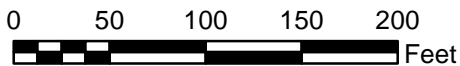
2108 Sixth Ave

Township of Manchester, Ocean County, NJ





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1 inch = 100 feet

Easter Seals Group Home

Block 1.129, Lot 34

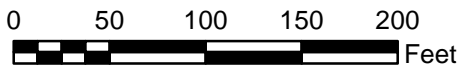
1617 Sixth Ave

Township of Manchester, Ocean County, NJ





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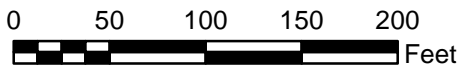
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Devereux Foundation
Block 1.143, Lot 22
713 Northampton Blvd
Township of Manchester, Ocean County, NJ





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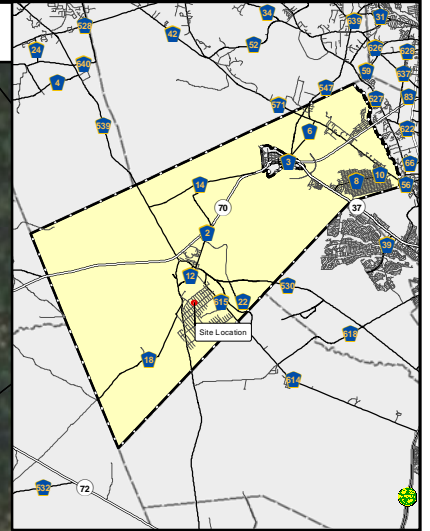
Serv Property & Management Inc.

Block 41.10, Lot 22.01

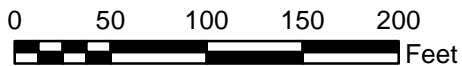
94 Colt Pl

Township of Manchester, Ocean County, NJ





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1 inch = 100 feet

Serv Property & Management Inc.

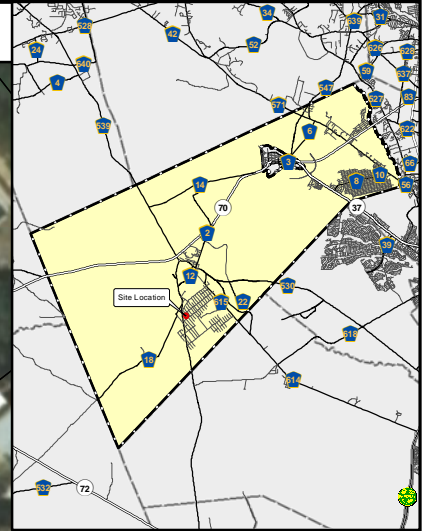
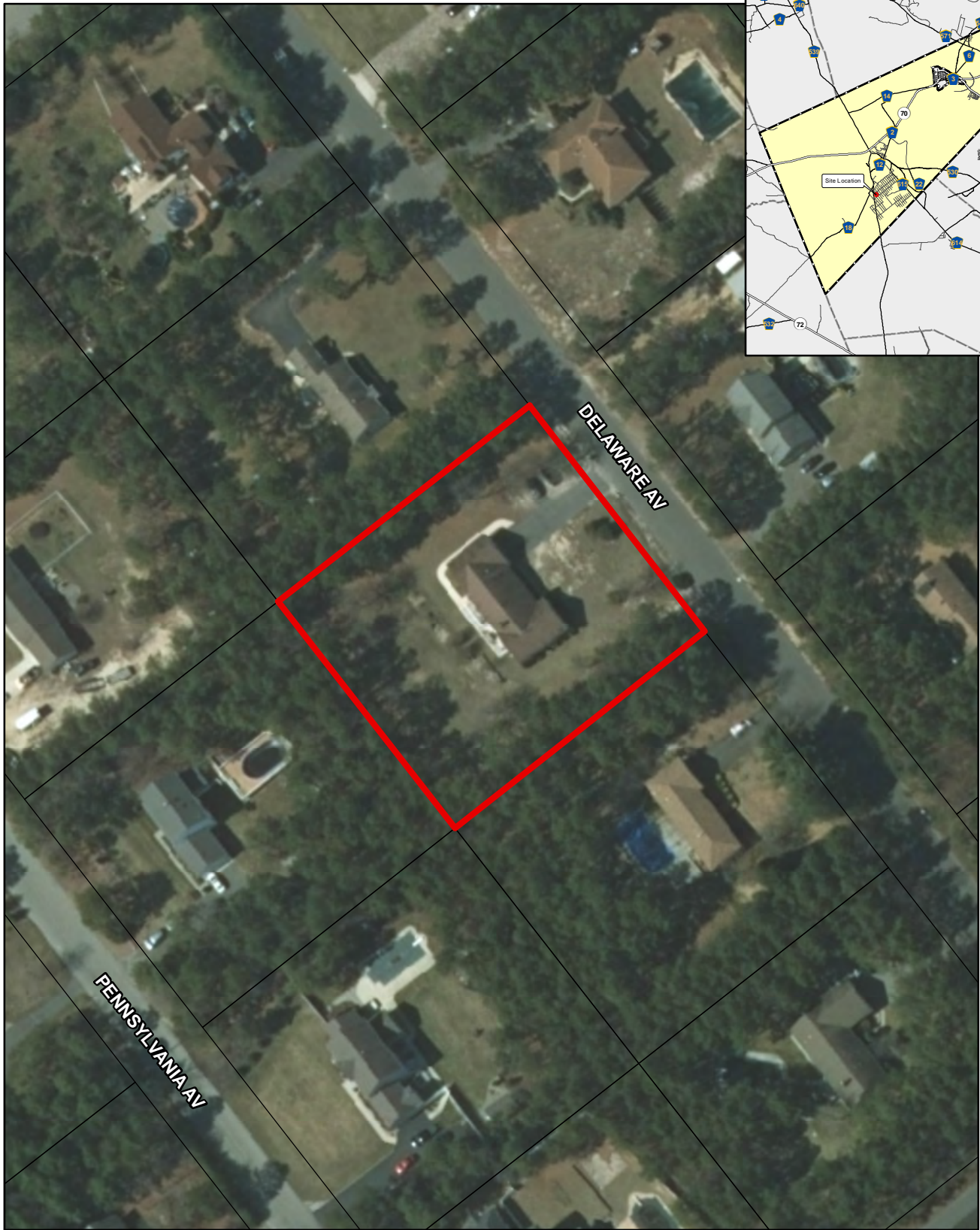
Block 99.86, Lot 8

1941 Trenton Ave

Township of Manchester, Ocean County, NJ



November 2017



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Feet

1 inch = 100 feet

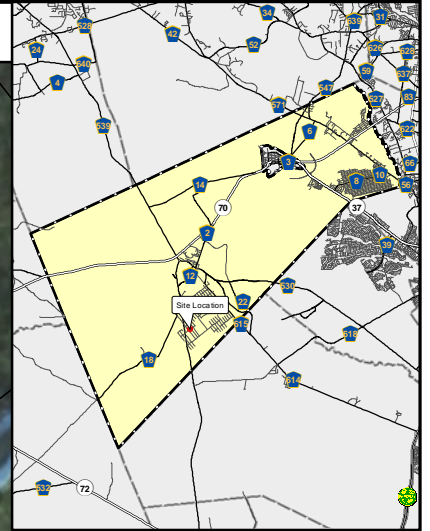
ARC Ocean County Chapter

Block 99.112, Lot 8

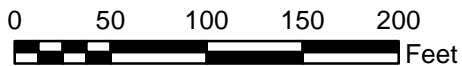
1841 Delaware Ave

Township of Manchester, Ocean County, NJ

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November 2017



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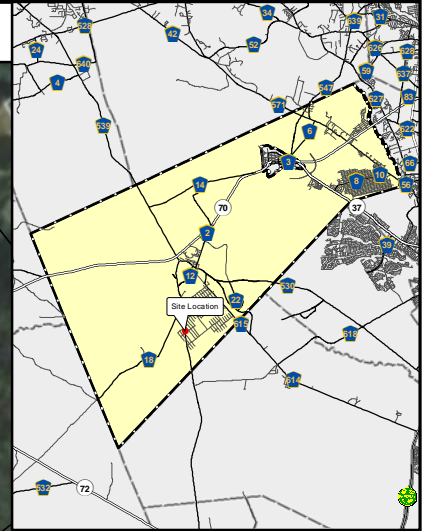
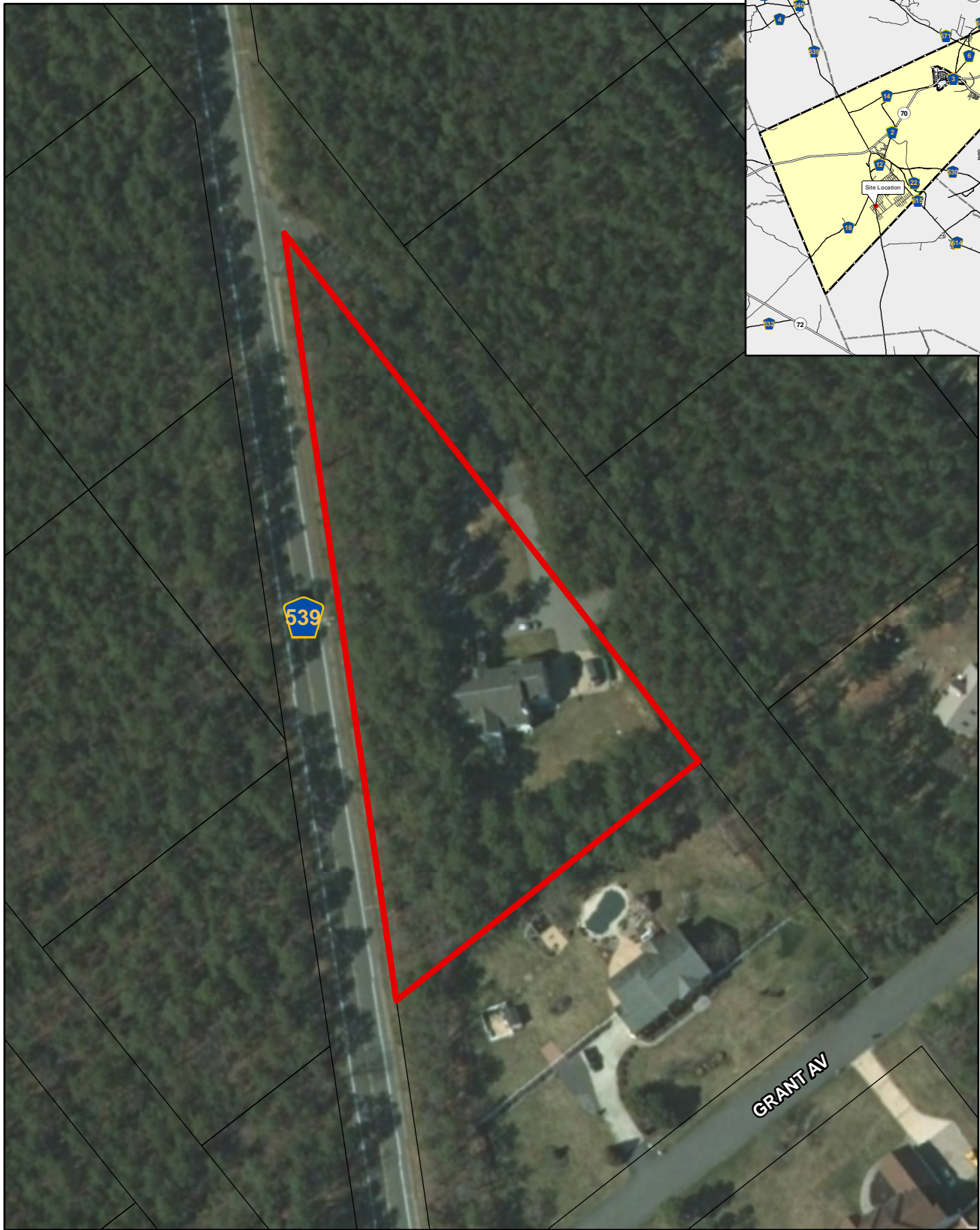
Employ Ability Unlimited

Block 99.158, Lot 6

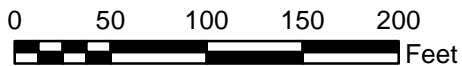
1601 Chester Ave

Township of Manchester, Ocean County, NJ





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1 inch = 100 feet

Preferred Behavioral Health

Block 99.353, Lot 4

1801 Hwy 539

Township of Manchester, Ocean County, NJ





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Feet

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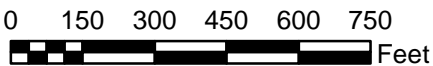
Ridge Creek

Block 43.05, Lots 7 & 21;

Block 43.06, Lots 8 & 23

Township of Manchester, Ocean County, NJ

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November 2017



1 inch = 400 feet

Presidential Gardens
Block 46.01, Lots 1.01 & 1.03
50 So Colonial Dr
Township of Manchester, Ocean County, NJ



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0 100 200 300 400 500
Feet

1 inch = 300 feet

Manchester Village
Block 79, Lot 31
372 Horicon Ave
Township of Manchester, Ocean County, NJ

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November 2017



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Feet
1 inch = 475 feet

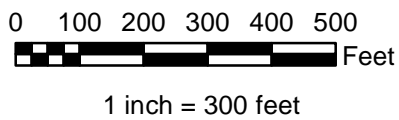
Manchester Development Group
Block 62, Lot 15, 16 & 33
Route 571 / Ridgeway Rd
Township of Manchester, Ocean County, NJ

 **MASER**
CONSULTING P.A.
November 2017

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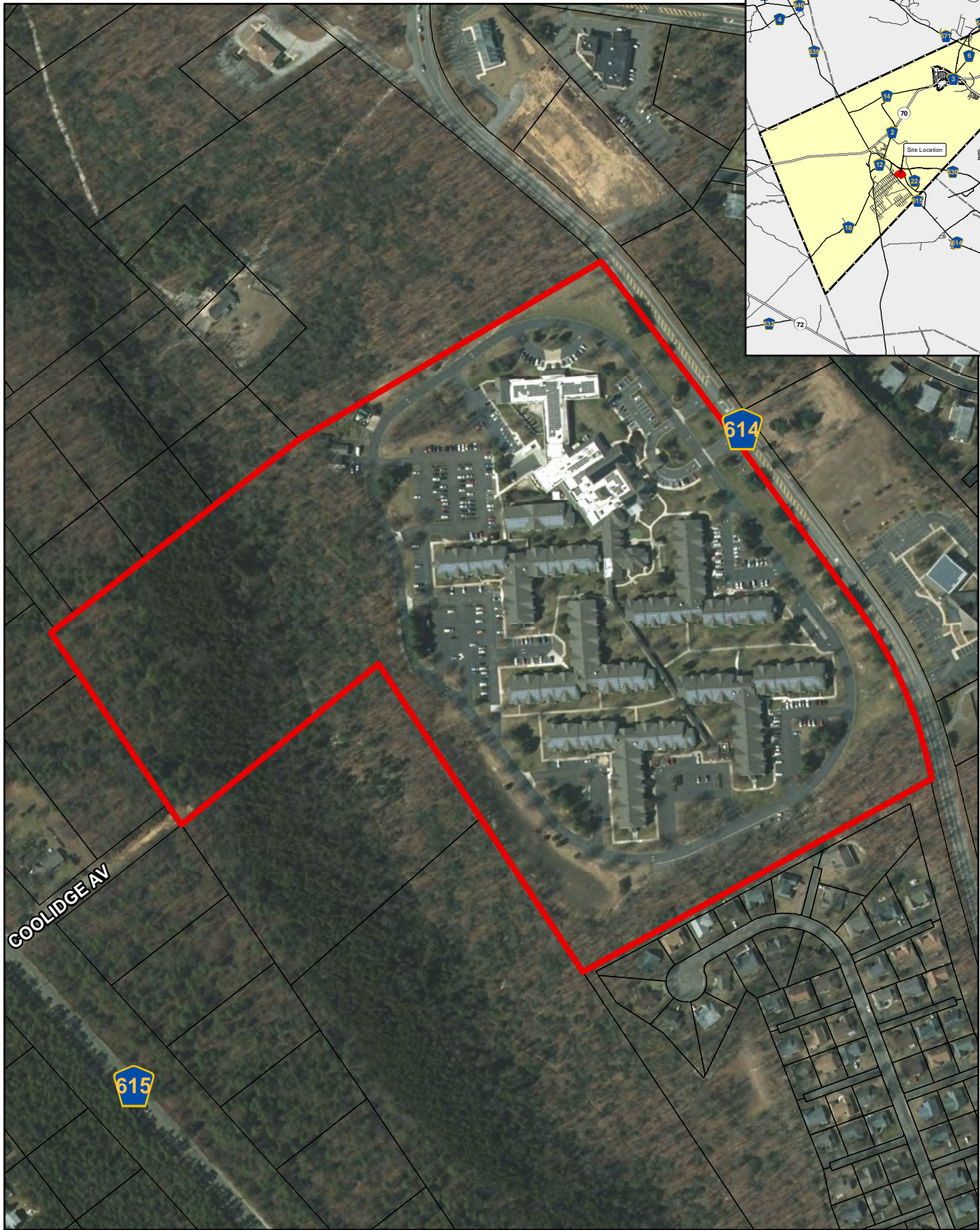


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Autumn Ridge Townhouses
Block 30, Lot 1.01, Block 52, Lots 2 & 4
3085 Ridgeway Rd
Township of Manchester, Ocean County, NJ



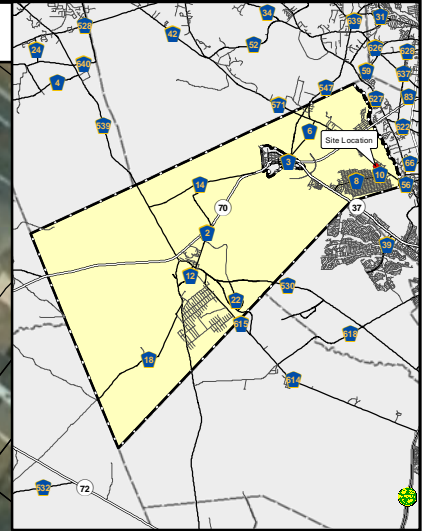


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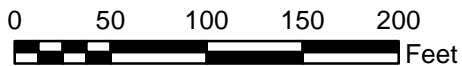
Heritage at Whiting
Block 100, Lot 10
50 Lacey Road
Township of Manchester, Ocean County, NJ

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CONSULTING P.A.
November 2017

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1 inch = 100 feet

Mobility Special Care Housing

Block 1.428, Lot 19

1730 Alberta St

Township of Manchester, Ocean County, NJ



November 2017

5. Spending Plan

SPENDING PLAN

Township of Manchester
Ocean County, New Jersey

December 2017

Prepared by:



A handwritten signature in black ink, appearing to read 'Daniel Bloch'.

Daniel N. Bloch, P.P., AICP, 
N.J. Professional Planners License #06107

A handwritten signature in black ink, appearing to read 'Marcia R. Shiffman'.

Marcia R. Shiffman, P.P., AICP, LLA
N.J. Professional Planners License #02428

1) INTRODUCTION

The Township of Manchester, Ocean County, is in the process of preparing a new Housing Element and Fair Share Plan in accordance with the Municipal Land Use Law (N.J.S.A. 40:55D-1 et seq.), the Fair Housing Act (N.J.S.A. 52:27D-301) and the March 10, 2015 Supreme Court Order (Mount Laurel IV).

Manchester Township petitioned the Council On Affordable Housing ("COAH") for second round substantive certification on June 2, 1995. COAH granted second round substantive certification to the Township on December 6, 1995. A complete history of the Township's affordable housing efforts is detailed in the Housing Element & Fair Share Plan. The following is a timeline of the Township's actions relative to the Spending Plan and Development Fee Ordinance:

October 27, 1994	Township adopts Development Fee Ordinance (Ordinance # 94-235)
April 9, 2007	Township adopts revised Development Fee Ordinance (Ordinance # 07-011)
September 8, 2008	Township adopts revised Development Fee Ordinance (Ordinance # 08-036)
July 16, 2012	Township prepares revised Spending Plan
November 15, 2012	Township adopts amended Spending Plan
December 27, 2013	COAH approves November 15, 2012 Spending Plan
February 14, 2014	Court approves November 15, 2012 Spending Plan
August 11, 2014	Township adopts amended Spending Plan
October 29, 2014	Township adopts amended Spending Plan
November 10, 2014	Township adopts revised Development Fee Ordinance (Ordinance # 15-004)
January 23, 2015	Court Order approves Amended Spending Plan dated October 29, 2014
April 27, 2015	Township adopts revised Development Fee Ordinance (Ordinance # 15-004)
December 11, 2017	Township adopts revised Spending Plan

2) REVENUES FOR CERTIFICATION PERIOD

As of July 17, 2017, the Township of Manchester had a balance of \$236,779.56. To date, the Township has collected \$2,698,903.55 in development fees and expended \$2,439,819.49 on housing activities and administrative costs. All development fees, payments in lieu of constructing affordable units on site, funds from the sale of units with extinguished controls, and interest generated by the fees are deposited in a separate interest-bearing affordable housing trust fund in TD Bank for the purposes of affordable housing. These funds shall be spent in accordance with N.J.A.C. 5:97-8.7-8.9, as described in the sections that follow.

To calculate a projection of revenue anticipated during the period of third round substantive certification, the Township of Manchester considered the following:

(a) Development fees:

1. Future development that is likely to occur based on historical rates of development. This plan assumes an average of 212,500 to be collected in development fees based on the historic collection rates in 2014, 2015, 2016 and 2017.

(b) Payment in lieu (PIL):

Actual and committed payments in lieu (PIL) of construction from developers have not been collected or assessed, and none are anticipated.

(c) Other funding sources:

Funds from other sources, including, but not limited to, the sale of units with extinguished controls, repayment of affordable housing program loans, rental income and proceeds from the sale of affordable units, have not been collected and none are anticipated.

(d) Projected interest:

Interest on the projected revenue in the municipal affordable housing trust fund at the current average interest rate of 0.55%.

The Township of Manchester projects approximately \$1,912,500.00 in revenue to be collected through July 2025. This anticipated amount, when added to Manchester's current trust fund balance, results in anticipated total revenue of \$4,611,403.55 available to fund and administer its affordable housing plan. All interest earned on the account shall be used only for the purposes of affordable housing.

Projected Revenues – Affordable Housing Trust Fund										
Source of Funds	2017	2018	2019	2020	2021	2022	2023	2024	2025	Total
(a) Development fees:	\$212,500	\$212,500	\$212,500	\$212,500	\$212,500	\$212,500	\$212,500	\$212,500	\$212,500	\$1,912,500
(b) Payments in Lieu of Construction										\$0
(c) Other Funds										\$0
(d) Interest	\$1,168.75	\$1,168.75	\$1,168.75	\$1,168.75	\$1,168.75	\$1,168.75	\$1,168.75	\$1,168.75	\$1,168.75	\$10,518.75
Total	\$213,669	\$213,669	\$213,669	\$213,669	\$213,669	\$213,669	\$213,669	\$213,669	\$213,669	\$1,923,019

3) ADMINISTRATIVE MECHANISM TO COLLECT AND DISTRIBUTE FUNDS

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

(a) Collection of development fee revenues:

Collection of development fee revenues shall be consistent with the Township of Manchester's fee ordinance for residential developments in accordance with COAH's rules and P.L.2008, c.46, sections 8 (C. 52:27D-329.2) and 32-38 (C. 40:55D-8.1 through 8.7).

(b) Distribution of development fee revenues:

The distribution of the collected development fees has been and will continue to be in accordance with Section 245-99D.(3): "Use Of Funds", of Manchester Township's Development Fees ordinance provisions.

4) DESCRIPTION OF ANTICIPATED USE OF AFFORDABLE HOUSING FUNDS

Rehabilitation and new construction programs and projects

Rehabilitation program: \$830,000

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

Municipalities are required to spend a minimum of 30% of development fee revenue to render existing affordable units more affordable and one-third of that amount must be dedicated to very low-income households (i.e. households earning less than 30% of the regional median income). The actual affordability assistance minimums are calculated on an ongoing basis in the CTM system based on actual revenues.

As shown below, Manchester Township has expended \$1,530,363.21 on housing activities through June 2, 2008, whereas \$2,698,903.55 has been collected in development fees. The result is a balance of \$958,393.18, of which \$0 has been spent on affordability assistance. Pursuant to N.J.A.C. 5:97-8.8, the dedication of \$65,000 to Habitat for Humanity qualifies as affordability assistance. The remaining \$893,400 will be used for first month's rent, down payment and/or closing cost assistance, in accordance with the Affordability Assistance Policy & Procedures Manual.

Affordability Assistance Calculation		
Actual development fees through 7/17/17		\$2,698,903.55
Actual interest earned through 7/17/17	+	\$103,084.83
Development fees projected 2017-2025	+	\$1,912,500.00
Interest projected 2017-2025	+	\$10,518.75
Less housing activity expenditures through 6/2/2008	-	\$1,530,363.21
Total	=	\$3,194,643.92
Calculate 30 percent	x .30 =	\$958,393.18
Less Affordability assistance expenditures through 7/17/17	-	\$0.00
Projected Minimum Affordability Assistance Requirement 2017 through 2025	=	\$958,393.18
Projected Minimum Very Low-Income Affordability Assistance Requirement 2017 through 2025	÷ 3 =	\$319,464.39

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

Municipalities are permitted to use affordable housing trust fund revenue for related administrative costs up to a 20% limitation pending funding availability after programmatic and affordability assistance expenditures. The actual administrative expense maximum is calculated on an ongoing basis in the CTM system based on actual revenues.

The Township of Manchester projects that approximately \$306,000 will be available from the affordable housing trust fund to be used for administrative purposes. The projected maximum allowable administrative expenditures based on the 20% cap is \$479,000, as shown below.

Projected administrative expenditures, subject to the 20% cap, are as follows:

- Township Attorney, Engineer and Planner fees related to obtaining substantive certification as well as consulting fees related to the administration and implementation of the Township's affordable housing program(s).
- Salaries and benefits for municipal employees for administration and implementation of the housing plan and program(s).

Administrative Expense Calculation			
Actual dev fees and interest thru 7/17/17			\$2,698,903.55
Projected dev fees and interest 2017 thru 2025	+		\$1,923,018.75
Less RCA expenditures thru 7/17/17	-		\$0.00
Total	=		\$4,621,922.30
Calculate 20 percent		x .20 =	\$924,384.46
Less admin expenditures thru 7/17/17	-		\$444,720.49
Projected Maximum available for administrative expenses 2017 thru 2025	=		\$479,663.97

5) EXPENDITURE SCHEDULE

The Township of Manchester intends to use affordable housing trust fund revenues for the creation and/or rehabilitation of housing units.

Projects/ Programs	Number of Units Projected	Projected Expenditure Schedule 2017-2025									
		2017	2018	2019	2020	2021	2022	2023	2024	2025	Total
Rehabilitation	83	\$100,000	\$100,000	\$90,000	\$90,000	\$90,000	\$90,000	\$90,000	\$90,000	\$90,000	\$830,000
Affordability Assistance		\$65,000	\$111,675	\$111,675	\$111,675	\$111,675	\$111,675	\$111,675	\$111,675	\$111,675	\$958,400
Administration		\$41,200	\$41,200	\$41,200	\$41,200	\$41,200	\$41,200	\$41,200	\$41,200	\$41,200	\$370,800
Total Expenditures		\$206,200	\$252,875	\$242,875	\$242,875	\$242,875	\$242,875	\$242,875	\$242,875	\$242,875	\$2,159,200
Projected Funds		\$213,669	\$213,669	\$213,669	\$213,669	\$213,669	\$213,669	\$213,669	\$213,669	\$213,669	\$1,923,019
Accumulated Funds	\$236,779.56	\$450,448	\$457,917	\$418,711	\$389,505	\$360,298	\$331,092	\$301,886	\$272,680	\$301,886	\$2,159,798
Remaining Balance	\$236,779.56	\$244,248	\$205,042	\$175,836	\$146,630	\$117,423	\$88,217	\$59,011	\$29,805	\$59,011	\$598

6) EXCESS OR SHORTFALL OF FUNDS

In the event of any expected or unexpected shortfall if the anticipated revenues are not sufficient to implement the plan, the Township of Manchester will adopt a resolution of intent to bond. In the event more funds than anticipated are collected or projected funds exceed the amount necessary to implement the Fair Share Plan, the Township of Manchester will reserve funds for affordable housing projects to meet a future affordable housing obligation.

7) BARRIER FREE ESCROW

Collection and distribution of barrier free funds shall be consistent with the Township of Manchester's Affordable Housing Ordinance in accordance with the prevailing State regulations.

8) SUMMARY

The Township of Manchester intends to spend affordable housing trust fund revenues pursuant to N.J.A.C. 5:93 consistent with the housing programs outlined in the Housing Plan Element & Fair Share Plan. The Township has a balance of \$259,084.06 as of July 17, 2016, and anticipates an additional \$1,923,018.75 in revenues through 2025. Manchester will dedicate \$830,000 from the trust fund towards the rehabilitation program. Manchester will dedicate \$958,400 to render units more affordable, including \$65,000 for the Habitat for Humanity site, and will reserve \$306,000 to assist with administration expenses. Any shortfall of funds will be offset by a resolution of intent to bond. The municipality will dedicate any excess funds or remaining balance toward a future affordable project.

SPENDING PLAN SUMMARY		
Balance as of July 17, 2017		\$236,779.56
Projected Revenue 2017-2025		\$1,923,018.75
Development fees	+	\$1,912,500.00
Payments in lieu of construction	+	\$0.00
Other funds	+	\$0.00
Interest	+	\$10,518.75
TOTAL REVENUE	=	\$2,159,798.31
Projected Expenditures 2017-2025		\$2,159,200.00
Rehabilitation	-	\$830,000.00
Affordability Assistance	-	\$958,400.00
Administration	-	\$370,800.00
Total Projected Expenditures	=	\$2,159,200.00
Remaining Balance	=	\$598.31

6. Draft Affordable Housing Ordinance

**MANCHESTER TOWNSHIP
DRAFT AFFORDABLE HOUSING ORDINANCE**

**AN ORDINANCE AMENDING CHAPTER 245, ARTICLE XI, SECTIONS
245-90 THROUGH 245-98 OF THE TOWNSHIP OF MANCHESTER,
COUNTY OF OCEAN AND STATE OF NEW JERSEY THE CODE OF
THE TOWNSHIP OF MANCHESTER TO ADDRESS THE
REQUIREMENTS OF THE COUNCIL ON AFFORDABLE HOUSING'S
RULES**

Section 1. BE IT ORDAINED by the Township Council of the Township of Manchester, County of Ocean, and State of New Jersey, that Chapter 245, Article I, Sections 245-90 through 245-98 be amended, supplemented to, and added as follows:

ARTICLE I. Affordable Housing

§ X-1 General Program Purposes, Procedures

§ X-1.1 Affordable Housing Obligation.

- A. This section of the Township Code sets forth regulations regarding the low and moderate income housing units in the Township consistent the “Substantive Rules of the New Jersey Council on Affordable Housing”, N.J.A.C. 5:93 et seq., the Uniform Housing Affordability Controls (“UHAC”), N.J.A.C. 5:80-26.1 et seq., and the Township's constitutional obligation to provide a fair share of affordable housing for low and moderate income households. In addition, this section applies requirements for very low income housing as established in P.L. 2008, c.46 (the "Roberts Bill").
- B. This Ordinance is intended to assure that low- and moderate-income units ("affordable units") are created with controls on affordability over time and that low- and moderate-income households shall occupy these units. This Ordinance shall apply except where inconsistent with applicable law.
- C. The Manchester Township Planning Board has adopted a Housing Element and Fair Share Plan pursuant to the Municipal Land Use Law at N.J.S.A. 40:55D-1, et seq. The Plan has also been endorsed by the Township Council of the Township of Manchester. The Fair Share Plan describes the ways the Township shall address its fair share for low- and moderate-income housing as documented in the Housing Element.
- D. This Ordinance implements and incorporates the Fair Share Plan and addresses the requirements of N.J.A.C. 5:93, as may be amended and supplemented.

§ X-1.2 Definitions. As used herein the following terms shall have the following meanings:

**MANCHESTER TOWNSHIP
DRAFT AFFORDABLE HOUSING ORDINANCE**

“Accessory apartment” means a self-contained residential dwelling unit with a kitchen, sanitary facilities, sleeping quarters and a private entrance, which is created within an existing home, or through the conversion of an existing accessory structure on the same site, or by an addition to an existing home or accessory building, or by the construction of a new accessory structure on the same site.

“Act” means the Fair Housing Act of 1985, P.L. 1985, c. 222 (N.J.S.A. 52:27D-301 et seq.).

“Adaptable” means constructed in compliance with the technical design standards of the Barrier Free Subcode, N.J.A.C. 5:23-7.

“Administrative agent” means the entity responsible for the administration of affordable units in accordance with this ordinance, N.J.A.C. 5:93 and N.J.A.C. 5:80-26.1 et seq.

“Affirmative marketing” means a regional marketing strategy designed to attract buyers and/or renters of affordable units pursuant to N.J.A.C. 5:80-26.15.

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

“Affordable” means, a sales price or rent within the means of a low- or moderate-income household as defined in N.J.S.A. 52:27D-304 ; in the case of an ownership unit, that the sales price for the unit conforms to the standards set forth in N.J.A.C. 5:80-26.6, as may be amended and supplemented, and, in the case of a rental unit, that the rent for the unit conforms to the standards set forth in N.J.A.C. 5:80-26.12, as may be amended and supplemented.

“Affordable development” means a housing development all or a portion of which consists of restricted units.

“Affordable housing development” means a development included in the Housing Element and Fair Share Plan, and includes, but is not limited to, an inclusionary development, a municipal construction project or a 100% affordable development.

“Affordable housing program(s)” means any mechanism in a municipal Fair Share Plan prepared or implemented to address a municipality’s fair share obligation.

“Affordable unit” means a housing unit proposed or created pursuant to the Act, credited pursuant to N.J.A.C. 5:93-3, and/or funded through an affordable housing

**MANCHESTER TOWNSHIP
DRAFT AFFORDABLE HOUSING ORDINANCE**

trust fund.

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

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

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

“Certified household” means a household that has been certified by an Administrative Agent as a low-income household or moderate-income household.

“COAH” means the Council on Affordable Housing, which is in, but not of, the Department of Community Affairs of the State of New Jersey, that was established under the New Jersey Fair Housing Act (N.J.S.A. 52:27D-301 et seq.).

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

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

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

“Development” means the division of a parcel of land into two or more parcels, the construction, reconstruction, conversion, structural alteration, relocation, or enlargement of any use or change in the use of any building or other structure, or of any mining, excavation or landfill, and any use or change in the use of any

**MANCHESTER TOWNSHIP
DRAFT AFFORDABLE HOUSING ORDINANCE**

building or other structure, or land or extension of use of land, for which permission may be required pursuant to N.J.S.A. 40:55D-1 et seq.

"Fair Share Plan" means the plan that describes the mechanisms, strategies and the funding sources, if any, by which the Township proposes to address its affordable housing obligation as established in the Housing Element, including the draft ordinances necessary to implement that plan, and addresses the requirements of N.J.S.A. 52:27D-309 through 52:27D-314.

"Housing Element" means the portion of the Township's Master Plan, required by the Municipal Land Use Law ("MLUL"), N.J.S.A. 40:55D-28b(3) and the Act, that includes the information required by N.J.A.C. 5:93-5.1(b) and establishes the Township's fair share obligation.

"Inclusionary development" means a development containing both affordable units and market rate units. This term includes, but is not necessarily limited to: new construction, the conversion of a non-residential structure to residential and the creation of new affordable units through the reconstruction of a vacant residential structure.

"Low-income household" means a household with a total gross annual household income equal to 50% or less of the median household income.

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

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

"Market-rate units" means housing not restricted to low- and moderate-income households that may sell or rent at any price.

"Median income" means the median income by household size for the applicable county, as adopted annually by COAH.

"Moderate-income household" means a household with a total gross annual household income in excess of 50% but less than 80% of the median household income.

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

**MANCHESTER TOWNSHIP
DRAFT AFFORDABLE HOUSING ORDINANCE**

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

“Random selection process” means a process by which currently income-eligible households are selected for placement in affordable housing units such that no preference is given to one applicant over another except for purposes of matching household income and size with an appropriately priced and sized affordable unit (e.g., by lottery).

“Regional asset limit” means the maximum housing value in each housing region affordable to a four-person household with an income at 80% of the regional median as defined by COAH’s adopted Regional Income Limits published annually by COAH, or other Regional Income Limits that may be approved by the Court.

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

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

“Restricted unit” means a dwelling unit, whether a rental unit or ownership unit, that is subject to the affordability controls of N.J.A.C. 5:80-26.1, as may be amended and supplemented, but does not include a market-rate unit financed under UHOP or MONI.

“UHAC” means the Uniform Housing Affordability Controls set forth in N.J.A.C. 5:80-26.1 et seq.

“Very low-income household” means a household with a total gross annual household income equal to 30% or less of the median household income.

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

“Weatherization” means building insulation (for attic, exterior walls and crawl space), siding to improve energy efficiency, replacement storm windows,

**MANCHESTER TOWNSHIP
DRAFT AFFORDABLE HOUSING ORDINANCE**

replacement storm doors, replacement windows and replacement doors, and is considered a major system for rehabilitation.

§ X-1.3 New Construction. The following requirements shall apply to all new or planned developments that contain low- and moderate- income housing units.

- A. Phasing. Final site plan or subdivision approval shall be contingent upon the affordable housing development meeting the following phasing schedule for low and moderate income units whether developed in a single phase development, or in a multi-phase development:

Maximum Percentage of Market-Rate Units <u>Completed</u>	Minimum Percentage of Low- and Moderate- Income <u>Units Completed</u>
25	0
25+1	10
50	50
75	75
90	100

- B. Design. In inclusionary developments, to the extent possible, low- and moderate- income units shall be integrated with the market units.
- C. Utilities and Common Elements. In inclusionary developments, affordable units shall utilize the same type of heating source as the market units within the development, and the occupants of the affordable units shall have access to all of the same common elements and facilities as the occupants of the market units within the development.
- D. Low/Moderate Split and Bedroom Distribution of Affordable Housing Units:
1. Affordable units in a development shall be divided equally between low- and moderate- income units, except that where there is an odd number of affordable housing units, the extra unit shall be a low income unit.
 2. In each affordable development, at least 50% of the restricted units within each bedroom distribution shall be low-income units.
 3. At least 13% of all affordable rental units shall be very low income units (affordable to households earning 30% or less of median income). The very low income units shall be counted as part of the required number of low income units within the development.

**MANCHESTER TOWNSHIP
DRAFT AFFORDABLE HOUSING ORDINANCE**

4. Affordable developments that are not age-restricted shall be structured in conjunction with realistic market demands such that:
 - (a) The combined number of efficiency and one-bedroom units shall be no greater than 20% of the total low- and moderate-income units;
 - (b) At least 30% of all low- and moderate-income units shall be two bedroom units;
 - (c) At least 20% of all low- and moderate-income units shall be three bedroom units; and
 - (d) The remaining units may be allocated among two and three bedroom units at the discretion of the developer.
5. Affordable developments that are age-restricted shall be structured such that the number of bedrooms shall equal the number of age-restricted low- and moderate-income units within the inclusionary development. The standard may be met by having all one-bedroom units or by having a two-bedroom unit for each efficiency unit.

E. Accessibility Requirements:

1. The first floor of all restricted townhouse dwelling units and all restricted units in all other multistory buildings shall be subject to the technical design standards of the Barrier Free Subcode, N.J.A.C. 5:23-7.
2. All restricted townhouse dwelling units and all restricted units in other multistory buildings in which a restricted dwelling unit is attached to at least one other dwelling unit shall have the following features:
 - (a) An adaptable toilet and bathing facility on the first floor;
 - (b) An adaptable kitchen on the first floor;
 - (c) An interior accessible route of travel on the first floor;
 - (d) An interior accessible route of travel shall not be required between stories within an individual unit;
 - (e) An adaptable room that can be used as a bedroom, with a

**MANCHESTER TOWNSHIP
DRAFT AFFORDABLE HOUSING ORDINANCE**

door or the casing for the installation of a door, on the first floor; and

(f) An accessible entranceway as set forth at P.L. 2005, c. 350 (N.J.S.A. 52:27D-311a et seq.) and the Barrier Free Subcode, N.J.A.C. 5:23-7, or evidence that the Township has collected funds from the developer sufficient to make 10% of the adaptable entrances in the development accessible:

(1) Where a unit has been constructed with an adaptable entrance, upon the request of a disabled person who is purchasing or will reside in the dwelling unit, an accessible entrance shall be installed.

(2) To this end, the builder of restricted units shall deposit funds within the Township of Manchester's affordable housing trust fund sufficient to install accessible entrances in 10% of the affordable units that have been constructed with adaptable entrances.

(3) The funds deposited under paragraph (2) herein, shall be used by the Township for the sole purpose of making the adaptable entrance of any affordable unit accessible when requested to do so by a person with a disability who occupies or intends to occupy the unit and requires an accessible entrance.

(4) The developer of the restricted units shall submit a design plan and cost estimate for the conversion from adaptable to accessible entrances to the Construction Official of the Township of Manchester.

(5) Once the Construction Official has determined that the design plan to convert the unit entrances from adaptable to accessible meet the requirements of the Barrier Free Subcode, N.J.A.C. 5:23-7, and that the cost estimate of such conversion is reasonable, payment shall be made to the Township of Manchester's affordable housing trust fund in care of the Chief Financial Officer who shall ensure that the funds are deposited into the affordable housing

**MANCHESTER TOWNSHIP
DRAFT AFFORDABLE HOUSING ORDINANCE**

trust fund and appropriately earmarked.

- (6) Full compliance with the foregoing provisions shall not be required where an entity can demonstrate that it is impracticable to meet the requirements on the site. Determinations of site impracticability shall be in compliance with the Barrier Free Subcode, N.J.A.C. 5:23-7.

F. Maximum Rents and Sales Prices.

- 1. In establishing rents and sales prices of affordable housing units, the administrative agent shall follow the procedures set forth in UHAC and in COAH, utilizing the regional income limits established by COAH, or as determined by the Court or other appropriate jurisdiction.
- 2. The maximum rent for restricted rental units within each affordable development shall be affordable to households earning no more than 60% of median income, and the average rent for restricted low- and moderate-income units shall be affordable to households earning no more than 52% of median income.
- 3. The developers and/or municipal sponsors of restricted rental units shall establish at least one rent for each bedroom type for both low-income and moderate-income units.
 - (a) At least 10% of all low- and moderate-income rental units shall be affordable to households earning no more than 30% of median income.
- 4. The maximum sales price of restricted ownership units within each affordable development shall be affordable to households earning no more than 70% of median income, and each affordable development must achieve an affordability average of 55% for restricted ownership units; in achieving this affordability average, moderate-income ownership units must be available for at least three different prices for each bedroom type, and low-income ownership units must be available for at least two different prices for each bedroom type.
- 5. In determining the initial sales prices and rents for compliance with the affordability average requirements for restricted units other than assisted living facilities, the following standards shall be met:

**MANCHESTER TOWNSHIP
DRAFT AFFORDABLE HOUSING ORDINANCE**

- (a) A studio or efficiency unit shall be affordable to a one-person household;
 - (b) A one-bedroom unit shall be affordable to a one and one-half person household;
 - (c) A two-bedroom unit shall be affordable to a three-person household;
 - (d) A three-bedroom unit shall be affordable to a four and one-half person household; and
 - (e) A four-bedroom unit shall be affordable to a six-person household.
6. In determining the initial rents for compliance with the affordability average requirements for restricted units in assisted living facilities, the following standards shall be met:
- (a) A studio or efficiency unit shall be affordable to a one-person household;
 - (b) A one-bedroom unit shall be affordable to a one and one-half person household; and
 - (c) A two-bedroom unit shall be affordable to a two-person household or to two one-person households.
7. The initial purchase price for all restricted ownership units shall be calculated so that the monthly carrying cost of the unit, including principal and interest (based on a mortgage loan equal to 95% of the purchase price and the Federal Reserve H.15 rate of interest), taxes, homeowner and private mortgage insurance and condominium or homeowner association fees do not exceed 28% of the eligible monthly income of the appropriate size household as determined under N.J.A.C. 5:80-26.4, as may be amended and supplemented; provided, however, that the price shall be subject to the affordability average requirement of N.J.A.C. 5:80-26.3, as may be amended and supplemented.
8. The initial rent for a restricted rental unit shall be calculated so as not to exceed 30% of the eligible monthly income of the appropriate household size as determined under N.J.A.C. 5:80-26.4, as may be amended and supplemented; provided, however, that the rent shall be subject to the affordability average

**MANCHESTER TOWNSHIP
DRAFT AFFORDABLE HOUSING ORDINANCE**

requirement of N.J.A.C. 5:80-26.3, as may be amended and supplemented.

9. The price of owner-occupied low- and moderate-income units may increase annually based on the percentage increase in the regional median income limit for each housing region. In no event shall the maximum resale price established by the administrative agent be lower than the last recorded purchase price.
10. The rent of low- and moderate-income units may be increased annually in accordance with N.J.A.C. 5:80-26.12(b), which requires rent increases to be consistent with the regional income limits published by COAH, or as otherwise established by the Court or other appropriate jurisdiction. Rents for units constructed pursuant to low- income housing tax credit regulations shall be indexed pursuant to the regulations governing low- income housing tax credits.
11. Tenant-paid utilities that are included in the utility allowance shall be so stated in the lease and shall be consistent with the utility allowance approved by DCA for its Section 8 program.

§ 25-1.4 Condominium and Homeowners Association Fees.

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

§ X-2 Affordable Unit Controls and Requirements

§ X-2.1 Purpose.

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

§ X-2.2 Affirmative Marketing.

- A. The affirmative marketing plan is a regional marketing strategy designed to attract buyers and/or renters of all majority and minority groups, regardless of race, creed, color, national origin, ancestry, marital or familial status, gender, affectional or sexual orientation, disability, age or number of children to housing units which are being marketed by a developer, sponsor or owner of affordable housing. The affirmative

**MANCHESTER TOWNSHIP
DRAFT AFFORDABLE HOUSING ORDINANCE**

marketing plan is also intended to target those potentially eligible persons who are least likely to apply for affordable units in that region. It is a continuing program that directs all marketing activities toward COAH Housing Region 4 and covers the period of deed restriction.

- B. The affirmative marketing plan shall provide a regional preference for all households that live and/or work in COAH Housing Region 4, comprised of Mercer, Monmouth, and Ocean Counties.
- C. Although the Township has the ultimate responsibility for implementing all aspects of Manchester's affordable housing program, the Administrative Agent designated by the Township shall assure the affirmative marketing of all affordable units is consistent with the Affirmative Marketing Plan for the municipality.
- D. In implementing the affirmative marketing plan, the Administrative Agent shall provide a list of counseling services to low- and moderate-income applicants on subjects such as budgeting, credit issues, mortgage qualification, rental lease requirements, and landlord/tenant law.
- E. The affirmative marketing process for available affordable units shall begin at least four months prior to the expected date of occupancy.
- F. The costs of advertising and affirmative marketing of the affordable units shall be the responsibility of the developer, sponsor or owner, unless otherwise determined or agreed to by the Township of Manchester.
- G. The Affirmative Marketing Plan for each affordable housing development shall describe the media to be used in advertising and publicizing the availability of housing. In implementing the Affirmative Marketing Plan, the Administrative Agent shall consider the use of language translations where appropriate.
- H. Applications for affordable housing shall be available in several locations, including, at a minimum, the County Administration Building and/or the County Library for each county within the housing region; the municipal administration building and the municipal library in the municipality in which the units are located; and the developer's rental office. Applications shall be mailed to prospective applicants upon request.

§ X-2.3 Occupancy Standards.

- A. In referring certified households to specific restricted units, to the extent feasible, and without causing an undue delay in occupying the unit, the

**MANCHESTER TOWNSHIP
DRAFT AFFORDABLE HOUSING ORDINANCE**

Administrative Agent shall strive to:

1. Provide an occupant for each bedroom;
 2. Provide children of different sexes with separate bedrooms;
 3. Provide separate bedrooms for parents and children; and
 4. Prevent more than two persons from occupying a single bedroom.
- B. Additional provisions related to occupancy standards (if any) shall be provided in the municipal Operating Manual.

§ X-2.4 Selection of Occupants of Affordable Housing Units.

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

§ X-2.5 Control Periods for Restricted Ownership Units and Enforcement Mechanisms.

- A. Control periods for restricted ownership units shall be in accordance with N.J.A.C. 5:80-26.5, and each restricted ownership unit shall remain subject to the controls on affordability for a period of at least 30 years and, thereafter, until Manchester takes action to release the unit from such requirements.
- B. Rehabilitated owner-occupied single family housing units that are improved to code standards shall be subject to affordability controls for a period of 10 years.
- C. The affordability control period for a restricted ownership unit shall commence on the date the initial certified household takes title to the unit.
- D. Prior to the issuance of the initial certificate of occupancy for a restricted ownership unit and upon each successive sale during the period of restricted ownership, the Administrative Agent shall determine the restricted price for the unit and shall also determine the non-restricted, fair market value of the unit based on either an appraisal or the unit's equalized assessed value without the restrictions in place.
- E. At the time of the initial sale of the unit, the initial purchaser shall execute

**MANCHESTER TOWNSHIP
DRAFT AFFORDABLE HOUSING ORDINANCE**

and deliver to the Administrative Agent a recapture note obligating the purchaser (as well as the purchaser's heirs, successors and assigns) to repay, upon the first non-exempt sale after the unit's release from the restrictions set forth in this Ordinance, an amount equal to the difference between the unit's non-restricted fair market value and its restricted price, and the recapture note shall be secured by a recapture lien evidenced by a duly recorded mortgage on the unit.

- F. The affordability controls set forth in this Ordinance shall remain in effect despite the entry and enforcement of any judgment of foreclosure with respect to restricted ownership units.
- G. A restricted ownership unit shall be required to obtain a Continuing Certificate of Occupancy or a certified statement from the Construction Official stating that the unit meets all code standards upon the first transfer of title that follows the expiration of the applicable minimum control period provided under N.J.A.C. 5:80-26.5(a), as may be amended and supplemented.

§ X-2.6 Price Restrictions for Restricted Ownership Units, Homeowner Association Fees and Resale Prices.

Price restrictions for restricted ownership units shall be in accordance with N.J.A.C. 5:80-26.1, as may be amended and supplemented, including:

- A. The initial purchase price for a restricted ownership unit shall be approved by the Administrative Agent.
- B. The Administrative Agent shall approve all resale prices, in writing and in advance of the resale, to assure compliance with the foregoing standards.
- C. The method used to determine the condominium association fee amounts and special assessments shall be indistinguishable between the low- and moderate-income unit owners and the market unit owners.
- D. The owners of restricted ownership units may apply to the Administrative Agent to increase the maximum sales price for the unit on the basis of capital improvements. Eligible capital improvements shall be those that render the unit suitable for a larger household or the addition of a bathroom.
- E. Sellers or resellers of restricted ownership units will be charged a fee of 3.0 percent of the sale price for services provided by the Administrative Agent related to the sale or resale of their home. This fee shall apply to sellers who submit a signed intent to sell their restricted ownership units to

**MANCHESTER TOWNSHIP
DRAFT AFFORDABLE HOUSING ORDINANCE**

the Administrative Agent on or after June 1, 2016 (or choose any date, Beth), and the fee shall be collected at closing and paid directly to the Administrative Agent.”

§ X-2.7 Capital Improvements To Ownership Units

- A. The owners of restricted ownership units may apply to the Administrative Agent to increase the maximum sales price for the unit on the basis of capital improvements made since the purchase of the unit. Eligible capital improvements shall be those that render the unit suitable for a larger household or that add an additional bathroom. In no event shall the maximum sales price of an improved housing unit exceed the limits of affordability for the larger household.
- B. Upon the resale of a restricted ownership unit, all items of property that are permanently affixed to the unit or were included when the unit was initially restricted (for example, refrigerator, range, washer, dryer, dishwasher, wall-to-wall carpeting) shall be included in the maximum allowable resale price. Other items may be sold to the purchaser at a reasonable price that has been approved by the Administrative Agent at the time of the signing of the agreement to purchase. The purchase of central air conditioning installed subsequent to the initial sale of the unit and not included in the base price may be made a condition of the unit resale provided the price, which shall be subject to 10-year, straight-line depreciation, has been approved by the Administrative Agent. Unless otherwise approved by the Administrative Agent, the purchase of any property other than central air conditioning shall not be made a condition of the unit resale. The owner and the purchaser must personally certify at the time of closing that no unapproved transfer of funds for the purpose of selling and receiving property has taken place at the time of or as a condition of resale.

§ X-2.8 Buyer Income Eligibility.

- A. Buyer income eligibility for restricted ownership units shall be in accordance with N.J.A.C. 5:80-26.1, as may be amended and supplemented, such that low-income ownership units shall be reserved for households with a gross household income less than or equal to 50% of median income and moderate-income ownership units shall be reserved for households with a gross household income less than 80% of median income.
- B. Notwithstanding the foregoing, however, the Administrative Agent may, in accordance with COAH’s criteria, permit moderate-income purchasers

**MANCHESTER TOWNSHIP
DRAFT AFFORDABLE HOUSING ORDINANCE**

to buy low-income units in housing markets determined by COAH to have an insufficient number of eligible low-income purchasers to permit prompt occupancy of the units. All such low-income units to be sold to moderate-income households shall retain the required pricing restrictions for low-income units.

- C. A certified household that purchases a restricted ownership unit must occupy it as the certified household's principal residence and shall not lease the unit; provided, however, that the Administrative Agent may permit the owner of a restricted ownership unit, upon application and a showing of hardship, to lease the restricted unit to a certified household for a period not to exceed one year.
- D. The Administrative Agent shall certify a household as eligible for a restricted ownership unit when the household is a low-income household or a moderate-income household, as applicable to the unit, and the estimated monthly housing cost for the particular unit (including principal, interest, taxes, homeowner and private mortgage insurance and condominium or homeowner association fees, as applicable) does not exceed 33% of the household's certified monthly income.

§ X-2.9 Limitations on indebtedness secured by ownership unit; subordination.

- A. Prior to incurring any indebtedness to be secured by a restricted ownership unit, the administrative agent shall determine in writing that the proposed indebtedness complies with the provisions of this section.
- B. With the exception of original purchase money mortgages, during a control period neither an owner nor a lender shall at any time cause or permit the total indebtedness secured by a restricted ownership unit to exceed 95% of the maximum allowable resale price of that unit, as such price is determined by the administrative agent in accordance with N.J.A.C.5:80-26.6(b).

§ X-2.10 Control Periods for Restricted Rental Units.

- A. Control periods for restricted rental units shall be in accordance with N.J.A.C. 5:80-26.11, and each restricted rental unit shall remain subject to the controls on affordability for a period of at least 30 years and, thereafter, until Manchester takes action to release the unit from such requirements.
- B. Rehabilitated renter-occupied housing units that are improved to code standards shall be subject to affordability controls for a period of 10 years.

**MANCHESTER TOWNSHIP
DRAFT AFFORDABLE HOUSING ORDINANCE**

- C. Deeds of all real property that include restricted rental units shall contain deed restriction language. The deed restriction shall have priority over all mortgages on the property, and the deed restriction shall be filed by the developer or seller with the records office of the County of Ocean. A copy of the filed document shall be provided to the Administrative Agent within 30 days of the receipt of a Certificate of Occupancy.
- D. A restricted rental unit shall remain subject to the affordability controls of this Ordinance, despite the occurrence of any of the following events:
 - 1. Sublease or assignment of the lease of the unit;
 - 2. Sale or other voluntary transfer of the ownership of the unit; or
 - 3. The entry and enforcement of any judgment of foreclosure.

§ X-2.11 Rent Restrictions for Rental Units; Leases.

- A. A written lease shall be required for all restricted rental units and tenants shall be responsible for security deposits and the full amount of the rent as stated on the lease. A copy of the current lease for each restricted rental unit shall be provided to the Administrative Agent.
- B. No additional fees or charges shall be added to the approved rent (except, in the case of units in an assisted living residence, to cover the customary charges for food and services) without the express written approval of the Administrative Agent.
- C. Application fees (including the charge for any credit check) shall not exceed 5% of the monthly rent of the applicable restricted unit and shall be payable to the Administrative Agent to be applied to the costs of administering the controls applicable to the unit as set forth in this Ordinance.

§X-2.12 Tenant Income Eligibility.

- A. Tenant income eligibility shall be in accordance with N.J.A.C. 5:80-26.13, as may be amended and supplemented, and shall be determined as follows:
 - 1. Very low-income rental units shall be reserved for households with a gross household income less than or equal to 30% of median income.
 - 2. Low-income rental units shall be reserved for households with a gross household income less than or equal to 50% of median

**MANCHESTER TOWNSHIP
DRAFT AFFORDABLE HOUSING ORDINANCE**

income.

3. Moderate-income rental units shall be reserved for households with a gross household income less than 80% of median income.
- B. The Administrative Agent shall certify a household as eligible for a restricted rental unit when the household is a very low-income, low-income household or a moderate-income household, as applicable to the unit, and the rent proposed for the unit does not exceed 35% (40% for age-restricted units) of the household's eligible monthly income as determined pursuant to N.J.A.C. 5:80-26.16, as may be amended and supplemented; provided, however, that this limit may be exceeded if one or more of the following circumstances exists:
1. The household currently pays more than 35% (40% for households eligible for age-restricted units) of its gross household income for rent, and the proposed rent will reduce its housing costs;
 2. The household has consistently paid more than 35% (40% for households eligible for age-restricted units) of eligible monthly income for rent in the past and has proven its ability to pay;
 3. The household is currently in substandard or overcrowded living conditions;
 4. The household documents the existence of assets with which the household proposes to supplement the rent payments; or
 5. The household documents proposed third-party assistance from an outside source such as a family member in a form acceptable to the Administrative Agent and the owner of the unit.
- C. The applicant shall file documentation sufficient to establish the existence of the circumstances in (B)1 through 5 above with the Administrative Agent, who shall counsel the household on budgeting.

§ X-2.13 Conversions.

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

§ X-3 Administration

§ X-3.1 Municipal Housing Liaison.

**MANCHESTER TOWNSHIP
DRAFT AFFORDABLE HOUSING ORDINANCE**

- A. The position of Municipal Housing Liaison for the Township of Manchester is hereby established. The Municipal Housing Liaison shall be appointed by duly adopted resolution of the Township Council and be subject to the approval of the Court or COAH, as appropriate.
- B. The Municipal Housing Liaison must be either a full-time or part-time employee of the Township of Manchester.
- C. The Municipal Housing Liaison must meet COAH's requirements for qualifications, including initial and periodic training.
- D. The Municipal Housing Liaison shall be responsible for oversight and administration of the affordable housing program for the Township of Manchester, including the following responsibilities if not contracted out to the Administrative Agent:
 - 1. Serving as the municipality's primary point of contact for all inquiries from the State, affordable housing providers, Administrative Agents and interested households;
 - 2. The implementation of the Affirmative Marketing Plan and affordability controls, unless contracted to the Administrative Agent.
 - 3. When applicable, supervising all Administrative Agents.
 - 4. Monitoring the status of all restricted units in the Township of Manchester's Fair Share Plan;
 - 5. Compiling, verifying and submitting annual reports as required by COAH;
 - 6. Coordinating meetings with affordable housing providers and Administrative Agents, as needed; and
 - 7. Attending continuing education opportunities on affordability controls, compliance monitoring and affirmative marketing as offered or approved by COAH.

§ X-3.2 Administrative Agent.

- A. The Township shall designate by resolution of the Township Council, subject to the approval of the Court, one or more Administrative Agents to administer newly constructed affordable units in accordance with N.J.A.C.

**MANCHESTER TOWNSHIP
DRAFT AFFORDABLE HOUSING ORDINANCE**

5:93and UHAC.

- B. An Operating Manual shall be provided by the Administrative Agent(s) to be adopted by resolution of the governing body and subject to approval of the Court. The Operating Manuals shall be available for public inspection in the Office of the Municipal Clerk and in the office(s) of the Administrative Agent(s).
- C The Administrative Agents shall perform the duties and responsibilities of an administrative agent as are set forth in UHAC and which are described in full detail in the Operating Manuals, including those set forth in N.J.A.C. 5:80-26.14, 15, 16 and 18 thereof, which includes:
 - 1. Attending continuing education opportunities on affordability controls, compliance monitoring, and affirmative marketing as offered or approved by COAH;
 - 2. Affirmative Marketing;
 - 3. Household Certification;
 - 4. Affordability Controls;
 - 5. Records retention;
 - 6. Resale and re-rental;
 - 7. Processing requests from unit owners; and
 - 8. Enforcement, although the ultimate responsibility for retaining controls on the units rests with the municipality.
 - 9. The Administrative Agent shall, as delegated by the Township Council, have the authority to take all actions necessary and appropriate to carry out its responsibilities, hereunder.

§ X-3.3 Enforcement of Affordable Housing Regulations.

- A. Upon the occurrence of a breach of any of the regulations governing the affordable unit by an Owner, Developer or Tenant, the municipality shall have all remedies provided at law or equity, including but not limited to foreclosure, tenant eviction, municipal fines, a requirement for household recertification, acceleration of all sums due under a mortgage, recoupment of any funds from a sale in the violation of the regulations, injunctive relief to prevent further violation of the regulations, entry on the premises,

**MANCHESTER TOWNSHIP
DRAFT AFFORDABLE HOUSING ORDINANCE**

and specific performance.

- B. After providing written notice of a violation to an Owner, Developer or Tenant of a low- or moderate-income unit and advising the Owner, Developer or Tenant of the penalties for such violations, the municipality may take the following action against the Owner, Developer or Tenant for any violation that remains uncured for a period of 60 days after service of the written notice:
1. The municipality may file a court action pursuant to N.J.S.A. 2A:58-11 alleging a violation, or violations, of the regulations governing the affordable housing unit. If the Owner, Developer or Tenant is found by the court to have violated any provision of the regulations governing affordable housing units the Owner, Developer or Tenant shall be subject to one or more of the following penalties, at the discretion of the court:
 - (a) A fine of not more than \$500.00 or imprisonment for a period not to exceed 90 days, or both. Each and every day that the violation continues or exists shall be considered a separate and specific violation of these provisions and not as a continuing offense;
 - (b) In the case of an Owner who has rented his or her low- or moderate-income unit in violation of the regulations governing affordable housing units, payment into the Township of Manchester Affordable Housing Trust Fund of the gross amount of rent illegally collected;
 - (c) In the case of an Owner who has rented his or her low- or moderate-income unit in violation of the regulations governing affordable housing units, payment of an innocent tenant's reasonable relocation costs, as determined by the court.
 2. The municipality may file a court action in the Superior Court seeking a judgment, which would result in the termination of the Owner's equity or other interest in the unit, in the nature of a mortgage foreclosure. Any judgment shall be enforceable as if the same were a judgment of default of the First Purchase Money Mortgage and shall constitute a lien against the low- and moderate-income unit.
- C. Such judgment shall be enforceable, at the option of the municipality, by means of an execution sale by the Sheriff, at which time the low- and moderate-income unit of the violating Owner shall be sold at a sale price

**MANCHESTER TOWNSHIP
DRAFT AFFORDABLE HOUSING ORDINANCE**

which is not less than the amount necessary to fully satisfy and pay off any First Purchase Money Mortgage and prior liens and the costs of the enforcement proceedings incurred by the municipality, including attorney's fees. The violating Owner shall have the right to possession terminated as well as the title conveyed pursuant to the Sheriff's sale.

- D. The proceeds of the Sheriff's sale shall first be applied to satisfy the First Purchase Money Mortgage lien and any prior liens upon the low- and moderate-income unit. The excess, if any, shall be applied to reimburse the municipality for any and all costs and expenses incurred in connection with either the court action resulting in the judgment of violation or the Sheriff's sale. In the event that the proceeds from the Sheriff's sale are insufficient to reimburse the municipality in full as aforesaid, the violating Owner shall be personally responsible for and to the extent of such deficiency, in addition to any and all costs incurred by the municipality in connection with collecting such deficiency. In the event that a surplus remains after satisfying all of the above, such surplus, if any, shall be placed in escrow by the municipality for the Owner and shall be held in such escrow for a maximum period of two years or until such earlier time as the Owner shall make a claim with the municipality for such. Failure of the Owner to claim such balance within the two-year period shall automatically result in a forfeiture of such balance to the municipality. Any interest accrued or earned on such balance while being held in escrow shall belong to and shall be paid to the municipality, whether such balance shall be paid to the Owner or forfeited to the municipality.
- E. Foreclosure by the municipality due to violation of the regulations governing affordable housing units shall not extinguish the restrictions of the regulations governing affordable housing units as the same apply to the low- and moderate-income unit. Title shall be conveyed to the purchaser at the Sheriff's sale, subject to the restrictions and provisions of the regulations governing the affordable housing unit. The Owner determined to be in violation of the provisions of this plan and from whom title and possession were taken by means of the Sheriff's sale shall not be entitled to any right of redemption.
- F. If there are no bidders at the Sheriff's sale, or if insufficient amounts are bid to satisfy the First Purchase Money Mortgage and any prior liens, the municipality may acquire title to the low- and moderate-income unit by satisfying the First Purchase Money Mortgage and any prior liens and crediting the violating owner with an amount equal to the difference between the First Purchase Money Mortgage and any prior liens and costs of the enforcement proceedings, including legal fees and the maximum resale price for which the low- and moderate-income unit could have been sold under the terms of the regulations governing affordable housing units.

**MANCHESTER TOWNSHIP
DRAFT AFFORDABLE HOUSING ORDINANCE**

This excess shall be treated in the same manner as the excess which would have been realized from an actual sale as previously described.

- G. Failure of the low- and moderate-income unit to be either sold at the Sheriff's sale or acquired by the municipality shall obligate the Owner to accept an offer to purchase from any qualified purchaser which may be referred to the Owner by the municipality, with such offer to purchase being equal to the maximum resale price of the low- and moderate-income unit as permitted by the regulations governing affordable housing units.
- H. The Owner shall remain fully obligated, responsible and liable for complying with the terms and restrictions of governing affordable housing units until such time as title is conveyed from the Owner.

§ X-3.4 Appeals. Appeals from all decisions of an Administrative Agent designated pursuant to this Ordinance shall be filed in writing with the Executive Director of COAH.

Section 2. Repealer. All ordinances or Code provisions or parts thereof inconsistent with this Ordinance are hereby repealed to the extent of such inconsistency.

Section 3. Severability. Each section, subsection, sentence, clause and phrase of this Ordinance is declared to be an independent section, subsection, sentence, clause and phrase, and the finding or holding of any Court of competent jurisdiction that any such portion of this Ordinance is unconstitutional, void or ineffective for any cause or reason, shall not affect any other portion of this Ordinance.

Section 4. Effective Date. This ordinance shall take effect upon its passage and publication, as required by law.

ATTEST:

TOWNSHIP OF MANCHESTER

Municipal Clerk

Mayor

CERTIFICATION

The foregoing ordinance was introduced at the Regular Meeting of the Manchester Township Council held on the ____ day of ____, 2017 and will be considered for final passage and adoption at a Regular Meeting to be held on the ____ day of ____, 2017 at ____ p.m. in the Township Municipal Building, 1 Colonial Dr., Manchester Township, NJ, at which time any person interested therein will be given an opportunity to be heard.

Municipal Clerk

**7. February 6, 2017 Settlement Agreement between
Township and Fair Share Housing Center**



Peter J. O'Connor, Esq.
Kevin D. Walsh, Esq.
Adam M. Gordon, Esq.
Laura Smith-Denker, Esq.
David T. Rammner, Esq.
Joshua D. Bauers, Esq.

February 6, 2017

Jean Cipriani, Esq.
Counsel for Township of Manchester
Gilmore & Monahan, P.A.
10 Allen St,
Toms River, NJ 08753

**Re: In the Matter of the Township of Manchester, County of Ocean,
Docket No. L-1910-15**

Dear Ms. Cipriani:

This letter memorializes the terms of an agreement reached between the Township of Manchester (the Township, Manchester, or "the municipality"), the declaratory judgment plaintiff, Fair Share Housing Center (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 a defendant in this proceeding, and Manchester Development Group ("MDG"), which intervened in this proceeding as a defendant pursuant to an order dated October 22, 2015.

Background

Manchester 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*. Prior to the completion of a trial on the matter before the Honorable Mark A. Troncone, J.S.C., FSHC, MDG, and the Township began mediation proceedings with the assistance of the Special Master, John Maczuga. Through that 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, including spending plan in accordance with the terms of this Agreement, and 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 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 Manchester hereby agree that Manchester's affordable housing obligations are as follows:

Rehabilitation Share (per Kinsey Report ¹)	99
Prior Round Obligation (pursuant to N.J.A.C. 5:93)	370
Third Round (1999-2025) New Construction Need (per Kinsey Report, as adjusted through this settlement agreement)	340

4. The Township's efforts to meet its present need/rehabilitation share include the following: In 2015 the Township established its rehabilitation program funded by the Township's affordable housing trust fund, and administered by Community Grants, Planning & Housing (CGP&H). The municipality agrees to continue this program. The 99-unit obligation may be satisfied through units rehabilitated during or since 2010. This is sufficient to satisfy the Township's present need obligation of 99 units.
5. As noted above, the Township has a Prior Round prospective need of 370 units, which is met through the following compliance mechanisms:

Compliance Mechanism	Affordable Units	Rental Bonuses	Total Credits
<i>Prior Cycle Credits (4/1/80 – 12/15/86)</i>			
Credits without Controls	122	0	122
Alternative Living/Supportive & Special Needs	29	0	29
Assisted Living	8		8
<i>100% Affordable Units</i>			
Manchester Village – NAR Rental	58	31	89
Presbyterian Homes - AR	51	0	51
Habitat for Humanity & Salt and Light Co.	5	0	5
<i>Inclusionary Zoning</i>			
Ridge Creek	4	0	4
Presidential Gardens	31	31	62
TOTAL	308	62	370

6. The Township has implemented or will implement the following mechanisms to address its Third Round new construction obligation of 340 units:

¹ 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.

Compliance Mechanism	Affordable Units	Rental Bonuses	Total Credits
<i>Inclusionary Zoning</i>			
Manchester Development Group	80		
Presidential Gardens	73	73	146
Irish Branch Associates	14		14
Kokes Organization	19		19
Development Group	20		20
Krupnick's Family Tree	23		23
<i>100% Affordable Units</i>			
Presbyterian Homes - AR	33	12	33
TOTAL	262	85	347

7. The Township agrees to require 13% of all units referenced in this plan, with the exception of units constructed as of July 1, 2008, and units subject to preliminary or final site plan approval, to be very low income units, with half of the very low income units being available to families.
8. 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 6 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 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 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 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.
9. 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, 14 Clifton Ave. S., Lakewood, NJ 08701, the Latino Action Network, PO Box 943, Freehold, NJ 07728, NAACP Toms River Branch, PO Box 5144, Toms River 08754, and NAACP Ocean County/Lakewood Branch, PO Box 836, Lakewood, NJ 08701, OCEAN, Inc., S&F Plaza, 2008 Rt. 37 East – Suite 12, Toms River, NJ 08753, the New Jersey Housing Resource Center, 637 South Clinton Avenue, P.O. Box 18550, Trenton, NJ 08650, and the Supportive Housing

Association, 15 Alden St # 14, Cranford, NJ 07016, and shall, as part of its regional affirmative marketing strategies during its implementation of this 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.

10. 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, except as provided in paragraph 7 above. The Township as part of its HEFSP shall adopt and/or update appropriate implementing ordinances in conformance with standard ordinances and guidelines developed by COAH to ensure that this provision is satisfied.
11. 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.
12. As an essential term of this settlement the Township shall adopt an amended Housing Element and Fair Share Plan including spending plan consistent with this agreement, and shall adopt an ordinance providing for the amendment of the Township's Affordable Housing Ordinances and Zoning Ordinances to implement the terms of this settlement agreement and the zoning contemplated herein within 120 days of Court's approval of this Settlement Agreement.
13. The parties agree that the obligations set forth in this agreement and steps taken to fulfill these obligations meet all the need that the Township is required to address pursuant to the Mount Laurel Doctrine and Fair Housing Act through June 30, 2025.

The parties agree that if a future decision of a court of competent jurisdiction in Ocean County, including but not limited to decisions of the Appellate Division or Supreme Court and/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 a new construction obligation for the Township for the period 1999-2025 that would be lower by more than twenty (20%) percent than the total new construction Third Round need obligation established in this agreement, and if that calculation is memorialized in an unappealable final judgment, the Township may seek to amend the judgment in this matter to reduce its fair share obligation accordingly. Notwithstanding any such reduction, the Township shall be obligated to implement all terms of this settlement agreement and its Fair Share Plan, including by leaving in place any site specific zoning adopted or relied upon in connection with the Plan approved pursuant to this settlement agreement; taking all steps necessary to support the development of any 100% affordable developments referenced herein; and otherwise fulfilling the fair share obligation 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.

14. The Township maintains an affordable housing trust fund balance and will prepare a Spending Plan that will be a part of the HEFSP, subject to the review of the Court, the Special Master and FSHC. The Township anticipates requesting that the Court finds expenditures of funds are "committed" for expenditure pursuant to N.J.S.A. 52:27D-329.2 and -329.3, and if the Court finds as such the parties shall have 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, and every anniversary thereafter through the end of 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.
15. 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 Fair Share Housing Center, using forms previously developed for this purpose by the Council on Affordable Housing or any other forms endorsed by the Special Master and FSHC.
16. 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 its Plan and an analysis of whether any unbuilt sites or unfulfilled mechanisms continue to present a realistic opportunity and whether any mechanisms to meet unmet need should be revised or supplemented. Such posting shall invite any interested party to submit comments to the municipality, with a copy to Fair Share Housing Center, regarding whether any sites no longer present a realistic opportunity and should be replaced and whether any mechanisms to meet unmet need should be revised or supplemented. Any interested party may by motion request a hearing before the court regarding these issues.
 - 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 Fair Share Housing Center, a status report as to its satisfaction of its very low income requirements, including the family very low income requirements referenced herein. Such posting shall invite any interested party to submit comments to the municipality and Fair Share Housing Center on the issue of whether the municipality has complied with its very low income housing obligation under the terms of this settlement.

17. 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.
18. This settlement agreement must be approved by the Court following a fairness hearing as required by 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); East/West Venture v. Borough of Fort Lee, 286 N.J. Super. 311, 328-29 (App. Div. 1996). The Township shall present its planner as a witness at this hearing. FSHC agrees not to challenge the attached Plan (Exh. A) at the fairness hearing. In the event the Court approves this proposed settlement, 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. If the settlement agreement is rejected by the Court at a fairness hearing it shall be null and void.
19. If an appeal is filed of the Court's approval or rejection of the Settlement 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 the Settlement Agreement if the Agreement is approved before the trial court unless and until an appeal of the trial court's approval is successful at which point, the Parties reserve their right to rescind any action taken in anticipation of the trial court's approval. All Parties shall have an obligation to fulfill the intent and purpose of this Agreement.
20. This settlement agreement may be enforced through a motion to enforce litigant's rights or a separate action filed in Superior Court, Ocean County. A prevailing movant or plaintiff in such a motion or separate action shall be entitled to reasonable attorney's fees.
21. 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.
22. This Agreement shall be governed by and construed by the laws of the State of New Jersey.
23. This Agreement may not be modified, amended or altered in any way except by a writing signed by each of the Parties.
24. 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.
25. 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.

26. 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 the Special Master, 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.
27. Any and all Exhibits and Schedules annexed to this Agreement are hereby made a part of this Agreement by this reference thereto. Any and all Exhibits and Schedules 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.
28. 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.
29. No member, official or employee of the Township shall have any direct or indirect interest in this Settlement Agreement, nor participate in any decision relating to the Agreement which is prohibited by law, absent the need to invoke the rule of necessity.
30. 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.
31. 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. In addition, where feasible (for example, transmittals of less than fifty pages) shall be served by facsimile or e-mail. All Notices shall be deemed received upon the date of delivery. 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
Telecopier: (856) 663-8182
E-mail: kevinwalsh@fairsharehousing.org

TO THE TOWNSHIP:

Jean Cipriani, Esq.
Counsel for Township of Manchester
Gilmore & Monahan, P.A.
10 Allen St,
Toms River, NJ 08753
Telecopier: 732-244-1840
Email: jlc@gm-law.net

February 6, 2017
Page 8


**TO MANCHESTER
DEVELOPMENT GROUP:** Richard J. Hoff, Jr., Esq.
Blagaler Hoff, LLC
25 Chestnut Street - Suite 3
Haddonfield, NJ 08033
Email: rhoff@blagalerhoff.com

TO SPECIAL MASTER: John Maczuga, PP, FAICP
Clarke Caton Hintz
100 Barrack Street
Trenton, NJ 08608
Email: pcaton@cchnj.com


**WITH A COPY TO THE
MUNICIPAL CLERK:** Clerk,
Township of Manchester
1 Colonial Drive
Manchester, NJ 08754
Email: ssklbo@manchestertwp.com

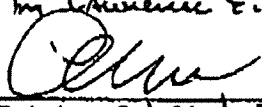
Please sign below if these terms are acceptable.

Sincerely,


Adam M. Gordon, Esq.
Counsel for Intervenor/Interested Party
Fair Share Housing Center

On behalf of the Township of Manchester, with the authorization
of the governing body


KENNETH J. PALMER, MANCHESTER TOWNSHIP
Dated: 2/7/17

On behalf of Manchester Development Group, LLC
by Lawrence E. Barragato II, Managing Member

Dated: 2/06/17

**8. February 6, 2017 Settlement Agreement between
Township and Manchester Development Group**

AGREEMENT

In the Matter of the Township of Manchester
Docket No.: L-1910-15

This Agreement (“**Agreement**”) made as of February ____, 2017 between (i) Manchester Development Group, LLC (“MDG”), with a business address of 1 Airport Road, Lakewood, NJ, and (ii) the Township of Manchester, a New Jersey municipal corporation with a principal address of 1 Colonial Drive, Manchester Township, NJ (the “**Township**”). MDG and the Township may hereinafter be referred to individually as “**Party**” or collectively as the “**Parties**.”

WHEREAS (1st), MDG is the current owner and/or contract purchaser of property that consists of a total of approximately ninety-three (93) acres and which parcels are identified on the Township tax maps as Block 62, Lots 15, 16 & 33 (collectively the “**Property**”);

WHEREAS (2nd), pursuant to the Mount Laurel Doctrine as expressed in Southern Burl. Co. NAACP v. Tp. of Mount Laurel, 92 N.J. 158 (1983) (“Mount Laurel II”), the New Jersey Fair Housing Act, N.J.S.A. 52:27D-301, et seq. (the “**FHA**”) and applicable regulations promulgated by the Council on Affordable Housing (“**COAH**”) pursuant to the FHA (the “**COAH Regulations**”), the Township has a constitutional obligation to provide its fair share of the region’s need for affordable housing;

WHEREAS (3rd), the Mount Laurel Obligation was delineated by time periods, commonly referred to as Rounds, with the First Round addressing the period 1987-1993 and the Second Round addressing the cumulative period 1987-1999;

WHEREAS (4th), following the expiration of the Second Round, COAH, attempted to adopt regulations for the Third Round (1999-2018), but which regulations were rejected by both the New Jersey Superior Court – Appellate Division and New Jersey Supreme Court;

WHEREAS (5th), after years of COAH's delay and ultimate failure to adopt constitutional regulations for the Third Round, the Fair Share Housing Center ("FSHC") moved before the New Jersey Supreme Court requesting that the Supreme Court direct New Jersey trial courts to calculate and oversee implementation of Mount Laurel obligation for the Third Round;

WHEREAS (6th), on March 10, 2015, the New Jersey Supreme Court issued its decision In re N.J.A.C. 5:96 & N.J.A.C. 5:97, 221 N.J. 1 (2015)("Mount Laurel IV"), granting FSHC's Motion and, in relevant part, establishing a process whereby the New Jersey trial courts would assume jurisdiction over municipal compliance with the Mount Laurel Doctrine;

WHEREAS (7th), pursuant to the direction of the Mount Laurel IV decision, the Township initiated the present matter captioned In the Matter of the Township of Manchester, Docket No.: L-1910-15, in an effort to establish the Township's compliance with its Third Round Mount Laurel obligation (the "Township Compliance Action");

WHEREAS (8th), MDG sought and was granted intervention into the Township Compliance Action to ensure the Township's satisfaction with its Third Round Mount Laurel obligation, which obligation would be determined by the trial court;

WHEREAS (9th), in evaluating properties appropriate for inclusionary development, the Township has determined that the Property presents a suitable opportunity for such development;

WHEREAS (10th), the Township, subject to Court approval, has determined to proceed with a rezoning initiative for the Property, which rezoning will assist the Township in addressing its Third Round Mount Laurel Obligation and which zoning initiatives will be an integral component of the Township's Third Round Housing Element and Fair Share Compliance Plan (the "Township Compliance Plan");

WHEREAS (13th), this Agreement is contingent upon Court approval of this Agreement following a Fairness Hearing; and

NOW, THEREFORE, in consideration of the mutual covenants, promises and terms and conditions provided herein, it is agreed by and among MDG and the Township as follows:

I. THE LAND USE CONCEPT FOR THE INCLUSIONARY DEVELOPMENT OF THE PROPERTIES AND THE PROVISION OF AFFORDABLE HOUSING OPPORTUNITIES

A. The Parties' Intent. The purpose and intent of this Agreement is to (a) provide the realistic opportunity for the provision of low and moderate income housing units through MDG's anticipated construction of a residential, development of four hundred four residential units (404) of which twenty percent shall be reserved for occupancy by low income and moderate income households ("Affordable Units"), as low income and moderate income households are defined by COAH regulations and the regulations of the Uniform Housing and Affordability Controls, N.J.A.C. 5:80-26.1, et seq. ("UHAC").

B. The Land Use Plan. The intentions of the Parties as expressed above are intended to be implemented by (a) the Township's consideration of the Proposed Zoning Ordinance Amendment (the "Proposed Ordinance Amendment") and the proposed Zoning Map Amendment which will be applicable to the Property. The Proposed Zoning Amendment and Zoning Map Amendment are intended to provide for a scope of development that would allow as a permitted use, a residential development of four hundred four (404) total dwelling units, which shall include a twenty percent (20%) set aside for Affordable Units ("the MDG Project").

II. INTENDED SCOPE OF DEVELOPMENT OF THE PROPERTY AND ACCOMPANYING AFFORDABLE HOUSING OBLIGATIONS

A. The Total Project. The Proposed Ordinance Amendment and Zoning Map Amendment shall provide for uses and standards that shall allow for the construction of residential

uses in accordance with this Agreement. While the Proposed Ordinance Amendment is subject to further consideration by the Township following Court Approval of this Agreement, it is the Parties intention to allow for the MDG Project to be constructed as a permitted use on the Property with the following conditions: (i) the total permitted residential yield within the MDG Project shall be limited to four hundred four (404) total units; (ii) the MDG Project shall be a mix of multi-family apartments and townhouses with a maximum of sixty percent (60%) of the units within the MDG Project consisting of apartments and the remaining forty percent (40%) of units consisting of townhome units.

The tenancy of the market rate, *i.e.*, not Affordable Units, within the MDG Project shall be at the discretion of MDG. However, it is agreed between the Parties that the Affordable Units within the MDG Project shall be rental units. MDG shall file development applications that are substantially consistent with the Proposed Ordinance Amendment. The construction of the residential portions described in this Agreement may be phased in any manner to be determined by MDG, subject to the limitations set forth at Section II(B)(3) of this Agreement relative to the phasing of Affordable Units.

B. Construction and Phasing of the Affordable Units

The Parties agree that the phasing for construction of the Affordable Units shall be in accordance with COAH's phasing schedule established by N.J.A.C. 5:93-5.6(d). In assisting with the construction of the Affordable Units, MDG shall be freely permitted to apply for and secure available state and federal subsidies and/or tax credits to defray the cost of construction of the affordable units, provided that MDG shall not apply for nine percent (9%) low income tax credits. The Township shall extend its full and prompt endorsement and support. MDG agrees that it shall nonetheless be obligated to construct the Affordable Units in accordance with the phasing

scheduled established by N.J.A.C. 5:93-5.6(d) even if government funding sources are not forthcoming.

The Affordable Units within the MDG Project shall be integrated with the market rate units.

III. COURT APPROVAL OF AGREEMENT.

A. Court Approval Required. The Parties acknowledge that pursuant to applicable Mount Laurel decisional law this Agreement requires Superior Court approval subsequent to the Superior Court conducting a Fairness Hearing upon adequate notice to the protected class and the general public. Within ten (10) days of execution of this Agreement by all Parties, the Parties shall jointly pursue the scheduling of a Fairness Hearing with the Superior Court, at which time the Agreement shall be submitted to the Superior Court for its review and approval. Upon the scheduling of a Hearing date, the Township shall comply with all Notice requirements imposed or directed by the Superior Court and shall fully support and endorse approval of this Agreement at the Hearing. If the Superior Court has not approved this Settlement Agreement within ninety (90) days of the date on which all Parties have been supplied with a complete copy of this Agreement (including all Exhibits), the Parties shall have the unilateral option of terminating this Agreement.

IV. OBLIGATIONS OF THE PARTIES TO ACCOMPLISH THE PURPOSE AND INTENT OF AGREEMENT

A. Obligations of MDG

1. Dismissal of Answer. MDG, within ten (10) days following the Township's adoption of the Proposed Ordinance Amendment, shall execute a Stipulation of Dismissal dismissing its Answer in this Litigation.

2. Support of Township Compliance Plan. MDG shall interact and cooperate with the Township and the Superior Court subsequent to the Superior Court's approval of this Agreement with respect to the Township's efforts to prepare and secure Superior Court

approval of its Township Compliance Plan. However, MDG's foregoing cooperation shall not require MDG to delay pursuing the receipt of development approvals and/or construction of any portion of the Properties in accordance with this Agreement.

3. Submission of Development Applications Consistent with Proposed Ordinance Amendments. Subject to MDG's right to apply for any bulk variances or design waivers deemed necessary or appropriate for the development of the Properties, MDG agree to proceed with development applications substantially consistent with the Proposed Ordinance Amendment. Specifically, MDG shall not seek variance relief pursuant to N.J.S.A. 40:55D-70(d) of the Municipal Land Use Law ("MLUL").

4. Obligation to Provide and Maintain, As Applicable, Creditworthy Affordable Units. Notwithstanding anything herein to the contrary, MDG shall take all necessary steps to ensure the Affordable Units provided for under the Agreement are creditworthy under, COAH and UHAC regulations and all other applicable laws. Specifically, MDG agrees that all Affordable Units shall comply with COAH's Rules including, but not limited to those concerning (a) income qualification, (b) controls on affordability for a period of thirty (30) years, (c) deed restrictions, (d) bedroom distribution, (e) low/moderate income split, (f) affirmative marketing and (g) handicap accessibility. It is further agreed by the Parties that the Affordable Units shall be subject to deed restrictions on income limits for a period not less than thirty (30) years.

B. Obligations of the Township

1. Introduction of, and Prompt Action on, the Proposed Ordinance Amendments. Within forty-five (45) days of Court approval of this Agreement, the Township agrees to introduce the Proposed Ordinance Amendment in a form agreeable to the Parties that

allows for the construction of the MDG Project as a permitted use in accordance with the standards set forth at Section II(A) of this Agreement. The Township further agrees to schedule a public hearing and second reading on the Ordinance within forty-five (45) days after said introduction of the Proposed Ordinance Amendment. The public hearing on the Ordinance shall be conducted after the Township provides notice in accordance with the provisions of N.J.S.A. 40:55D-62.1 and the Township has prepared, if necessary, a resolution articulating the rationale for the Proposed Ordinance Amendments' deviation, if any, from the land use plan and/or housing plan of the Township Master Plan as such a "reasons resolution" is required by N.J.S.A. 40:55D-62a. In the event that the Township proceeds with the adoption of the Property Ordinance Amendment, it is agreed that such rezoning of the Properties shall remain in place for a period not less than the ten (10) year compliance period, unless otherwise agreed to by the Parties and approved by the Superior Court.

2. Utilities Sufficient to Serve the MDG Project. The Township represents that it has sufficient water and sewer treatment capacity necessary to develop the Property in accordance with this Agreement.

3. Cooperation in Development of Properties. The Township shall use its best efforts to cooperate with MDG in the development of the Property consistent with any approval obtained by MDG for the Property. Such cooperation shall include, but not be limited to, the prompt review and, if appropriate, approval of any and/all agreements, applications and/or permits necessary for the development of the Property which are under the jurisdiction of the Parties to this agreement. Such applications shall include, but not be limited to, applications related to public water and sewer for the Properties, the vacation and/or relocation of easements and/or paper street impacting the properties subject to this Agreement.

4. Waiver of Cost Generative Measures Pursuant to N.J.A.C.

5:93-10.1, et seq. In order to permit the intended, agreed upon development of the Property, the Township agrees to abide by the COAH regulations against cost generative measures as set forth at N.J.A.C. 5:93-10.1(b). In addition to the foregoing, the Township specifically agrees that the Affordable Units within the Project shall not be responsible for the payment of any applicable water and sewer connection fees. It is understood that total cost of such waived water and sewer connection fees may be paid to the Township or applicable municipal utilities authority from the Township's Affordable Housing Trust Fund.

C. Obligations of the Planning Board.

1. Review of Proposed Ordinance Amendments. The Planning Board, within twenty (20) days of referral of the Proposed Ordinance Amendment from the Township, shall review and issue its referral report on the Ordinance as required by N.J.S.A. 40:55D-26a.

2. Prompt Review of Applications for Development of the Property.

The Planning Board agrees that upon MDG's submission of any development application for the Property, the Planning Board shall adhere to the timeframes for Planning Board action as specified in the MLUL, including, but not limited to the timing for Planning Board action on completeness and the merits of any land development application. The Planning Board shall conduct all reviews of MDG's applications for preliminary and final subdivision, site plan and/or variance approvals strictly in accordance with the MLUL, COAH's Rules and the Residential Site Improvement Standards (the "RSIS") with respect to the residential development contemplated by this Agreement.

V. DEFAULT

A. Violation and Default. In the event that any Party shall fail to perform any undertaking required to be performed by it pursuant to the terms of this Agreement, unless the Party (or Parties) for whose benefit such obligation was intended waive such obligation in writing, such failure to perform shall constitute an event of default under this Agreement. Upon any such event of default, the non-defaulting Party shall have available any and all rights and remedies that may be provided in law or in equity including, but not limited to, the right to prosecute a motion in aid of litigant's rights.

VI. NOTICES

A. Third-Party Actions. The Parties and their respective counsel agree to immediately provide each other with notice of any lawsuits, actions, governmental proceedings or administrative proceedings, threatened or pending, which could have a material adverse impact on this Agreement or the Properties.

B. Notice by and Among the Parties. All notices required under this Agreement shall be in writing and shall be given by e-mail and Fedex, UPS or a similarly recognized receipted overnight delivery service. All notices shall be deemed received upon the date of delivery which is set forth in the mailing certifications or receipts used, and all times for performance based upon such notices shall be from the date set forth in such proof of delivery. The persons and entities to receive notice shall be as follows or to any successor designated by the respective recipient:

To MDG: Manchester Development Group, LLC
Attn: Lawrence E. Bathgate, II, Managing Member
1 Airport Road
Lakewood, NJ 08701

With Copy to: Richard J. Hoff, Jr., Esquire
Bisgaier Hoff, LLC
25 Chestnut Street, Suite 3
Haddonfield, NJ 08033
rhoff@bisgaierhoff.com

To the Township: Township Clerk
 1 Colonial Drive
 Manchester Township, NJ, 08759

With Copy to: Jean Kephart Cipriani, Esq.
 Gilmore & Monahan
 PO Box 1540
 10 Allen Street
 Toms River, NJ 08753-7652

VII. MISCELLANEOUS PROVISIONS

A. Captions. Captions and titles to this Agreement are inserted for the purposes of convenience and reference only, and are in no way to be construed as limiting or modifying the scope and intent of the various purposes and substantive provisions of this Agreement.

B. Cooperation. The Parties expressly agree to cooperate with each other in order to effectuate and carry out the purposes of this Agreement as well as the Mount Laurel Doctrine, the FHA, and COAH's Rules that are in effect as of the date of this Agreement.

C. Waiver. Each of the Parties waives all rights to challenge the validity and enforceability of this Agreement. Failure to enforce provisions or obligations in this Agreement by any Party shall not be construed as a waiver of these provisions and obligations.

D. Entire Agreement. This Agreement, including its prefatory statements, background recitals and exhibits, constitutes the entire Agreement between the Parties with respect to the resolution of the Litigation and the related subject matters hereof. No representative, agent or employee of any Party has been authorized to make any representations and/or promises that are not contained herein or to otherwise modify, amend, vary or alter the terms hereof except as stated herein. No modifications, amendments, variations or alternations shall be binding unless reduced to writing and signed by the Parties.

E. Validity. In the event that any provision of this Agreement shall be held to be invalid, unenforceable or void, the Parties shall, within thirty (30) days of such determination, attempt to restructure this Agreement consistent with its underlying intent. If the Parties fail to agree to such a restructuring, any Party may seek Superior Court review and a ruling to restructure the Agreement in a legally acceptable manner reflecting the underlying intent of the Parties as expressed herein.

F. Preparation. The Parties acknowledge that the Parties' attorneys have jointly prepared this Agreement as a means of settling the Litigation. Therefore, this Agreement shall be construed on a parity among the Parties and any presumption for resolving ambiguities against the drafter shall not apply.

G. Construction. This Agreement shall be construed, governed and enforced in accordance with the laws of the State of New Jersey and the Second Round rules and regulations of COAH. Jurisdiction with respect to any litigation related to this Agreement by way of enforcement or post-judgment relief shall exclusively be in the Superior Court of New Jersey for Burlington County. Service of any complaint, motion or judgment enforcement proceedings may be affected consistent with the terms hereof for the delivery of notices. The Parties hereby consent to service of process in such manner and waive any other service of process. Process may be affected by written notice pursuant to the terms hereof for notices. The Parties expressly waive a trial by jury in any such litigation or proceedings.

H. Parties Bound and Assignment. The Agreement shall inure to the benefit of and be binding upon the Parties hereto and their respective successors and assigns. MDG shall expressly be permitted to sell, convey and/or assign its rights to develop one or more phases or sections of the Property to other developers and/or users who shall be entitled to rely upon and


enforce this Agreement as to the remaining Parties. Advanced written permission to sell and assign is not intended and shall not be required.

I. Holiday and Weekends – Time for Performance. Should any date on or before which the performance of any act is required under the terms of the Agreement fall on a Saturday, Sunday, legal holiday and/or generally recognized religious holiday in the State of New Jersey (such as Christmas, Good Friday, etc.), the date for performance shall be extended to and shall occur on the next succeeding business day. All references to “days” shall be deemed to refer to calendar days unless the context clearly and unequivocally requires otherwise. Except as otherwise set forth herein, any act to be performed on or before a certain day shall be deemed to be required to be performed on or before 5:00 p.m. on the day set forth and, if performed after 5:00 p.m., shall be deemed not to have been performed on said date.

J. Counterpart Signature. This Agreement may be executed simultaneously or in one or more counterparts, each of which, when so executed and delivered, shall constitute an original, fully enforceable counterpart for all purposes. Facsimile counterparts shall be accepted and enforceable. Immediately following the delivery of a facsimile counterpart, the sending Party shall deliver a counterpart with the original execution page.

IN WITNESS WHEREOF, the Parties hereto have hereunto set their hands and seals the day and year appearing below their names.

Manchester Development Group, LLC

By: 

Managing Member

Print Name: Lawrence E. Battagato

Date: Feb. 6, 2017

TOWNSHIP OF MANCHESTER,
A Municipal Corporation of the
State of New Jersey

By: 

Print Name: KENNETH T. PALMER, Mayor, MANCHESTER
TOWNSHIP

Date: 2/17, 2017

ACKNOWLEDGMENT
STATE OF NEW JERSEY

COUNTY OF Ocean

)
) SS.:
)

I certify that on February 6, 2017, Lawrence E. Bathgate II personally came before me and stated to my satisfaction that he:

- (a) Signed, sealed and delivered the attached document as the Managing Member of Manchester Development Group, LLC;
- (b) was authorized to and did execute this instrument as the Managing Member of the Manchester Development Group, LLC; and
- (c) executed this instrument as the not of Manchester Development Group, LLC



NOTARY PUBLIC
ACKNOWLEDGMENT

PAULA J. DAPUZZO
A Notary Public of New Jersey
My Commission Expires June 24, 2020

STATE OF NEW JERSEY

COUNTY OF Ocean

)
) SS.:
)

I certify that on February 7, 2017, Mayor Ken Palmer personally came before me and stated to my satisfaction that this person:

- (d) This person signed, sealed and delivered the attached document as _____ of the Township of Manchester, a body corporate and politic of the State of New Jersey, named in this document;

[M024-0002/379766/1]

13



JODI L. PELLICANO
A NOTARY PUBLIC, STATE OF NEW JERSEY
MY COMMISSION EXPIRES JUNE 27, 2017

- (e) was authorized to and did execute this document as the
_____, the entity named in this document; and
- (f) executed this document as the act of the entity named in this document.

NOTARY PUBLIC

STATE OF NEW JERSEY)

) SS.:

COUNTY OF Wen)

I certify that on February 7, 2017, _____,
personally came before me and stated to my satisfaction that this person:

(d) This person signed, sealed and delivered the attached document as
_____ of the Planning Board of the Township of Manchester;

(e) Mayo was authorized to and did execute this document as the
_____, the entity named in this document; and

(f) executed this document as the act of the entity named in this document.

Jodi L. Pellicano
NOTARY PUBLIC

JODI L. PELLICANO
A NOTARY PUBLIC, STATE OF NEW JERSEY
MY COMMISSION EXPIRES JUNE 27, 2017

9. Summary of Very-Low and UHAC Compliances Table

Summary of Very Low and UHAC Compliances
Manchester Township

	Date Constructed	# of Prior Round Credits	# of Round 3 Credits	# of Future Credits	Total Units/ Credits	Include in 13% very low req calc?	Actual Income and Bedrooms in Project						UHAC Compliance
							Very Low	Low	Moderate	1 BR	2 BR	3BR	
Presbyterian Homes (Manchester Pines) 3204 Hilltop Road, Block 82.09, Lot 14.01	9/23/2009	51	33	0	84	yes	84	0	0	84	0	0	Compliant with UHAC AR Rental Req
Birchwood at Whiting (Ingerman) 1110 Route 70, Block 83.01, Lot 7.03	2/1/2016	8	0	68	76	yes	9	31	36	70	6	0	Compliant with UHAC AR Rental Req
North Ocean Habitat for Humanity 1833 Sixth Ave, Block 1.127, Lot 30	6/25/2012	1	0	0	1	yes				0	0	1	UHAC deed restriction on property
Devereux Foundation Block 143, Lot 22	11/11/2011	3	0	0	3	yes	3	0	0	na	na	na	Group Home, UHAC NA
Serv Property and Management Inc Block 41.10, Lot 22.01	9/12/2011	3	0	0	3	yes	3	0	0	na	na	na	Group Home, UHAC NA
Serv Property and Management Block 99.86, Lot 8	8/10/2012	4	0	0	4	yes	4	0	0	na	na	na	Group Home, UHAC NA
ARC Ocean County Chapter Block 99.112, Lot 8	3/27/2012	4	0	0	4	yes	4	0	0	na	na	na	Group Home, UHAC NA
Autumn Ridge Block 30, Lot 1.01, 2, 4 and 52	2017	0	17	0	17	yes	0	9	8	0	10	7	Compliant with UHAC Sale Req
Heritage at Whiting (Manchester Senior LP) Block 100, Lot 10.02	2016	0	51	19	70	yes	10	37	23	59	11	0	Compliant with UHAC AR Rental Req
Manchester Development Group Block 62, Lots 15, 16 and 33	Planned	0	81	0	81	yes	11	30	40	16	48	17	Compliant with UHAC Family Rental Req
Presidential Gardens Block 46.01, Lot 1.01 and 1.03	Planned	31	73	0	104	yes	14	39	51	20	63	21	Compliant with UHAC Family Rental Req
North Ocean Habitat for Humanity -planned single family Block 31.02, Lot 2	Planned	0	0	1	1	yes							Compliant with UHAC Sale Req
Mobility Special Care Housing Block 1.428, Lot 19	2017	4	0	0	4	yes	4			na	na	na	Group Home, UHAC NA
Credits without Controls	n/a	122	0	0	122	no				na	na	na	
Preferred Behavioral Health Block 99.353, Lot 4	6/11/1997	3	0	0	3	no	3			na	na	na	Group Home, UHAC NA
Employ Ability Unlimited Block 99.158, Lot 8	10/16/1996	4	0	0	4	no	4			na	na	na	Group Home, UHAC NA
Easter Seals Group Home Block 1.29, Lot 34	10/1/2002	3	0	0	3	no	3			na	na	na	Group Home, UHAC NA
ARC Ocean County Block 1.20, Lot 9	6/20/1991	5	0	0	5	no	5			na	na	na	Group Home, UHAC NA
Ridge Creek Block 43.05, Lot 7 and 31; Block 43.06, Lots 8 and 23)	1997- 1999	4	0	0	4	no							Affordable housing documents filed on units.
Manchester Village (Conifer) Block 79, Lot 31	3/4/1999	57	0	0	57	no					36	21	LIHTC project. Exempt from UHAC
North Ocean Habitat for Humanity 3081 Patricia Court, Block 2, Lot 776.04	10/18/2006	1	0	0	1	no				0	0	1	UHAC deed restriction on property
TOTAL		308	255	88	651								

Salt and Light Co (Block 75, Lots 31 and 37, Block 75, Lots 34 and 59 and Block 38, Lots 105 and 13) are not included in this chart because upon further research it was determined that they are not deed restricted and are not creditworthy.

Total number of units to be included in 13% very low requirement because constructed or received site plan approval after 7/1/2008 (units included marked as "yes" in table):	452
13% Very Low Requirement	59
Total Number of Very Low Provided (includes units before and after 7/1/2008)	161
Total Number of Very Low Provided after 7/1/2008 only	146