2018

Third Round Housing Element & Fair Share Plan

FOR ADOPTION ON NOVEMBER 8, 2018

Union Township, Hunterdon County, New Jersey

Prepared by:

Clarke Caton Hintz | 100 BARRACK STREET | TRENTON, NJ | 08608

Housing Element and Fair Share Plan

Union Township, Hunterdon County, New Jersey

Adopted by the Planning Board on November 8, 2018

Endorsed by the Township Committee on December 5, 2018

Prepared for Union Township by

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A signed and sealed version is available at the municipal building.

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EXECUTIVE SUMMARY

This Third Round Housing Element and Fair Share Plan has been prepared in order to comply with the Court-approved Settlement Agreement ("FSHC Agreement") between Union Township and Fair Share Housing Center (hereinafter "FSHC"), executed May 2, 2018. FSHC is an intervenor in the Township's Declaratory Judgment filing, which was submitted to the Superior Court on August 5, 2015 as required by the March 10, 2015 Supreme Court decision known as Mt. Laurel IV.

There are three components to a municipality's affordable housing obligation: The Rehabilitation Share, or Present Need, the Prior Round obligation, and the Third Round obligation. The FSHC Settlement Agreement established the following affordable housing obligation for Union:

Third Round Rehabilitation Share: 1 unit

Prior Round Obligation (1987-1999): 78 units

Third Round Obligation (1999 to 2025): 227 units

Per the Settlement Agreement, the Township will address its Prior Round obligation with existing units from group homes, inclusionary development, and affordable housing credits created by way of a Regional Contribution Agreement. The Settlement Agreement also includes a durational adjustment of the Township's Third Round obligation due to a lack of available public sewer, and requires the Township to adopt inclusionary zoning on two properties: the portion of the Foster Wheeler owned tract at Block 13, Lot 7, and the tract known as the former Red Hills Quarry at Block 22, Lots 28 and 30.

The Honorable Thomas C. Miller, J.S.C., issued an Order of August 6, 2018 approving the Agreement, including declaring it fair and reasonable to the interest of the regions LMI households, specifically with respect to the establishment of Union's three-part fair share obligation and the Township's preliminary plan components to address its obligation (See Appendix B for the Agreement and Approving Order). This Plan is consistent with the Settlement Agreement and will serve as the foundation for the Township's Judgment of Compliance and Order of Repose issued by the Court.

JUDICIAL & LEGISLATIVE BACKGROUND

In its landmark 1975 decision now referred to as "Mount Laurel I", the New Jersey Supreme Court ruled that developing municipalities have a constitutional obligation to provide a realistic opportunity for the construction of low- and moderate-income housing. In its 1983 Mount Laurel II decision, the Supreme Court extended the obligation to all municipalities. Subject to a number of limitations, Mt. Laurel II also gave developers under appropriate circumstances

the opportunity to secure a "builder's remedy".[1] A builder's remedy, also referred to as exclusionary zoning litigation is a mechanism that grants a developer the right to develop what is typically a multi-family project on land that was not zoned to permit this use or at densities desired by the developer at the time of the suit and where a "substantial" percentage of the units are reserved for low- and moderate-income households.

In 1985, the Legislature enacted the Fair Housing Act in response to Mount Laurel II. The Fair Housing Act created the Council on Affordable Housing (hereinafter referred to as "COAH") and an administrative alternative to compliance in a court proceeding. The Legislature conferred "primary jurisdiction" on COAH and charged COAH with promulgating regulations: (i) to establish housing regions; (ii) to estimate low- and moderate-income housing needs; (iii) to set criteria and guidelines for municipalities to determine and address their fair share numbers, and (iv) to create a process for the review and approval of appropriate housing elements and fair share plans. As will be further discussed, COAH has been declared a moribund agency which has forced the NJ Supreme Court to reactivate a judicial process in the review and approval of affordable housing plans. This document is being created to submit to the judicial process for determining affordable housing allocations and responses and ultimately, to receive a Third Round Judgment of Repose through August 2025. This Judgment of Repose will provide protection from builders' remedy suits during the time that it is in effect.

COAH's First and Second Round

COAH created the criteria and guidelines for municipalities to determine and address their respective affordable housing obligation[2], or number of affordable dwellings. COAH originally established a formula for determining municipal affordable housing obligation for the six-year period between 1987 and 1993 (*N.J.A.C.* 5:92-1 et seq.), which became known as the "First Round." These rules established an existing need where sub-standard housing was being occupied by low- and moderate-income households (variously known as "present need" or "rehabilitation share") and future demand to be satisfied with new construction ("prospective need" or "fair share"). They followed guidelines established by the U.S. Dept. of Housing and Urban Development ("HUD"), which defined affordable housing as dwellings that could be occupied by households making 80% or less of the regional household income.

The First Round formula was superseded by COAH regulations in 1994 (*N.J.A.C.* 5:93-1.1 et seq.). The 1994 regulations recalculated a portion of the 1987-1993 affordable housing obligations for each municipality and computed the additional municipal affordable housing need from 1993 to 1999 using 1990 U.S. Census data. The regulations COAH adopted in 1994 to identify a municipality's "cumulative" obligations for the First and Second Round are known as "the Second Round" regulations. Under regulations adopted for round three, the obligation of municipalities to create new affordable housing for the First and Second Round is referred

[1] Southern Burlington NAACP v. Twp. of Mt. Laurel, 92 NJ 158 (1983)
[2] A.k.a. a municipality's "fair share" of affordable housing.

to as the "Prior Round" obligation. This plan will refer to the new construction obligation for the First and Second housing rounds as the "Prior Round".

COAH's Third Round and Related Judicial Activity

On December 20, 2004, COAH's first version of the Third Round rules (*N.J.A.C.* 5:94-1 and 5:95-1) became effective some five years after the end of round two in 1999. Whereas the first two rounds covered periods of six years, the FHA was amended in 2001 to extend the time period to 10 years. The Third Round was defined as the time period from 1999 to 2014 but was intended to be addressed during a delivery period from January 1, 2004 through January 1, 2014. In other words, 15 years of necessary affordable housing activity was to take place in 10 years.

The Third Round rules marked a significant departure from the methods utilized in COAH's Prior Round. Previously, COAH assigned an affordable housing obligation as an absolute number to each municipality. These Third Round rules implemented a "growth share" approach that linked the production of affordable housing to the development of residential and non-residential development within a municipality.

This set of rules changed, however, when the New Jersey Appellate Court invalidated key elements of the first version of the Third Round rules, including the growth share approach, on January 25, 2007, In re Adoption of *N.J.A.C.* 5:94 and 5:95, 390 N.J. Super. 1. The Court ordered COAH to propose and adopt amendments to its rules within six months to address the deficiencies identified by the Court. COAH missed this deadline but did issue revised rules effective on June 2, 2008 (as well as a further rule revision effective on October 20, 2008). COAH largely retained the growth share approach but implemented several changes intended to create compliance with the 2007 Appellate Court decision. Additionally, the Third Round was expanded from 2014 to 2018. As such, this required 19 years of necessary affordable housing activity (1999-2018) to take place during a 10-year delivery period (2008-2018).

Just as various parties challenged COAH's initial Third Round regulations, parties challenged COAH's 2008 revised Third Round rules. On October 8, 2010, the Appellate Division issued its decision, In re Adoption of *N.J.A.C.* 5:96 and 5:97, 416 N.J. Super. 462, with respect to the challenge to the second iteration of COAH regulations. The Appellate Division validated the COAH Prior Round regulations that assigned rehabilitation and Prior Round numbers to each municipality, but invalidated the regulations by which the agency assigned housing obligations in the Third Round. Specifically, the Appellate Division ruled that COAH could not allocate obligations through a "growth share" formula. Instead COAH was directed to use similar methods that had been previously used in the first and Second Rounds. The Court gave COAH five months to address its ruling, and provided guidance on some aspects of municipal compliance.

Judicial Activity from 2011 to the Present

COAH sought a stay from the NJ Supreme Court of the March 8, 2011 deadline that the Appellate Division imposed in its October 2010 decision for the agency to issue new Third Round housing rules. The Supreme Court granted COAH's application for a stay and granted petitions and cross-petitions to all of the various challenges to the Appellate Division's 2010 decision.

On September 26, 2013 the NJ Supreme Court upheld the Appellate Court decision in In re Adoption of *N.J.A.C.* 5:96 and 5:97 by New Jersey Council On Affordable Housing, 215 N.J. 578 (2013), and ordered COAH to prepare the necessary rules. Subsequent delays in COAH's rule preparation and ensuing litigation led to the NJ Supreme Court, on March 14, 2014, setting forth a schedule for adoption.

Although ordered by the NJ Supreme Court to adopt revised new rules on or before October 22, 2014, COAH deadlocked 3-3 at its October 20th meeting and failed to adopt the draft rules it had issued on April 30, 2014. In response, FSHC filed a motion in aid of litigant's rights with the NJ Supreme Court.

On March 10, 2015, the Supreme Court issued a ruling on the Motion In Aid of Litigant's Rights (In re Adoption of *N.J.A.C.* 5:96 & 5:97, 221 NJ 1, aka "Mt. Laurel IV"). This long-awaited decision provides a new direction for how New Jersey municipalities are to comply with the constitutional requirement to provide their fair share of affordable housing. The Court transferred responsibility to review and approve housing elements and fair share plans (housing plans) from COAH to designated Mt. Laurel trial judges. The implication of this was that municipalities may no longer wait for COAH to adopt Third Round rules before preparing new Third Round housing plans and municipalities must now apply to Court, instead of COAH, if they wish to be protected from exclusionary zoning lawsuits. These trial judges, with the assistance of an appointed Special Master to the Court, are reviewing municipal plans much in the same manner as COAH previously did. Those towns whose plans are approved by the Court will receive a Judgment of Compliance and Repose, the court-equivalent of COAH's substantive certification.

While the NJ Supreme Court's decision set a process in motion for towns to address their Third Round obligation, it did not assign those obligations. Instead, that must be done by the trial courts. Additionally, the Court stated that municipalities should rely on COAH's Second Round rules (*N.J.A.C.* 5:93) and those components of COAH's 2008 regulations that were specifically upheld (including but not limited to redevelopment bonuses), as well as the Fair Housing Act (*N.J.S.A.* 52:27D – 301 et seq.), in their preparation of Third Round housing elements and fair share plans. This plan is prepared in response to and in compliance with the March 10, 2015 NJ Supreme Court decision.

On January 17, 2017, the NJ Supreme Court issued a decision In Re Declaratory Judgment Actions Filed By Various Municipalities, 227 N.J. 508 (2017) that found that the "gap period,"

defined as 1999-2015, generates an affordable housing obligation. This obligation requires an expanded definition of the municipal Present Need obligation to include low- and moderate-income households formed during the gap period. Accordingly, the municipal affordable housing obligation is now composed of the following four (4) parts: Present Need (rehabilitation), Prior Round (1987-1999, new construction), Gap Present Need (1999-2015, new construction), and Prospective Need (Third Round, 2015 to 2025, new construction). While the structure of the obligation established through the Township's Settlement Agreement with FSHC is different than the findings of this recent Supreme Court decision (i.e. no redefined Present Need and a Prospective Need specific to 1999-2025), the Township's Third Round obligation (1999-2025) includes the 1999-2015 gap period.

Legislative Activity

In addition to the COAH process and judicial decisions, the New Jersey Legislature has amended the Fair Housing Act in recent years. On July 17, 2008, Governor Corzine signed P.L.2008, c.46 (referred to as the "Roberts Bill", or "A500"), which amended the Fair Housing Act in a number of ways. Key provisions of the legislation included the following:

- It established a statewide 2.5% nonresidential development fee instead of requiring non-residential developers to provide affordable housing;
- It eliminated regional contribution agreements ("RCAs") as a compliance technique available to municipalities whereby a municipality could transfer up to 50% of its fair share to a so called "receiving" municipality; and
- It added a requirement that 13% of all affordable housing units and 13% of all similar units funded by the state's Balanced Housing Program and its Affordable Housing Trust Fund be restricted to very low income households (30% or less of median income); and
- It added a requirement that municipalities had to commit to spend development fees within four years of the date of collection after its enactment, which commitment obligation deadline was initially the four-year anniversary of the law (July 17, 2012[3]).

These amendments to the FHA are not promulgated in any valid COAH regulations.

[3] - The four-year period of fund commitment will start when the Court approves the municipal fair share plan and spending plan, per the subsequent Appellate Division decision on trust fund expenditure.

AFFORDABILITY REQUIREMENTS

Affordable housing is defined under New Jersey's Fair Housing Act as a dwelling, either for sale or rent that is within the financial means of households of low- or moderate-income, as is measured within each housing region. Union Township is in COAH's Region 3, which includes Middlesex, Somerset, and Hunterdon Counties. Moderate-income households are those earning between 50% and 80% of the regional median income. Low-income households are those with annual incomes that are between 30% and 50% of the regional median income. Very-low income households, a subset of "low-income" households that earn 30% or less of the regional median income, must also be accounted for.

The Uniform Housing Affordability Controls ("UHAC") at N.J.A.C. 5:80-26.3(d) and (e) requires that the maximum rent for a qualified unit be affordable to households that earn 60% or less of the median income for the region. The average rent for affordable units in a rental development must be affordable to households earning no more than 52% of the median income. The maximum sale prices for affordable units must be affordable to households that earn 70% or less of the median income. The average sale price for affordable units in a for-sale development must be affordable to a household that earns 55% or less of the median income.

The regional median income has historically been defined by COAH using the HUD income limits on an annual basis. In the spring of each year HUD releases updated regional income limits which COAH has historically reallocated to its regions[4]. It is from these income limits that the rents and sale prices for affordable units are derived. COAH last published regional income limits in 2014. In May of 2017, the Affordable Housing Professionals of NJ and FSHC released income limits for 2017, which were approved by several Superior Court Judges overseeing municipal Declaratory Judgment matters. In April of 2018, the Affordable Housing Professionals of NJ and FSHC released income limits for 2018, which are shown for Housing Region 3 in Table 1, below. The Township will request that the Court approve of the use of 2018 income limits and a process for the future annual updating of income limits as part of a consent order between the Township and FSHC or simply as part of the Court's granting of a Third Round Judgment of Compliance and Repose. The sample rents and sale prices shown in Tables 2 and 3, below, are gross figures and do not account for the specified utility allowance. The Township will request that the Superior Court approve updated income limits through 2018.

[4] Future Annual Income Limits may be published by the Courts or another entity with relevant jurisdiction.

Table 1. Sample 2018 Income Limits for Region 3					
Household Income Levels	1 Person Household	2 Person Household	3 Person Household	4 Person Household	5 Person Household
Moderate	$60,424	$69,056	$77,688	$86,320	$93,226
Low	$37,765	$43,160	$48,555	$53,950	$58,266
Very Low	$18,081	$20,664	$23,248	$25,831	$27,897
Source: Affordable Housing Professionals of NJ / FSHC Affordable Housing Regional Income Limits					

Table 2. Illustrative 2018 Affordable Rents for Region 3			
Household Income Levels	1 Bedroom Unit Rent	2 Bedroom Unit Rent	3 Bedroom Unit Rent
Moderate	$1,214	$1,457	$1,683
Low	$1,012	$1,214	$1,403
Very Low	$607	$728	$842
Source: Affordable Housing Professionals of NJ / FSHC Affordable Housing Regional Income Limits and Sales Calculator			

Table 3. Illustrative 2018 Affordable Sales Prices for Region 3			
Household Income Levels	1 Bedroom Unit Price	2 Bedroom Unit Price	3 Bedroom Unit Price
Moderate	$171,486	$207,702	$241,503
Low	$119,750	$145,618	$169,762
Very Low	$68,014	$83,535	$98,021
Source: Affordable Housing Professionals of NJ / FSHC Affordable Housing Regional Income Limits and Sales Calculator			

HOUSING ELEMENT/FAIR SHARE PLAN REQUIREMENTS

In accordance with the Municipal Land Use Law (*N.J.S.A.* 40:55D-1, et seq.), a municipal Master Plan must include a housing element as the foundation for the municipal zoning ordinance. Pursuant to the FHA, a municipality's housing element must be designed to provide access to affordable housing to meet present and prospective housing needs, with particular attention to low- and moderate-income housing. The housing element must contain at least the following, as per the FHA at *N.J.S.A.* 52:27D-310:

- 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 trends;

This portion of the Housing Plan Element can be found in "Appendix C of the Housing Element and Fair Share Plan".

- 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 and probable future employment characteristics** of the municipality;
- A **determination of the municipality's present and prospective fair share of low- and moderate-income housing and its capacity to accommodate** its present and prospective housing needs, including its fair share of low- and moderate-income housing; and

See the section titled "Union's Affordable Housing Plan" for information on the Township's fair share of low- and moderate-income housing.

- A **consideration of the lands 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.

See the section titled "Consideration of Lands Appropriate for Affordable Housing" for this information

UNION TOWNSHIP AFFORDABLE HOUSING HISTORY

Union Township prepared a First Round (1987-1993) housing element and fair share plan addressing a 7-unit affordable housing obligation (7 new construction/ 0 rehabilitation) and received First Round substantive certification from COAH on December 19, 1988. Subsequently, the Township prepared a Second Round Plan to address its cumulative (1987-1999) affordable housing obligation of 101 units (78 new construction/ 23 rehabilitation) and received Second Round Certification from COAH on October 2, 1996, as well as receiving COAH approval of an amendment to the certified Plan on December 6, 2000.

As COAH had yet to adopt its Third Round regulations, the Township received an extension of its Second Round substantive certification on September 4, 2002, which was renewed in

June of 2005. Union Township adopted a December 2004 amendment to its COAH-certified Second Round plan. This plan amendment had included a new 42-unit RCA with the City of New Brunswick to replace the Country Arch site (a prior inclusionary site).

In addition, Union Township filed a motion with COAH requesting an extension of its Second Round substantive certification on December 9, 2004. In a resolution dated June 8, 2005, COAH granted Union Township's motion for an extension of it Second Round certification, requiring that the Township petition for Third Round substantive certification by December 20, 2005.

The Township then petitioned for Third Round substantive certification on December 7, 2005 and incorporated the prior 2004 plan amendment which had not been acted on by COAH prior to the required December 2005 plan submission date) under COAH's original Third Round rules at *N.J.A.C.* 5:94 et seq.; however, the application had not been certified by COAH prior to the issuance of the Appellate Division's January 25, 2007 decision overturning portions of COAH's regulations.

In response to the COAH/Highlands MOU, Union Township submitted a resolution notifying COAH of its intent to conform to the Highlands Council's Plan Conformance Guidelines and a resolution notifying COAH of its intent to petition for substantive certification no later than December 8, 2009. On November 12, 2008, COAH granted a waiver from the December 31, 2008 deadline for petitioning COAH established in *N.J.A.C.* 5:96-16.2. On August 12, 2009, COAH extended the deadline for Union to petition for substantive certification until June 8, 2010.

The Township Planning Board adopted its Amended Third Round Housing Element and Fair Share Plan on May 27, 2010 and the Governing Body endorsed it on June 2, 2010. The Township petitioned COAH for substantive certification on June 8, 2010. Similar to the 2005 plan, COAH did not act on the 2010 petition prior to the 2008 Third Round Rules being invalidated, this time by the 2013 Supreme Court decision overturning the validity of the 2008 Rules in In re Adoption Of *N.J.A.C.* 5:96 and 5:97 By New Jersey Council On Affordable Housing, 215 N.J. 578 (2013).

The Township adopted a revised Third Round Housing Element and Fair Share Plan on May 28, 2015 in order to comply with the Mt. Laurel IV decision. As the Court had not allocated a Third Round prospective need obligation to the Township at the time, the Third Round Plan addressed the 21-unit prospective need obligation for the years 2014 to 2024 calculated by COAH in its unadopted Third Round rules at *N.J.A.C.* 5:99, using generally the same compliance mechanisms as it had in its 2010 Third Round Plan.

The following Plan has been prepared for consistency with the Township's Settlement Agreement with Fair Share Housing Center and will serve as the foundation for the Township's Judgment of Compliance and Order of Repose issued by the Court.

CONSIDERATION OF LANDS APPROPRIATE FOR AFFORDABLE HOUSING

Pursuant to the NJ Fair Housing Act at *N.J.S.A.* 52:27D-310.f, a municipal housing element shall contain "a consideration of lands of developers who have expressed a commitment to provide low- and moderate-income housing." As part of this housing element, Union Township considered land in the Highlands Planning Area that was appropriate for the construction of low and moderate income housing. The Township is able to accommodate a portion of its affordable housing obligation through a previous regional contribution agreement (RCA), special needs housing, and inclusionary housing sites and will utilize overlay zoning, via a durational adjustment, to fulfill the remaining obligation.

UNION'S AFFORDABLE HOUSING OBLIGATION

Rehabilitation Obligation

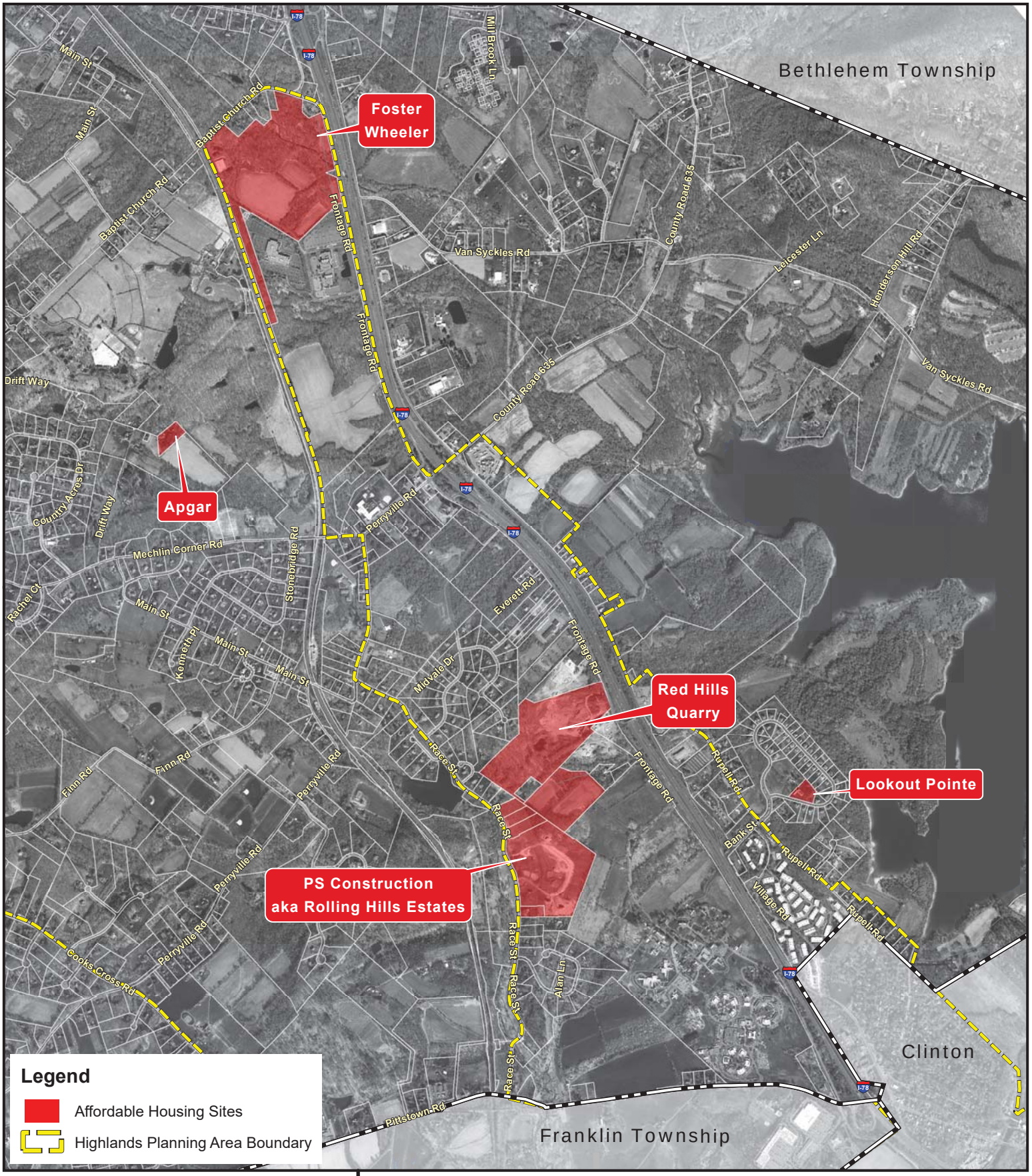
The rehabilitation obligation can be defined as an estimate of the number of deteriorated housing units existing in Union Township that are occupied by low- and moderate-income households. The Settlement Agreement with FSHC establishes Union's Third Round rehabilitation obligation as one (1) unit.

Prior Round

The Prior Round obligation can be defined as the cumulative 1987 through 1999 new construction affordable housing obligation. This time period corresponds to the First and Second Rounds of affordable housing, during which COAH had assigned the Township a 78-unit new construction obligation.

Third Round Obligation

The estimated demand for affordable housing includes the "gap" portion of the Third Round that has already passed by (1999-2015), as well as a projection 10 years into the future starting in August 2015 (2015-2025). The 10-year period is derived from the Fair Housing Act that, when amended in 2001, set the projection for this length of time (*N.J.S.A.* 52:27D-310). The Township's 2018 FSHC Settlement Agreement sets Union's Third Round obligation (1999-2025) at 227 units.



Third Round Affordable Housing Sites

LOCATION:
Union Township, Hunterdon County, NJ

DATE:
September 2018

Clarke Caton Hintz
Architecture
Planning
Landscape Architecture

UNION'S AFFORDABLE HOUSING PLAN

Satisfaction of the Rehabilitation Obligation

Union's rehabilitation obligation is one (1) unit. The Township will address this obligation through participation in the Hunterdon County Housing Rehabilitation Program ("HCHRP"), which provides loans to income-eligible homeowners to repair major systems in their home subject to a mortgage lien that does not need to be repaid until the property is sold or transferred. The Settlement Agreement sets forth that, due to the small present need obligation and the fact that the Township's housing stock is predominantly (90%) owner-occupied, the Township may satisfy its entire present need through the Hunterdon County program and does not require a separate program available to rental households. The current manual for the HCHRP program can be found in the Appendices.

Durational Adjustment

Union Township lacks the public sewer to fully address its prior round and third round obligation, which together equate to 305 affordable units. Such a scenario was anticipated by COAH and as such, a procedure for deferring a portion of a municipality's obligation until if/when the sewer is provided is set forth at *N.J.A.C.* 5:93-4.3. This procedure, referred to as a durational adjustment, requires that a municipality demonstrate the lack of available sewer and set forth how the affordable housing obligation will be addressed. As detailed herein, Union Township qualifies for a durational adjustment and will utilize overlay zoning to satisfy the affordable housing obligation, including the requirements of the durational adjustment.

There are four (4) sites in Union Township that receive sewer service – Edna Mahon women's correctional facility, Spruce Run Reservoir, Union Gap Village multi-family development and Foster Wheeler office complex.

Edna Mahon and Spruce Run Reservoir are State-owned facilities. There are no plans for closure or disposal of property for either facility.

In 1975 and 1983, Union Township was party to two tripartite agreements with Clinton Town, Lanid (Union Gap Village & Union Hill) in 1975, and Foster Wheeler in 1983 that resulted in the sale of sewer capacity from Clinton to each developer. The agreements establish limited circumstances that would allow for the developers' sewer capacity and the sewer infrastructure to be allocated to any property or for uses not originally agreed upon by the parties.

Lanid (Union Gap Village & Union Hill): In 1975, Lanid, Clinton, and Union entered into three separate agreements that collectively permitted Lanid to purchase an allocation of 104,500 gpd (gallons per day) of treatment capacity from Clinton's sewer treatment facilities for the development of 438 residential units known as Union Gap Village ("UGV") and a commercial use (later replaced with a 100-unit multifamily development called Union Hill). In 1977, the owners of a restaurant adjacent to UGV entered into a four-way agreement with the municipalities and Lanid to tie-into the UGV sewer lines and purchase a separate 4,300 gpd of sewer capacity

from Clinton. Six years later, in 1983, Lanid and the municipalities amended their agreements to reduce Lanid's sewer capacity by 20,000 gpd (to 84,500 gpd) and acknowledge that the originally proposed commercial use on its property would be replaced with the 100-unit Union Hill development (for a total of 538 existing and contemplated units). There remains no unused capacity and the site is fully developed. Additionally, the collection lines serving the site are privately owned and these private entities have the exclusive right of use and the sole responsibility for the operation and maintenance of the sewer infrastructure serving the site. As such, Union Township may not allocate the sewer capacity or infrastructure associated with this site to another property.

Foster Wheeler ("FW"): The FW agreements are dated between November 1 and 22, 1983 and establish the sale of 125,000 gpd of Clinton's sewer capacity to FW. While both the Lanid and FW agreements contain clauses that prohibit any of the parties from unilaterally allocating or using the purchased sewer capacity for purposes or properties not identified in the agreements, the FW agreement with Union Township contains a unique clause that prohibits FW from using its sewer capacity for uses other than "an office complex and related accessory facilities" at the site (paragraph 22). This property has an onsite collection system constructed and owned by FW that is connected to an existing wet well & pumping station located on the FW tract along Frontage Road that was also constructed by FW. Cycled discharge from the pumping station is conveyed to the Town of Clinton through a 3+ mile long pressure force main that was constructed by FW. FW has the exclusive right of use and the sole responsibility for its operation and maintenance of the sewer infrastructure serving the site. As such, the sewer capacity or infrastructure associated with this site may not be allocated to another property.

Based on the above, neither Lanid nor FW, nor their successors, may sell any portion of their sewer capacity to any other party or to any parcel or tract of land not already identified in the aforementioned agreements. Additionally, the Township may not unilaterally permit the connection of any properties to either existing sewer line without the approval of Clinton and Lanid or FW (or their successors).

Future Sewer Service: According to sewer service mapping published by the New Jersey Department of Environmental Protection ("DEP") and Hunterdon County's 2012 Future Wastewater Service Map, last revised in 2013, there are no areas planned or approved for expansion of public sewer in Union Township.

Clinton Town's Business Administrator, Rich Phelan, stated there is no additional sewer capacity to sell. The Town also has no plans to expand its system capacity in the near future.

The Township's only potential source of sewer capacity for new development during the Third Round is the excess capacity owned by Foster Wheeler.

Regardless of available capacity, the Township is severely restricted in its ability to create or expand sewer service areas by virtue of its location entirely within the Highlands Region. Only approximately 20% of the Township, all of which is concentrated along the Route 78 corridor,

is located in the Planning Area of the Highlands Region (10,502 acres are in the Preservation Area; 2,667 acres are in the Planning Area).

Satisfaction of the Prior Round & Third Round Obligations

The Township is addressing 25 units of its 78-unit Prior Round obligation with four (4) RCA credits, eight (8) special needs bedrooms in two ARC of Hunterdon County group homes, five (5) units from three inclusionary developments, and eight (8) rental bonuses. The remaining 53 units of the Prior Round and the entirety of the third round obligation will be addressed by the Township's durational adjustment overlay zoning.

INCLUSIONARY

Lookout Point – Inclusionary Development

Toll Brothers completed an inclusionary housing development – Lookout Point – in Union Township that included two (2) affordable family sale units on Albert Drive at Block 11.01, Lot 22. The affordable townhouses were completed on April 2008 and have the appropriate affordability controls through deed restrictions. The units are affirmatively marketed by the administrative agent, Housing Affordability Service ("HAS"), an experienced affordable housing administrator, and meet the low/moderate income split and the bedroom distribution in accordance with UHAC. Additional crediting documentation for the units is included in the Fair Share Plan Appendices.

Inclusionary Development

A development containing low- and moderate-income units among market rate units. *N.J.A.C.* 5:93 requires 20% of units to be affordable in for-sale developments and 15% of units to be affordable in rental developments.

Inclusionary development may also be a mixed-use development (i.e. first-floor stores) with affordable units on upper stories.

Apgar

Apgar constructed an affordable family rental unit on Block 19, Lot 7 in Union Township in 2008. The unit is a three-bedroom single family home, and is subject to 30-year affordability controls. The project is a result of the Township's Third Round Growth Share ordinance, and is eligible for a rental bonus per *N.J.A.C.* 5:93-5.15. Apgar entered into a contract with HAS to administer the affordable unit approved on this site. See the Fair Share Plan Appendices for a copy of the Zoning Board Resolution, certificate of occupancy, deed restriction.

PS Construction, aka Rolling Hills Estates

PS Construction received approval from the Union Township Planning Board on May 22, 2008 for the construction of 16 market rate units and two (2) affordable units on Block 22,

Lots 27, 27.02, 27.03, and 27.04. The two (2) affordable family units approved in this inclusionary development will have 30-year controls, will meet the low/mod split and the bedroom distribution, and will be affirmatively marketed in accordance to COAH's rules and the UHAC. Due to the discovery of environmental constraints in 2014, the development is still under construction. See the Fair Share Plan Appendices for a copy of the Planning Board Resolution.

ALTERNATIVE LIVING ARRANGEMENTS

ARC Group Homes

Union Township is eligible for eight (8) credits for two licensed group home facilities that are operated by ARC of Hunterdon County, a non-profit organization that specializes in treatment for individuals living with developmental disabilities. The first special needs facility is a four-bedroom group home, located on Henderson Road (Block 7, Lot 1.01). The second group home, which also has four bedrooms, is located on Route 173 East (Block 22, Lot 11). Residents of the group homes are referred to ARC of Hunterdon through the NJ Division of Developmental Disabilities waiting list. ARC, a nonprofit organization, received capital funding from the NJ Division of Developmental Disabilities to create the group homes and continues to receive operational funding. Additional crediting information is included in the Fair Share Plan Appendices.

Alternative Living Arrangement / Supportive & Special Needs Housing

A structure in which households live in distinct bedrooms, but share kitchen and plumbing facilities, central heat and common areas.

They may be restricted to special needs groups, such as persons with developmental disabilities, veterans and their families, and victims of domestic abuse.

REGIONAL CONTRIBUTION AGREEMENT (RCA)

Union Township entered into an RCA with the City of Lambertville to transfer funds for four (4) affordable housing units. On July 2, 2003, Union Township made a payment of $80,000 to the City of Lambertville to complete the prior round RCA.

Regional Contribution Agreement

The transfer of up to 50 percent of a municipality's fair share obligation to another municipality within its housing region by means of a contractual agreement into which two municipalities voluntarily enter.

OVERLAY ZONING TO ADDRESS THE DURATIONAL ADJUSTMENT

As established in the FSHC Settlement Agreement, Union is receiving a durational adjustment of its 227-unit Third Round obligation and 53 units from the Prior Round obligation due to a lack of available sewer infrastructure and capacity. The Township has agreed to adopt, as overlay zones, inclusionary zoning on two sites that may realistically obtain the infrastructure necessary to support inclusionary development at a density of 8 du/ac: the Foster Wheeler property at Block 13, Lot 7, and the Red Hills Quarry site at Block 22, Lots 28 and 30.

Overlay Zoning

An additional zoning option that permits an alternative development scenario. Where overlay zoning is in place, the applicable zoning not only permits the uses and site design standards in the existing or underlying zoning, but also the alternative development scenario which includes additional permitted uses and alternative site design standards.

Overlay zoning may be used to permit a variety of uses; however, in Union Township the overlay zones exclusively permit inclusionary housing in order to address the durational adjustment.

The Settlement agreement requires the Township to do the following:

- If new water and/or sewer capacity becomes available, the Township shall reserve and set-aside such capacity for low- and moderate-income housing, on a priority basis for the Foster Wheeler and Red Hills Quarry sites.
- The Township shall endorse any and all applications to NJ DEP or its agent requesting approval for new infrastructure and capacity to serve the Foster Wheeler and/or Red Hills Quarry sites.
- In addition to adopting inclusionary zoning on these sites, the Township shall adopt a Township-wide affordable housing set-aside ordinance that adheres to the requirements of the Fair Housing Act relating to communities in the Highlands Region, which requires developments in the Township to set-aside 20% of housing units in all future development for low- and moderate-income households.

The requirements included in *N.J.A.C.* 5:93-4.3(c) related to inclusion in a fair share plan when the DEP or its designated agent approves a proposal to provide water and/or sewer to a site other than those designated for the development of low and moderate income housing in the HEFSP are hereby waived for sites other than those designated in this Agreement in accordance with *N.J.A.C.* 5:93-4.3(c)4, which permits waiver of such requirements when a municipality has a plan that will provide water and/or sewer to sufficient sites to address the municipal housing obligation within the substantive certification period, which, in this case, is the period 2015-2025.

Foster Wheeler ("FW") Site

Foster Wheeler owns two lots (Block 13, Lots 6 and 7) with a total of 266 acres. Lot 6 is partially developed with two office buildings and parking, and the remainder of the lot is vacant and environmentally constrained. Lot 7 is vacant, with the exception of a building apparently housing utilities and servicing functions for the property. The developed portion of Lot 6 and the entirety of Lot 7 are within the designated sewer service area receiving service capacity from the Town of Clinton. The agreement between FSHC and Union Township requires the Township to adopt inclusionary overlay zoning on Lot 7 with a density of eight (8) units per acre with a required a 20% affordable housing set-aside for for-sale units, or 10 units per acre with a required 15% set-aside for rental units. A for-sale development could include up to 808 units including 122 affordable units, and a rental development could result in up to 1,010 units including 151 affordable units.

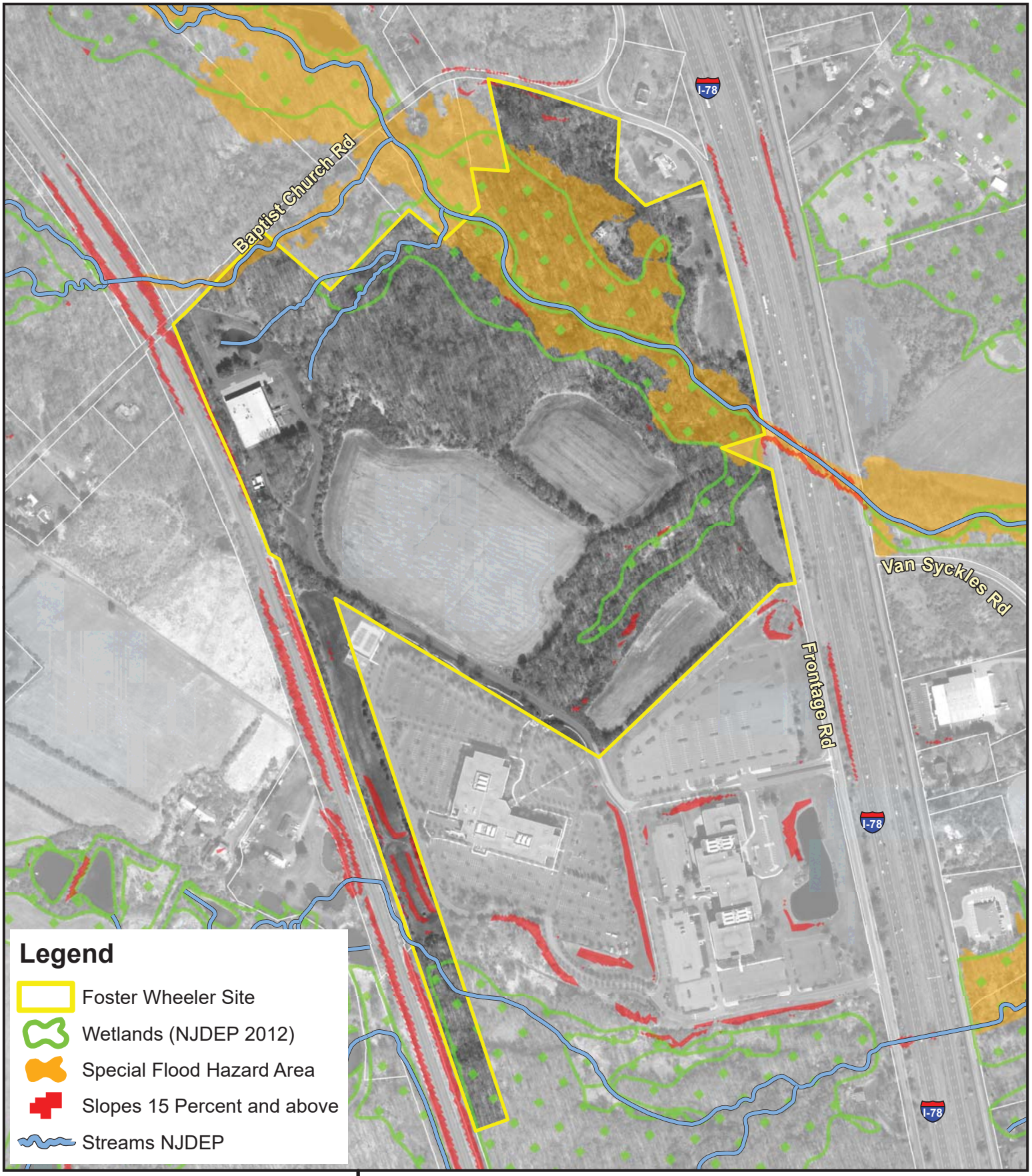
The site fronts on Frontage Road, which is a road that runs parallel to and permits access to I-78. The site is well separated from agricultural uses and rural-residential neighborhoods by a railroad right-of-way on the south side of the property and I-78 on the north side. The Foster Wheeler site is located in the Highlands Planning area. The Township never amended its Master Plan or land use ordinance to conform the Planning Area portions of the Township to the Highlands Regional Master Plan. Thusly, the constraints on Foster Wheeler site associated with being in the Highlands area are limited. The portion of the broader Foster Wheeler property that is available for development is adjacent to an existing office park.

The site is privately owned by Foster Wheeler. Foster Wheeler had previously obtained General Development Plan approval that permitted four phases of development of office and research buildings. At a November 12, 2015 meeting of the Township's Planning Board / Board of Adjustment, the Realty Manager for Foster Wheeler indicated that the office market may not continue to be viable for the site. There are no other known encumbrances that would render the site unavailable for low- and moderate-income housing; as such, the site meets the criteria of an "Available Site".

The site is located in the Suburban Planning Area 2, where affordable housing and infill development is desired where infrastructure is available.

Out of the 101 acres of Block 13, Lot 7, only 23.7 acres of the lot are constrained by a mix of wetlands and floodplains. This leaves 77.3 developable acres.

The site is within the Township's sewer service area, and is connected to the appropriate utilities. However, the Township and Foster Wheeler would need to amend their 1983 agreements to remove language that prohibits the sewer capacity from being used for any purpose other than office or research uses. Having access to sewer and water infrastructure, consistent with the regional water quality and wastewater management



Clarke Caton Hintz

Architecture
Planning
Landscape Architecture

Foster Wheeler

LOCATION:
Union Township, Hunterdon County, NJ

DATE:
September 2018

Red Hills Quarry Site

The tract currently contains 117 acres including a quarry commonly known as "Red Hills Quarry". The owner of the site had previously proposed residential development to the Township but no formal application has been made. The site is 1.5 miles east of the intersection of County Road 513 and Interstate 78, where a developer could tie in to existing sewer infrastructure. Per the Settlement Agreement, the Township agrees to adopt overlay zoning on the site to permit inclusionary development permitting a density of no more than eight (8) dwelling units per acre with a 20% set-aside for for-sale development or 10 units per acre with a 15% set-aside for rental development. A for-sale development could include up to 608 total units with 122 affordable units, and a rental development could include up to 760 units with 114 affordable units.

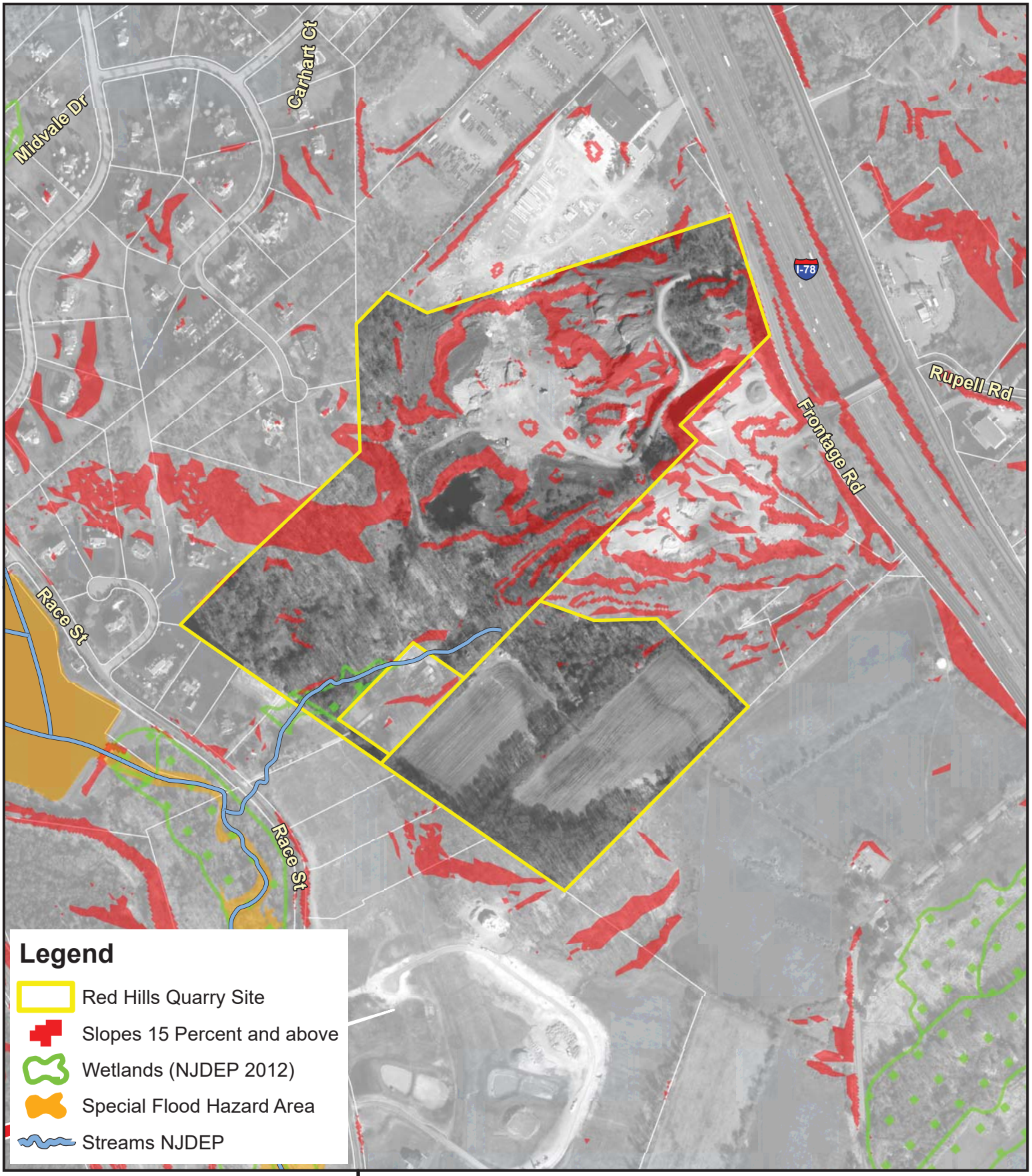
Just 1.2 acres of the site's 76 acres are constrained by wetlands, but environmental testing may be necessary due to the site's history as a quarry.

The site is located in the Suburban Planning Area 2, where affordable housing and infill development is desired where infrastructure is available. The Red Hills Quarry site is in the Highlands Planning area. The site fronts on Frontage Road, which is a road that runs parallel to and permits access to I-78. Surrounding uses include single-family residential, agricultural, and highway oriented businesses.

The site was previously owned by Red Hills Industrial Park, Inc., but it is now owned by MILM Holdings, LLC and the quarry is operated by Liberty Stone & Aggregates – Clinton Quarry, LLC. The previous owner of the site had previously approached the Township regarding consideration of the site for residential development, but no application has been put forward.

MANDATORY SET-ASIDE ORDINANCE

Paragraph 8 of the May 6, 2018 Settlement Agreement requires the Township to adopt a Township-wide ordinance that requires any new development in the Township to include a set-aside for low- and moderate-income households of not less than 20%, in accordance with the requirements of *N.J.S.A.* 52:27D-329.9.a of the Fair Housing Act. That section of the Act requires any municipality that is required to conform to the Highlands Regional Master Plan to reserve at least 20% of newly constructed residential units in those municipalities for low- or moderate-income households, to the extent that it is economically feasible.



Clarke Caton Hintz
Architecture
Planning
Landscape Architecture

Red Hills Quarry

LOCATION:
Union Township, Hunterdon County, NJ

DATE:
September 2018

ADDITIONAL COMPLIANCE STANDARDS

The Township is required by COAH's rules and the Agreement to meet the following requirements with regard to its Third Round compliance mechanisms:

- At least 50% of all units addressing the Third Round obligation must be available to family households (not age-restricted or special needs units).

  All but four (4) affordable units existing or planned for the Township are available to families.

- At least 25% of the units addressing the obligation must be rental units, with at least half of them being available to families.

  The overlay zoning incentivizes the creation of rental housing on the Foster Wheeler and Red Hills Quarry sites.

- Not more than 25% of the units addressing the obligation may be age-restricted.

  The Township is not proposing age-restricted affordable housing units.

- At least 13% of units addressing the Third Round obligation except those which were approved or constructed prior to July 1, 2008 must be affordable to very-low income households, with half of the very low income units being available to families.

  All of the existing affordable housing units in the Township were approved prior to July 1, 2008. The Township will satisfy the very-low income requirement from the settlement agreement by requiring 13% of all affordable units created at the Foster Wheeler and Red Hills Quarry durational adjustment sites to be affordable to very-low income families.

Rental Minimum: 57 Units

The FSHC agreement requires at least 25% of the Township's Third Round prospective need to be addressed with rental units. At least 57 of the housing units provided through the zoning of Foster Wheeler and Red Hills Quarry must be rentals

0.25 (Third Round)

=0.25 x 227 = 57

Maximum Age-Restricted = 70 units

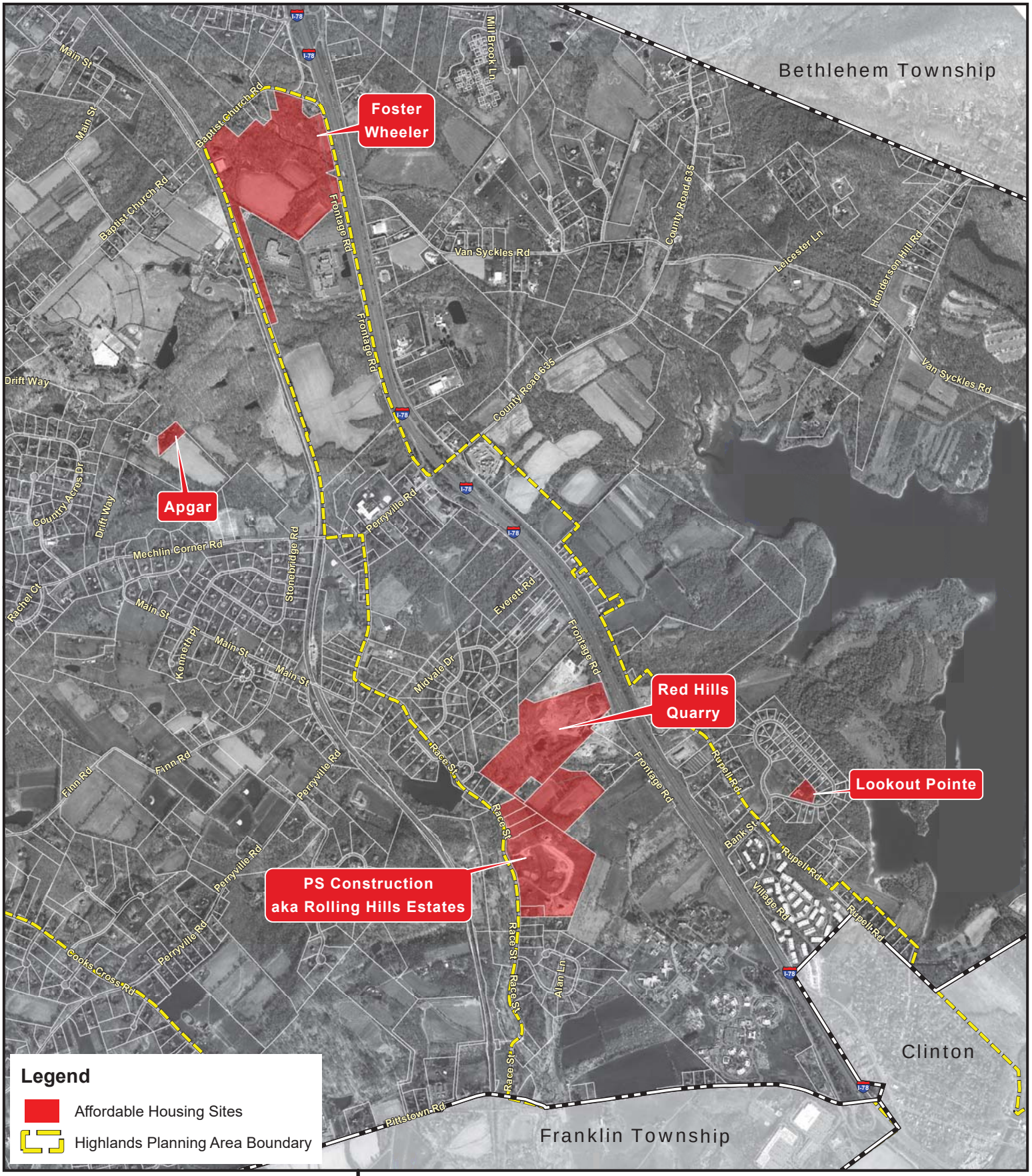
.25 (units addressing the combined Prior and Third Round Obligation)

Family Unit Requirement

The FSHC Agreement requires that half of all units created through the proposed inclusionary zones, including half of all rental units, must be available to family households.

Third Round Minimum Very Low Income = 35+ units

.13(units created after 7/2008) = .13(265+) = 34.45, round up to 35+



Third Round Affordable Housing Sites

LOCATION:
Union Township, Hunterdon County, NJ

DATE:
September 2018

Clarke Caton Hintz
Architecture
Planning
Landscape Architecture

Affordable Housing Site Summary										
ID	Name	Block	Lot	Address	Zone	Existing Use	Acreage			Comments / Status
							Gross	Const.	Devel.	
Prior Round (Partial)										
1	Regional Contribution Agreement	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Completed
2	ARC of Hunterdon County	Var.	Var.	Various	CM	--	--	--	--	Completed
3	Lookout Point	11.01	22	50 Albert Drive	CR	Rural Residential	76.5	0	76.5	Completed
4	Apgar	19	7	140 Driftway East	CR	Rural Residential	3.41	0	3.41	Completed
5	PS Construction	22	27-27.04	Race Street	CR	Agricultural	44.86	0	44.86	Approved
Durational Adjustment: Partial Prior Round and Third Round										
6	Foster Wheeler	13	7	53 Frontage Road	PR	Vacant	101	23.7	77.3	Proposed
7	Red Hills Quarry	22	28, 30	5 Frontage Road	Q, VR, CR	Quarry	75.96	1.2	74.76	Proposed
8	Mandatory Set-Aside	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Adopted
						Total	***301.73***	***24.9***	***276.83***	

Affordable Housing Program Summary											
ID	Name	Gross Acreage	Program Type	Unit Type	Housing Type	Sale / Rental	Density (du / ac)	Set-aside	Resulting Units		
									Total	Mkt.	Afford.
Prior Round (Partial)											
1	Regional Contribution Agreement	N/A	RCA	RCA	RCA	N/A	N/A	N/A	4	0	4
2	ARC of Hunterdon County	--	Supportive / Special Needs	Bedrooms	Group Home	R	--	100%	8	0	8
3	Lookout Point	76.5	Inclusionary Housing	Single-Family	Single-Family House	S	0.10	25%	8	6	2
4	Apgar	3.41	Inclusionary Housing	Single-Family		R	0.59	50%	2	1	1
5	PS Construction	44.86	Inclusionary Housing	Single-Family	Single-Family House	S	.40	11%	18	16	2
Durational Adjustment: Partial Prior Round and Third Round											
6	Foster Wheeler*	101	Inclusionary Zoning	TBD	TBD	S/R	8/10	20%/ 15%	808-1,010	646-859	162-151
7	Red Hills Quarry*	75.96	Inclusionary Zoning	TBD	TBD	S/R	8/10	20%/ 15%	608-760	486-646	122-114
8	Mandatory Set-Aside	N/A	Inclusionary Zoning	N/A	N/A	N/A	N/A	20%	N/A	N/A	N/A
								Total	***1,456+***	***1,155+***	***312+***

* The Settlement Agreement requires the Township to provide an alternative development option for the Foster Wheeler and Red Hills Quarry which would increase the maximum permitted density on the sites from 8 du/ac to 10 du/ac if the sites are developed as rentals having a 15% affordable housing set-aside.

Satisfaction of Prior Round and Third Round Obligations												
ID	Name	Gross Ac.	Program Type	Unit Type	Sale / Rental	Total Afford. Units	78-Unit Prior Round Obligation			227- Unit Third Round Obligation		
							Units	Bonus Credits	Credits	Units	Bonus Credits	Credits
Prior Round (Partial)												
1	Regional Contribution Agreement	N/A	Regional Contribution Agreement	Regional Contribution Agreement	N/A	4	4	0	4	N/A	N/A	N/A
2	ARC of Hunterdon County	--	Supportive / Special Needs	Bedrooms	R	8	8	8	16	N/A	N/A	N/A
3	Lookout Point	76.5	Inclusionary Housing	Single-Family	S	2	2	0	2	N/A	N/A	N/A
4	Apgar	3.41	Inclusionary Housing	Single-Family	R	1	1	0	1	N/A	N/A	N/A
5	PS Construction	44.86	Inclusionary Housing	Single-Family	S	2	2	0	2	N/A	N/A	N/A
Durational Adjustment: Partial Prior Round and Third Round												
6	Foster Wheeler	101	Inclusionary Zoning	TBD	S/R	162/151	162-151					
7	Red Hills Quarry	75.96	Inclusionary Zoning	TBD	S/R	122/114	122-114					
8	Mandatory Set-Aside	N/A	Inclusionary Zoning	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
					Total	***312+***	***17***	***8***	***25***	***265+***	***0***	***265+***

AFFORDABLE HOUSING ADMINISTRATION & AFFIRMATIVE MARKETING

Union Township has prepared an Affordable Housing Ordinance in accordance with COAH's substantive rules and UHAC. The Ordinance will govern the establishment of affordable units in the Township as well as regulating the occupancy of such units. The Ordinance covers the phasing of affordable units, the low/moderate income split, bedroom distribution, occupancy standards, affordability controls, establishing rents and prices, affirmative marketing, income qualification, etc. The Township had previously adopted ordinance 2005-13, which codified the Growth Share requirements in the rules adopted by COAH in *N.J.A.C.* 5:94 and 5:95 at §30-30 of the Township's land use regulations. This Ordinance was rendered unenforceable by the Appellate Division's invalidation of the Growth Share methodology in 2007 and 2010. Section 30-30 of the Township's code was repealed at the same time that the amended Affordable Housing Ordinance at §30-27 of its code was adopted to implement this Housing Element and Fair Share Plan and reflect the terms and conditions of the Settlement Agreement with FSHC.

As approved by municipal resolution, the Township Clerk, Ella Ruta, was appointed to the position of the Municipal Housing Liaison in 2006. The Township is required to name administrative agent(s) for the various proposed affordable housing sites. With the exception of the ARC group home, which will be administered in accordance with the requirements of the Department of Human Services Division of Developmental Disabilities ("DDD"), all affordable units in Union Township will be administered by HAS.

The Township adopted an updated affirmative marketing plan for all affordable housing sites addressing its fair share obligation with the exception of the ARC group home, which will be marketed by the DDD. The affirmative marketing plan, attached hereto in the Appendices, is designed to attract buyers and/or renters of all majority and minority groups, regardless of race, creed, color, national origin, ancestry, marital or familial status, gender, affectional or sexual orientation, disability, age or number of children to the affordable units located in the Township. Additionally, the affirmative marketing plan is intended to target those potentially eligible persons who are least likely to apply for affordable units and who reside in the Township housing region, Region 3, consisting of Hunterdon, Somerset, and Middlesex Counties.

The affirmative marketing plan lays out the random-selection and income qualification procedure of the administrative agent, which is consistent with COAH's rules and *N.J.A.C.* 5:80-26. All newly created affordable units will comply with the 30-year affordability control required by UHAC, *N.J.A.C.* 5:80-26.5 and 5:80-26.11. This plan must be adhered to by all private, non-profit or municipal developers of affordable

housing units and must cover the period of deed restriction or affordability controls on each affordable unit.

As required by the FSHC agreement, the Affirmative Marketing Plan lists Fair Share Housing Center, the New Jersey State Conference of the NAACP, the Latino Action Network, NORWESCAP, the Supportive Housing Association, and the Central Jersey Housing Resource Center among the list of community and regional organizations, and shall directly notify these organizations of all available affordable housing units.

AFFORDABLE HOUSING TRUST FUND

Union first adopted a development fee ordinance in 1994, and amended the ordinance on January 31, 2011. The Township has amended the development fee ordinance, which can be found in Appendix K of this HEFSP, to reflect the conditions of the Settlement Agreement. The development fee ordinance permits the Township to collect residential development fees equal to 1.5% of the equalized assessed value of new residential construction and nonresidential development fees equal to 2.5% of the equalized assessed value of new nonresidential construction. The Spending Plan, which discusses anticipated revenues, collection of revenues, and the use of revenues, was prepared in accordance with COAH's applicable substantive rules. All collected revenues will be placed in the Township's Affordable Housing Trust fund and will be dispensed for the use of eligible affordable housing activities including, but not limited to:

- Extensions or improvements of roads and infrastructure directly serving affordable housing development sites;
- Acquisition and/or improvement of land to be used for affordable housing;
- Purchase of affordable housing units for the purpose of maintaining or implementing affordability controls;
- Maintenance and repair of affordable housing units;
- Repayment of municipal bonds issued to finance low- and moderate-income housing activity; and
- Any other activity as specified in the approved spending plan.

The Township does not anticipate using its funds during the Third Round toward the creation of new affordable housing units or the rehabilitation of existing units occupied by low- and moderate-income households, but is required to provide affordability assistance.

At least 30% of collected development fees, excluding expenditures made since July 17, 2008, when affordability assistance became a statutory requirement in the Fair Housing Act, shall be used to provide affordability assistance to low- and moderate-income households in affordable units included in a municipal Fair Share Plan. At least one-

third (1/3) of the affordability assistance must be expended on very-low income units. Additionally, no more than 20% of the revenues collected from development fees each year, shall be expended on administration, including, but not limited to, salaries and benefits for municipal employees or consultant fees necessary to prepare or implement a rehabilitation program, a new construction program, a housing element and fair share plan, and/or an affirmative marketing program.

COST GENERATION

Union Township's land use regulations have been reviewed to eliminate unnecessary cost generating standards; it provides for expediting the review of development applications containing affordable housing. Such expedition may consist of, but is not limited to, scheduling of pre-application conferences and special monthly public hearings. Furthermore, development applications containing affordable housing shall be reviewed for consistency with the land use regulations, Residential Site Improvement Standards *(N.J.A.C.* 5:21-1 et seq.) and the mandate of the FHA regarding unnecessary cost generating features. Union shall comply with COAH's requirements for unnecessary cost generating requirements, *N.J.A.C.* 5:93-10.1, procedures for development applications containing affordable housing, *N.J.A.C.* 5:93-10.4, and requirements for special studies and escrow accounts where an application contains affordable housing, *N.J.A.C.* 5:93-10.3.

MONITORING

In accordance with the Settlement Agreement with FSHC, the Township will publish monitoring reports at regular intervals, including the following:

- Annual reporting of affordable housing trust fund spending and the creation of affordable units on May 2 of each year.
- A midpoint review on July 1, 2020 of the Township's progress in implementing its fair share plan.
- A review on May 2, 2021 and May 2, 2024 on the Township's progress toward meeting its very-low income obligation on the anniversary of the Judgment of Compliance and Repose.

The monitoring requirements are further detailed in the Borough's affordable housing ordinance.