



Integrity | Innovation | Excellence

1345-017-002

MASTER PLAN AMENDMENT


HOUSING PLAN ELEMENT AND FAIR SHARE PLAN



BOROUGH OF SHREWSBURY, MONMOUTH COUNTY

NEW JERSEY

February 8, 2019


David A. Cranmer, P.E., P.P., C.M.E.,
NJ Professional Planner License No. 590300

Adopted March 12, 2019 by the Borough of Shrewsbury Planning Board

750 Broad Street
PO BOX 7033
Shrewsbury, NJ 07702

Telephone 732 212 8800
Fax 732 212 8910
www.cranmerengineering.com

**MASTER PLAN AMENDMENT
HOUSING PLAN ELEMENT AND FAIR SHARE PLAN**

Borough of Shrewsbury, Monmouth County, New Jersey

TABLE OF CONTENTS

INTRODUCTION 1
BACKGROUND TO THIS AMENDED HOUSING ELEMENT AND FAIR SHARE PLAN..... 2
MANDATORY CONTENTS OF THE HOUSING ELEMENT 2

DEMOGRAPHIC, HOUSING AND EMPLOYMENT CHARACTERISTICS ...3
POPULATION CHARACTERISTICS OF THE BOROUGH OF SHREWSBURY 3
HOUSING STOCK OF THE BOROUGH OF SHREWSBURY4
SHREWSBURY’S EMPLOYMENT CHARACTERISTICS 7

EMPLOYMENT AND HOUSING GROWTH PROJECTIONS.....8

FAIR SHARE PLAN.....10
SUMMARY OF COMPLIANCE.....12

ATTACHMENTS

ZONING MAP

PROPOSED AH-MF8 OVERLAY ORDINANCE

PROPOSED AH-MU OVERLAY ORDINANCE

ADOPTED INCLUSIONARY ZONING ORDINANCE

ADOPTED FEE ORDINANCE

SPENDING PLAN

**MASTER PLAN AMENDMENT
HOUSING PLAN ELEMENT AND FAIR SHARE PLAN**

Borough of Shrewsbury, Monmouth County, New Jersey

LIST OF FIGURES

TABLE 1	Population Trends, 1990-2010	3
TABLE 2	Population By Age - 2010	4
TABLE 3	Housing Characteristics – 2017 American Community Survey	5
TABLE 4	Housing Affordability As a Percentage of 2017 Household Income	6
TABLE 5	Occupation of Employed Citizen Population Aged 16 & Over - 2010	7
TABLE 6	Household Income - 2017	7
TABLE 7	Demographic Indicators - 2010	7

IX. HOUSING ELEMENT & FAIR SHARE PLAN

The Housing Element and Fair Share Plan of the Borough of Shrewsbury, Monmouth County, New Jersey has been designed to achieve the goal of access to affordable housing to meet present and prospective future needs, with particular attention to low and moderate income housing. This plan follows the requirements of Section 3.10 of the New Jersey Fair Housing Act (FHA), N.J.S.A. 52:27D-3.10, and the relevant provisions of the regulations adopted by the New Jersey Council On Affordable Housing (COAH) at N.J.A.C. 5:97-2.3 ("Content of a Housing Element") and N.J.A.C. 5:97-3.2 ("Content of a Fair Share Plan").

OVERVIEW

The Borough of Shrewsbury was one of the first established municipalities in Monmouth County, founded in 1665. The Borough is a fully developed community containing 2.3 square miles of land area, situated in the eastern region of Monmouth County. Typical of many municipalities in eastern Monmouth County, the Borough of Shrewsbury has sparse vacant land available for future development thus focuses on re-development initiatives as a means to create opportunities for the creation of affordable housing.

The Borough is a historic community with a delineated historic district, as well as several buildings found on the National and State Register of Historic Places. The State Development and Re-Development Plan indicates that the Borough lies in a Metropolitan Planning Area (PA-1), which is an area designated to "*Provide for much of the state's future redevelopment; revitalize cities and towns; promote growth in compact forms; stabilize older suburbs; redesign areas of sprawl; and protect the character of existing stable communities*".

The Municipal Land Use Law, N.J.S.A. 40:55D-1 et seq., requires that a municipal master plan include a Housing Plan Element in order for the municipality to exercise the power to zone and regulate land use. The Housing Plan Element and Fair Share Plan is adopted by the Borough Planning Board and endorsed by the Borough Council. Once these two actions are accomplished, Section 3.13 of the FHA permits a municipality to file its adopted and endorsed Housing Plan Element and Fair Share Plan with COAH and to either petition COAH for substantive certification or to seek judicial approval of its plan through the filing of a complaint seeking declaratory relief. Once an affordable housing plan is approved by the Court, the municipality will secure a Judgment of Compliance and Repose, protecting it from Mount Laurel lawsuits for a 10-year period.

This amendment to the Borough Master Plan addresses the planning requirements of the *Substantive Rules of the New Jersey Council on Affordable Housing which became effective on October 20, 2008 (N.J.A.C. 5:96-1.1 et. seq. and N.J.A.C. 5:97-1.1 et seq.)*.

BACKGROUND TO THIS AMENDED HOUSING ELEMENT AND FAIR SHARE PLAN

On June 2, 2008, the New Jersey Council on Affordable Housing adopted a set of Substantive Rules found at N.J.A.C. 5:97 et seq. (Mount Laurel III) which became effective on October 20, 2008. Mount Laurel III establishes the planning requirements that each municipality must follow to address the cumulative housing obligations created therein. The Borough has demonstrated its commitment to meeting its affordable housing obligation by formulating a Cycle III Housing Element and Fair Share Plan and receiving approval of the court. A Judgment of Compliance and Repose was entered on April 13, 2010 by Hon. Dennis R. O'Brien, J.S.C. thereby insulating the Borough from builder's remedy lawsuits through December 31, 2018.

The Borough continues its commitment to voluntary compliance with *Mount Laurel* requirements and to the preparation of a plan addressing the Borough's affordable housing obligation under Mount Laurel IV regulations. A motion granting immunity to Builder's Remedy Lawsuits was entered by the court August 19, 2015, and later challenged by interveners. The result of litigation was a settlement entered into between the Borough of Shrewsbury and Fair Share Housing Center/NJ Builders Association, which identified agreed upon terms of quantifying the present and prospective future affordable housing needs.

A Settlement Agreement dated June 20, 2017 spells out the terms by which the Borough's affordable housing obligations under Mount Laurel IV shall be met, subject to approval by the court. The ensuing Housing Element and Fair Share Housing Plan is designed to embody the terms of the Settlement Agreement and enable the court to enter a Judgment of Compliance and Repose insulating the Borough from builders remedy litigation through 2025.

MANDATORY CONTENTS OF THE HOUSING ELEMENT

The essential components of a Housing Element, as set forth in the State Fair Housing Act (N.J.S.A. 52:27D-301), include the following:

- a. 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, and in conducting this inventory, to all necessary property tax assessment records and information in the assessor's office, including but not limited to the property record cards;
- b. 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 land;

- c. An analysis of the municipality's demographic characteristics, including but not necessarily limited to, household size, income level, and age;
- d. An analysis of the existing and probable future employment characteristics of the municipality;
- e. A determination of the municipality's present and prospective fair share for low and moderate income housing and its capacity to accommodate its present and prospective housing needs, including its fair share for low and moderate income housing; and
- f. 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, including a consideration of lands of developers who have expressed a commitment to provide low and moderate income housing.

DEMOGRAPHIC, HOUSING AND EMPLOYMENT CHARACTERISTICS

As required by N.J.S.A. 52:27D-3,10, all housing elements must contain an analysis of the community's demographic, housing, and economic characteristics. In fulfillment of this requirement, the following sections profile the Borough of Shrewsbury with information obtained from the U.S. Census Bureau, the North Jersey Transportation Planning Authority, and the New Jersey Department of Labor and Workforce Development.

POPULATION CHARACTERISTICS OF THE BOROUGH OF SHREWSBURY

A snapshot of the population trends of the Borough of Shrewsbury as compared to the County of Monmouth are illustrated below.

Table 1

POPULATION TRENDS, 1990-2010

	<u>1990</u>	<u>2000</u>	<u>2010</u>	<u>% Change</u> <u>1990-2000</u>	<u>% Change</u> <u>2000-2010</u>
Borough of Shrewsbury	3,096	3,590	3,809	16.0%	6.1%
Monmouth County	553,124	615,301	639,500	11.2%	3.9%

Source: US Census Bureau, North Jersey Transportation Planning Authority

Table 2

POPULATION BY AGE - 2010

	<u>Number</u>	<u>% of Total</u>
Under 5 Years	226	5.9%
5 to 9 Years	285	7.5%
10 to 14 Years	315	8.3%
15 to 19 Years	270	7.1%
20 to 24 Years	121	3.2%
25 to 34 Years	201	5.2%
35 to 44 Years	530	13.9%
45 to 54 Years	687	18.0%
55 to 59 Years	269	7.1%
60 to 64 Years	234	6.1%
65 Years and Older	671	17.6%

Source: US Census Bureau

HOUSING STOCK ANALYSIS

The housing stock characteristics in the Borough of Shrewsbury include the number and type of housing units, occupancy household characteristics, age (the year the structure was built), condition of units, purchase or rental value of units, affordability to low and moderate income housing, and rate of construction.

In preparing this plan the latest available housing and demographic information was obtained from the US Census Bureau based upon 2013-2017 American Community Survey 5 Year Estimates, along with the North Jersey Transportation Planning Authority estimated on population through 2045. The referenced data is tabulated and summarized herein to demonstrate the various points of analysis.

According to the Census Bureau Shrewsbury has an estimated total of 1,516 housing units and 1,450 households as evidenced in the 2017 American Community Survey. This represents an increase of 293 total units since the 2010 U.S. Census, which reported a total of 1,223 units. Development occurring in the Borough since 2010 is responsible for adding 143 new residential units, however this number appears to include age restricted institutional facilities currently under construction, thus explaining the delta between number of housing units and households. Of the total units, 66 units were identified as vacant in 2017. When assessing the relationship of owner-occupied residential units to rental units, it is evident that 91.7% of all occupied dwelling units in the community are owner-occupied, having a median home value of \$530,200.

Table 3

HOUSING CHARACTERISTICS -- 2017 AMERICAN COMMUNITY SURVEY

	<u>Number</u>	<u>% of Total</u>
I. Housing Units		
Number of Units	1,516	100.0%
Occupied Housing Units	1,450	95.6%
Number of Units (1990)	1,125	100.0%
Vacant Housing Units	66	4.4%
II. Occupancy/Household Characteristics		
Number of Households	1,450	100.0%
Persons Per Household	2.96	N/A
Family Household	1,131	78.0%
Non-Family Households	319	22.0%
Householders 65 and over	284	19.6%
III. Year Structure Built		
2014 or Later	25	1.6%
2010 to 2013	49	3.2%
2000 to 2009	178	11.9%
1990 to 1999	73	4.8%
1980 to 1989	160	10.6%
1970 to 1979	79	5.2%
1960 to 1969	142	9.4%
1950 to 1959	474	31.3%
1940 to 1949	145	9.6%
1939 or earlier	191	12.6%
IV. Condition of Units		
Lacking complete plumbing facilities	0	0.0%
Lacking complete kitchen facilities	0	0.0%
V. Home Value (Owner Occupied Units)		
\$1,000,000 and up	29	2.2%
\$500,000 to \$999,999	698	52.4%
\$300,000 to \$499,999	457	34.3%
\$200,000 - \$299,999	108	8.1%
\$150,000 - \$199,000	12	0.9%
\$100,000 - \$149,000	13	1.0%
\$50,000 - \$99,99	0	0.0%
\$0 - \$50,000	14	1.1%
Median Value	\$530,100	N/A
VI. Rental Value (Renter Occupied Units)		
\$2,500 and up	33	36.7%
\$2,000 to \$2,499	49	54.4%
\$1,500 to \$1,999	8	8.9%
< \$1,499	0	0.0%
Median Rent	\$2,378	N/A

Source: US Census Bureau Community 5 Year Survey 2013-2017

The Borough's housing stock is diverse with respect to age and family size. The largest single time period with respect to housing construction occurred the period between 1950 and 1959, during which time 474 detached individual dwellings were constructed, typically on ¼ to ½ acre lots. As the development of Monmouth County progressed as a whole, the Borough of Shrewsbury followed suit until all available land was developed. The rate of new housing construction has diminished, with all new units beyond the 2010 census primarily attributable to inclusionary, age restricted and residential institution projects carried out under re-development scenarios.

A Vacant Land Analysis was performed in 2004 and re-verified in 2010 confirming that zero vacant land exists in the Borough as previously approved by the court.

The median home value in Shrewsbury is typical of the eastern Monmouth County area at \$530,100. The housing affordability index detailed in Table 4 indicates that monthly costs of ownership exceeds 35% of income. Similarly, the average monthly rent value in Shrewsbury is \$2,378, with 45.6% of households estimated to spend greater than 35% of income on rent.

Table 4

HOUSING AFFORDABILITY AS A PERCENTAGE OF 2013 - 2017 HOUSEHOLD INCOME

	<u>Number</u>	<u>% of Total</u>
Selected Monthly Owner Cost		
< 20%	280	27.7%
20% to 24.9%	195	19.3%
25% to 29.9%	155	15.3%
30% to 34.9%	0	0.0%
35% or more	303	29.9%
Gross Rent		
< 15%	8	8.9%
15% to 19%	8	8.9%
20% to 24%	33	36.7%
25% to 34.9%	0	0.0%
35% or more	41	45.6%

Source: US Census Bureau Community 5 Year Survey 2013-2017

With regard to the affordability of owned and rented housing units to low and moderate income households, it should be noted that 62.3% of the selected monthly owner costs displayed in Table 4 are less than 30 percent of the estimated household income. Similarly, 54.5% of renters spend less than 30 percent of their household income on housing. The criterion for housing affordability is that no more than 30 percent of the gross income should be allocated for housing costs.

According to the 2017 Community Survey 5 Year Estimate, Shrewsbury has a total of 1,450 households. Of the total number of households 1,131 were family households (78.0%) and 319 (22.0%) were non-family households. Householders 65 years of age or older accounted for 284 (19.6%) of the households in Shrewsbury.

SHREWSBURY'S EMPLOYMENT CHARACTERISTICS

At the time of the 2017 U.S. Census estimate, 1,922 or 60.2 percent of Shrewsbury's population, aged 16 years old and over, was engaged in the labor force. Table 5 describes the varied activities of this segment of the population.

Table 5

OCCUPATION OF EMPLOYED CIVILIAN POPULATION AGED 16 AND OVER - 2010

	Number	% of Total
Management, Professional, and Related	912	49.2%
Service	201	10.8%
Sales and Office	561	30.2%
Nat. Resources, Construction and Maintenance	103	5.6%
Production, Transportation, and Material	78	4.2%

Source: US Census Bureau

The two largest occupational groups within the civilian labor force in 2017 were Management, Professional, and Related Occupations, and Sales and Office Occupations. The distribution of income per household in the Borough of Shrewsbury is outlined below in Table 6.

Table 6

HOUSEHOLD INCOME -2017

	Number	% of Total
Less than \$10,000	25	1.7%
\$10,000 to \$14,999	30	2.1%
\$15,000 to \$24,999	8	0.6%
\$25,000 to \$34,999	97	6.7%
\$35,000 to \$49,999	80	5.5%
\$50,000 to \$74,999	153	10.6%
\$75,000 to \$99,999	154	10.6%
\$100,000 to \$149,999	340	23.4%
\$150,000 to \$199,999	247	17.0%
\$200,000 or More	316	21.8%
<i>Median Household Income</i>	<i>\$72,321</i>	

Source: US Census Bureau

Per Capita Income within the Borough in 2017 is estimated at \$55,346 while the median household income was \$122,321. A total of 15 households reported income of less than \$25,000, or 1.3 percent of the households. A total of 30 households reported income between \$25,000 and \$34,999 or 2.7 percent of the households. A total of 28 households reported income between \$35,000 and \$49,999 or 3.4 percent. A total of 122 reported income between \$50,000 and \$74,999 or 10.8 percent. A total of 104 households reported income of \$75,000 - \$99,999 and 528 households reported income of \$100,000 to \$199,999. A total of 294 households reported income of \$200,000 or more.

The median household income and the per capita income of the municipal population were more than the median household income and the per capita income at the State level. With respect to per capita income, Shrewsbury is in the upper quarter of the State's municipalities and ranks 110 out of 566 municipalities (Source: New Jersey Department of Labor and Workforce Development).

With regard to growth in employment in Shrewsbury, the North Jersey Transportation Planning Authority has published employment projections. According to the NJTPA projections, there will be 6,438 jobs in Shrewsbury in 2045, which is essentially level with the number of jobs recorded in 2015 of 6,396.

EMPLOYMENT AND HOUSING GROWTH PROJECTION

The North Jersey Transportation Planning Authority's (NJTPA) population projections for the Borough of Shrewsbury and Monmouth County indicate that the population for the Borough and the County at large will continue to grow, though at a slower rate than experienced during earlier growth periods, reaching 2045 populations of 4,033 and 671,946, respectively. It is also important to note that the NJTPA projects that Shrewsbury's population will grow by 0.2 percent from 2015 to 2045, which is significantly less than the rate of 6.4 percent projected for the County during the same period, as well as the rate of 13.8 percent experienced by the Borough during the 1990s.

According to the 2010 U.S. Census, the Borough of Shrewsbury's population was comprised of 1,353 households, with an average household size of 2.87 members. The median age of the Borough's population was 44.3 years, which is higher than that of Monmouth County (37.7 years) and the State of New Jersey (36.7 years). The segment of population 65 years and older in the Borough of Shrewsbury is presently estimated 17.6%, attributable to recently completed age-restricted developments. In addition, the median household income of Shrewsbury's households is \$122,321, which is much more than the respective figures for the State and the County. These indicators are presented in Table 7.

Table 7

DEMOGRAPHIC INDICATORS - 2010

	<u>Number of Households</u>	<u>Average Household Size</u>	<u>Median Age</u>	<u>% of Population > 65</u>	<u>Median Household Income</u>
Borough of Shrewsbury	1,450	2.87	44.3	12.0%	\$86,911
Monmouth County	224,236	2.70	37.7	12.5%	\$64,271
New Jersey	3,064,645	2.68	36.7	13.2%	\$55,146

Source: US Census Bureau

As a comparison, 12.0 percent of Shrewsbury's 2000 population was aged 65 years and over, and the same age group comprised 17.6% of the 2017 population. More detailed information regarding the distribution of Shrewsbury's population among different age cohorts is presented in Table 7:

FAIR SHARE PLAN

The Borough's Fair Share obligation is comprised of a present need or rehabilitation share, a prior round obligation for new construction from the prior rounds from 1987 to 1999, and a prospective need obligation for the period of 2015-2025.

The Settlement Agreement entered into by the Borough of Shrewsbury and accepted by the court in a Fairness Hearing conducted on September 26, 2017 before Hon. Jaimee S. Perri, J.S.C. outlines the various components of the borough's fair share obligation as follows:

Present Need (Rehabilitation Share)	10 Units
Prior Round Obligation (1987-1999)	277 Units
Prospective Need Obligation (2015-2025)	197 Units

PRESENT NEED (REHABILITATION SHARE)

The Present Need or Rehabilitation Share of the overall fair share obligation is intended to provide a source of funding to rehabilitate housing for occupancy by families meeting affordability requirements. The source of funding includes the Affordable Housing Trust Account established by ordinance of the governing body where contributions are deposited for those projects that are not required to provide on-site affordable units.

Rehabilitation investments under this program shall average a minimum of \$10,000 per unit and shall include the rehabilitation of at least one (1) major system. The rehabilitation program shall be structured to encourage rehabilitation and continued occupancy using mechanisms such as low-interest and forgivable loans.

The rehabilitation program shall be designed to provide rehabilitation funding for rental units, as well as owner-occupied units, and shall have a mechanism to re-capture funds for any units which are sold prior to the sundown period of affordability controls.

The rehabilitation units shall be subject to 10 year controls on affordability in the form of a lien or deed restriction. The overall rehabilitation program shall be designed and implemented to meet the requirements of N.J.A.C. 5:97-6.2.

PRIOR ROUND OBLIGATION (1987 - 1999)

With regard to the Borough's 277 unit prior round obligation, the Borough is entitled to a vacant land adjustment pursuant to N.J.A.C. 5:97-5.1 and 5.2. The adjustment results in a realistic development potential (RDP) of zero (0) for the new construction obligation from 1987 to 1999.

The prior round Realistic Development Potential (RDP) and vacant land adjustment is documented in the Vacant Land Inventory and Analysis Report prepared for the Borough

on August 3, 2005 by T&M Associates. Pursuant to COAH's regulations, the Borough must undertake good faith measures to capture affordable housing opportunities to address the unmet need resulting from the vacant land adjustment from the 1987 to 1999 for new construction obligation.

PROSPECTIVE NEED OBLIGATION (2015 - 2025)

The Borough of Shrewsbury does not accept the basis of the methodology or calculations of Dr. David Kinsey, PhD, PP, FAICP. In accepting the terms of the Settlement Agreement the Borough agrees to accept a Prospective Need of 197 units, representing the Borough's allocation of the Round III regional need.

The cumulative prior cycle and third round unmet need obligation is the sum of 277 units plus 197 units as outlined in the Settlement Agreement. Included in this calculation is the third round realistic RDP of 29 units based upon construction that has taken place in the Borough during the Third Round.

The 29 unit RDP is derived by adding the number of residential units constructed (77 Units 'Ivy' + 66 Units 'Enclave') and dividing by 5, which equates to 29 units.

The third round RDP is satisfied with credits already achieved as computed below.

K Hovnanian 'Ivy' Development Block 2, Lots 1 & 13	16 Units Constructed
Monmouth County ARC Home Block 60, Lot 35	6 Units Rental Units
The Chelsea Assisted Living Block 3, Lot 1	11 Rental Units (4 Credits Applied)
Rental Bonus Credits	<u>3 Units</u> 29 Units Credit

After applying the credits for the third round RDP, the remaining prior round unmet need will equal 445 units.

COMPLIANCE TECHNIQUES

The Borough's strategy to meet its fair share obligation relies upon the following components:

1. In an attempt to address the 445 unit unmet need, the Borough has already adopted an Affordable Housing Development Fee Ordinance and established an Affordable Housing Trust Fund. The trust fund shall be utilized to facilitate such programs as the rehabilitation program, as well as any future municipally sponsored programs or projects.
2. In an attempt to address the 445 unit unmet need, the Borough will amend the previously created redevelopment overlay zone (AH-MF8) on Newman Springs Road to include additional properties situated at Block 2, Lots 18, 19, 20, 21 and Block 13, Lots 4,5,6.
3. In an attempt to address the 445 unit unmet need, the Borough previously created a mixed use zone (B3) which permits the construction of mixed use developments, and provide compensatory benefits to developers for the construction of accessory apartments over non-residential uses with a 20% affordable housing set aside.
4. In an attempt to address the 445 unit unmet need, the Borough will amend the AH-MF8 overlay zone and land use plan to include properties known as Block 3, Lot 8 (621 Shrewsbury Avenue) at a property-specific density of 14 DU/Acre.
5. In an attempt to address the 445 unit unmet need, the Borough will amend the AH-MF8 overlay zone and land use plan to include properties known as Block 29, Lots 7, 8, 9, 10, 11 at a property-specific densities of 14 DU/Acre.

6. In an attempt to address the 445 unit unmet need the present AH-MU overlay zone enacted as part of the prior Fair Share Plan shall be amended to remove the absolute requirement for first floor commercial use and permit residential as a primary use. The AH-MU zoning ordinance shall also be amended to remove the maximum number of units per structure and provide a sliding scale, ranging from a minimum of 8 DU/Acre to a maximum of 14 DU/Acre which considers such factors as lot size, mix of uses, height, setback, coverage and lot dimensions.
7. In an attempt to address the 445 unit unmet need a Spending Plan shall be developed which includes provisions for the development of two (2) market to affordable units developed in cooperation with a non-profit affordable housing developer.
8. In an attempt to address the 445 unit unmet need the Borough has adopted an Inclusionary Zoning Ordinance which requires an affordable housing set-aside of 15% for rental units and 20% for 'For Sale' units. This ordinance applies to all new multi-family developments with five (5) units or more.
9. The Present Need or Rehabilitation Share of the overall fair share obligation shall be satisfied through the implementation of a local rehabilitation program or participation in a Monmouth County regional rehabilitation program. To implement a local program the Borough of Shrewsbury will contract with a qualified private entity to provide affirmative marketing and administrative oversight in the qualification of applicants and implementation of the actual construction.

Alternatively, the Borough may elect to participate in a regional rehabilitation program implemented by the Monmouth County Division of Planning, Office of Community Development, for all or part of the overall 10 unit present need obligation.

COMPLIANCE GOALS

The above enumerated compliance techniques shall be implemented through the enactment of legislation and application of planning tools and processes to meet certain specific goals with respect to the creation of real opportunities for affordable housing in the Borough.

The specific goals to be accomplished through this process include the following:

- a. At least one-half of all affordable units addressing the Third Round Prospective Need shall be available to family households.
- b. At least 13% of all new affordable housing units created under this plan shall be affordable to very low income household earning 30% or less of the median income. At least one-half of the very low income units shall be available to families.

- c. At least 25% of the Third Round Prospective Need obligation shall be satisfied with rental units, of which at least 50% shall be available to families.
- d. Not more than 25% of any new affordable units created shall be age-restricted.
- e. At least 50% of all affordable units in any one (1) inclusionary site shall be affordable to low income and very low income households, with the remaining units available to moderate income households.
- f. The Borough will comply with affirmative marketing and affordability regulations set forth at N.J.A.C. 5:80-26.1 (UHAC) except that in lieu of the requirement at N.J.A.C. 5:80-26.3(d) for 10% of all low and moderate income rental units to be affordable to households earning 35% or less of the median income, the requirement shall be that 13% of all low and moderate income rental units shall be affordable to households earning 30% or less of median income.

ZONING MAP

ZONING MAP

BOROUGH OF SHREWSBURY, MONMOUTH COUNTY, NEW JERSEY

ZONING DISTRICTS

 SHREWSBURY HISTORIC DISTRICT OVERLAY

AFFORDABLE HOUSING OVERLAY DISTRICTS

 AH-MFB AFFORDABLE HOUSING MULTI-FAMILY

 AH-MU AFFORDABLE HOUSING MIXED USE

RESIDENTIAL ZONES

R-1	45,000 s.f.
R-1A	42,000 s.f./Cluster
R-1B	45,000 s.f./Cluster
R-2	22,600 s.f.
R-3	15,000 s.f.
R-4	16,000 s.f.
R-4.5	6,000 s.f.
R-6	6,000 s.f.






PSC-1 Planned Sector Cluster
PSC-2 Planned Sector Cluster
PSC-3 Planned Sector Cluster

BUSINESS ZONES

B-1	Business - General
B-2	Shopping/Office Center
HC/CO	HIGHWAY COMMERCIAL/PROFESSIONAL OFFICE
I-1	PROFESSIONAL OFFICE
I2	LIGHT INDUSTRIAL

LIR-60 LIMITED INDUSTRIAL RESEARCH
LIR-66 60,000 s.f.
LIR-68 66,000 s.f.

COMMUNITY FACILITIES

	PUBLIC LANDS/FACILITIES
	CHURCHES, CEMETERIES, AND QUASI-PUBLIC
	PARK & OPEN SPACES
	STATE HIGHWAY
	COUNTY ROAD



ADOPTED: JULY 27, 1984 AND 1991

REVISED:

AUGUST 12, 1988	686	8535
MAY 11, 1987	638	2523
MARCH 12, 1986	598	4203
NOVEMBER 13, 1985	558	2750
JUNE 21, 1984	518	2829
JUNE 8, 1983	478	4923
DECEMBER 19, 1982	438	2924
DECEMBER 12, 1981	398	2906
MAY 29, 1980	358	2128
MAY 15, 1979	318	2126



PROPOSED AIL-MPS
OVERLAY ORDINANCE

BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH

ORDINANCE NO. 2019-1059

AN ORDINANCE AMENDING THE CHAPTER 94, LAND USE AND DEVELOPMENT,
OF THE CODE OF THE BOROUGH OF SHREWSBURY, COUNTY OF MONMOUTH
AND STATE OF NEW JERSEY BY AMENDING THE AH-MF-8 AFFORDABLE
HOUSING MULTI-FAMILY OVERLAY ZONE DISTRICT AND TO AMEND THE
ZONING MAP TO INCLUDE AH-MF-8 ZONE TO FACILITATE THE PROVISION OF
AFFORDABLE HOUSING IN THE BOROUGH

BE IT ORDAINED by the Borough Council of the Borough of Shrewsbury in the County of Monmouth and State of New Jersey as follows:

SECTION 1

Chapter 94, Article X, Zoning District Regulations, § 94.10.1, Zoning Map and Schedule, §94.10.1A(5), Revisions to the Zoning Map and Schedule, is hereby amended to modify the map to designate Block 13, Lots 4, 5, 6; Block 2, Lots 18, 19, 20, 21; Block 3, Lot 8; Block 29, Lots 7,8,9,10,11 as "AH-MF-8 Overlay Zone" and to include the ordinance number and adoption date reference as applicable. Said amendments shall not become effective until such time as the Official Zoning Map has been amended in accordance with the provisions of Article X.

SECTION 2

Chapter 94, Article X, Zoning District Regulations is hereby amended and supplemented by the amendment of section § 94-10.16 entitled "Affordable Housing Multi-Family Overlay Zone," to read as follows:

§ 94-10.16. AH-MF-8 Affordable Housing Multi-Family Overlay Zone.

- A. **Purpose.** The purpose of the AH-MF-8 Affordable Housing Multi-Family Overlay Zone is to provide compensatory economic benefits and incentives for the development of multi-family housing with inclusionary low and moderate income housing units on parcels of land that are designated for such use by ordinance. Development within the AH-MF-8 Overlay Zone shall permit multi-family housing as an optional use to the underlying zoning district regulations. Multi-family residential development within this zone shall include affordable housing units for low and moderate income families, in order to better promote the general welfare and to create a realistic opportunity for the construction of low and moderate income housing within the Borough of Shrewsbury in accordance with the New Jersey Fair Housing Act, N.J.S.A. 52:27D-301 et seq., and the New Jersey Council on Affordable Housing Rules, N.J.A.C. 5:92 through N.J.A.C. 5:97.
- B. **Qualification of developer.** The Planning or Zoning Board shall require the prospective developer to file a report of financial qualifications, prepared by a recognized auditing firm, and such documentation as may be deemed necessary by the Board or its professionals, to determine the developer's ability to complete the proposed development as part of its finding for a development in accordance with N.J.S.A. 40:55D-45.

C. **Assignment of interests.** Before any applicant or developer effectively assigns any of the interests in any preliminary or final approval, he or she must notify the administrative officer of the Planning Board (Planning Board Secretary) in writing of their intent, and must furnish detailed information with regard to the name, address, principals, type of organization, competency, experience, and past performance of the assignee, transferee or agent. Any such assignment of interests shall be subject to the following requirements.

1. Any successor or assignee is subject to the filing requirements as outlined in paragraph B, qualification of developer, above.
2. The assignee shall file a written certification that he or she has been made aware of each of the conditions of development application approval.
3. The administrative officer shall notify the Borough clerk, the Borough chief financial officer, the Borough engineer, the Borough zoning officer, and the Borough construction official in writing of the assignment of interest, upon approval of the assignee's qualifications by the Planning Board.
4. Any request for assignment of interest must be accompanied by a non-refundable administrative fee in the amount of \$500.00, to offset the cost of the review and recording of the certification filed by the assignee.

Written notice of such assignments or transfers shall be made by the applicant no later than ten (10) calendar days after its effective date.

D. **Permitted uses.** In the AH-MF-8 Zone Overlay, no premises shall be used and no structure shall be erected, altered or occupied for any purposes except the following:

1. Any principal use permitted in the prevailing or underlying zone, in compliance with the standards of the zone.
2. Multi-Family structures consisting of a minimum of four (4) and a maximum of sixteen (16) units per building, with a mandatory inclusionary component for low and moderate income households of twenty (20) percent for Sale units and twenty (20) percent for rental units in accordance with Article XI of this Chapter.
3. Community residences for the developmentally disabled in accordance with N.J.S.A. 40:55D-66.1 and the requirements of the Americans With Disabilities Act.
4. Public parks, playgrounds, conservation areas, and essential municipal services and facilities.

E. **Permitted accessory uses.** The following shall be considered permitted accessory uses in the AH-MF-8 Zone Overlay:

1. Common parking areas designed in compliance with the New Jersey Residential Site Improvement Standards (N.J.A.C. 5:21 *et seq.*).

2. Common recreational facilities and structures.
3. Common open space and conservation areas.
4. Attached garages with a capacity of not more than two (2) vehicles per unit.
5. One (1) sign at the main site entrance identifying the name of the development in conformance with § 94-8.34 entitled "Signs." In the case of developments fronting on more than one (1) public roadway, a second sign indicating the name of a residential development only may be located on the lower order roadway, or at the point of secondary access to the development.
6. Such other customary accessory uses and structures permitted by the LDO. All structures accessory to dwelling units, such as patios, decks and balconies shall be attached to the dwelling unit to which they are accessory.
7. One (1) temporary sales office incidental to the initial project development, consisting of not more than 1,000 square feet allowed during the period of initial sales of units by the developer. Any temporary sales office installed shall be removed within 30 days of the completion and issuance of Certificate of Occupancy of the first model home.
8. One (1) temporary construction trailer adequately screened from public view, incidental to the site construction activities, provided that same is removed upon completion of site construction work.
9. Community recreation center for the residents and guests of the development, whose building design shall complement the design of principal buildings; and may include such amenities as a swimming pool, playground, tot-lot, gazebo, tennis courts and the like.
10. One (1) maintenance storage building with a maximum floor area of two hundred (200) square feet and a maximum height of twelve (12) feet as measured to the highest point of the roof, whose architectural design shall complement the design of the principal buildings. The maintenance storage building shall adhere to all minimum building setback requirements for principal buildings.
11. Model homes may be constructed by the developer, with not more than one (1) model home per housing style being offered for sale. The models shall be in full compliance with UCC requirements and shall abide by the hours of operation for businesses as outlined in the Borough Administrative Code.

F. **Common ownership.** Provisions shall be made for the ownership and maintenance of all common areas, open space and recreation facilities by a common ownership association, which shall be established as a condition of approval. The association shall comply with the following requirements:

1. Membership in the common ownership association shall be mandatory for all owners of property in the development.

2. The common ownership association shall be empowered to ensure the payment of dues through deed restrictions on the properties of its members.
3. A copy of the master deed, if applicable, declaration of covenants, easements and restrictions, restrictive covenants and by-laws, which will govern the development, shall be submitted for review and approval by the Borough and Planning Board attorneys. The documents shall include all restrictions and limitations imposed by the AH-MF-8 ordinance, including restrictions on further development and open space protections.

G. Association requirements, covenants, and easements.

1. All proposed restrictive covenants, articles of incorporation or other documents concerning the creation of a common ownership association for the ownership and maintenance of common lands and facilities shall be submitted to the Borough and approved by the Borough and Planning Board attorneys, prior to final approval or as determined by the Planning Board as a condition of subdivision or any proposed site plan.
2. All dwelling units shall be constructed, subject to such restrictions and covenants as may be required to establish common rights and responsibilities.
3. In the case of age-restricted developments, occupancy of the dwelling units shall be restricted through bylaws, rules, regulations and restrictions of record for housing of older persons so that the housing within the development shall qualify as "55 and over housing" within the meaning of the Federal Fair Housing Act, 45 USC 3601, *et seq.* Occupancy shall be at least one (1) person, fifty-five (55) years of age or older per unit and further provided that no child who has not attained the age of eighteen (18) years shall be domiciled therein.

H. Developer's agreement. The Planning Board shall require a written developer's agreement between the Borough and the developer or its assignees, addressing the improvements to be provided in accordance with the requirements of this chapter, the provision of community services, conditions of the final development approval, both on- and off-site, storm water management and any other issues deemed appropriate by the Borough. As a condition of final approval of any development, a municipal services agreement shall be executed between the developer and the Borough, addressing the contribution by the Borough for solid waste, leaves and recyclables collection, snow removal and street lighting in accordance with the Municipal Services Act.

I. Zoning standards. Development pursuant to the AH-MF-8 Zone Overlay, shall be subject to the following standards and regulations:

1. **Tract ownership, further development and change in zoning district.** The minimum contiguous tract area shall consist of one (1) acre. The entire tract shall be under the control of one (1) ownership or contract purchaser for the purposes obtaining all required development approvals and committing this tract to the provisions of this overlay zone ordinance. Upon approval of the tract for development, no further development shall be permitted unless approved by the municipal agency, and appropriate restrictions shall be incorporated into any

approval issued to effectuate this limitation. Upon final approval, the zoning district designation shall be changed to an AF-MF-8 zoning district.

2. **Maximum permitted residential density.** The maximum permitted residential density shall be as indicated below. The gross density includes the total area within the boundaries of the tract to be developed, including internal roadways, conservation areas, stormwater management facilities, and dedicated right-of-way areas. The maximum permitted density shall be computed based on the overall tract area without the exclusion of portion(s) of the same development used for non-residential uses. In computing the number of units permitted, any portion of a unit less than 0.50 shall not be considered and any portion of the unit greater than 0.50 shall be rounded up to the nearest whole number.
 - a. In the case of non-age restricted developments, there shall not be more than eight (8) dwelling units constructed upon each gross acre of tract area except as otherwise provided below. A minimum of twenty (20) percent of the units constructed shall be set-aside as Affordable Housing units in accordance with Article XI.
 - b. Not more than fourteen (14) dwelling units shall be constructed upon each gross acre of land on certain premises known as Block 3, Lot 8.
 - c. Not more than fourteen (14) dwelling units shall be constructed upon each gross acre of land on certain premises known as Block 29, Lots 7, 8, 9, 10, 11.
3. **Maximum impervious coverage.** The maximum total impervious coverage, including but not limited to buildings, pools, parking areas, driveways, streets, walkways, patios and all other impervious surfaces as defined in § 94-8.39, entitled Stormwater Runoff and Control, shall be as listed below:
 - a. In those portions of the overall development used for residential purposes, the maximum impervious coverage shall be fifty (50) percent.
 - b. In those portions of the development used for non-residential purposes the maximum impervious coverage shall be sixty-five (65) percent.
 - c. In developments with non-residential components, a phasing plan must be submitted outlining those limits of the development utilized for such purposes. All minimum setbacks, buffer areas, parking areas, refuse storage areas and similar appurtenant features for each phase of a development must lie wholly within the phase limit shown on the Phasing Plan.
4. **Maximum building coverage.** The maximum permitted building coverage shall be thirty-five (35) percent of the total area of the tract, including residential and non-residential portions of a development.

5. **Maximum building height.** The maximum mean building height of a principal structure shall be thirty-five (35) feet with a maximum height of forty-five (45) feet measured to the highest point of the roof. The mean building height of accessory structures shall be sixteen (16) feet. "Mean" height shall be defined as the average elevation of all outside corners of a structure from final grade to the mean elevation of the roof.
6. **Maximum number of stories.** Each building shall be limited to two and one half (2-1/2) stories plus a basement above grade. Notwithstanding the definition of Basement in section 94-2, attics and basements may be used for storage, utilities, garages or similar uses.
7. **Minimum multi-family structure setbacks.** Any residential structure, with the exception of detached single family homes or attached units, constructed as part of a multi-family development shall meet the following minimum setbacks:
 - a. Seventy-five (75) feet from an existing municipal street, or proposed collector street as designated on the Borough Master Plan.
 - b. Twenty (20) feet from any internal private street line, measured at the right-of-way limit. In the absence of a right-of-way line, the minimum distance between the building face and back edge of the sidewalk shall be no less than twenty (20) feet, or in cases where no sidewalk exists, the minimum distance to the curb line of an internal street shall be twenty-six (26) feet.
 - c. Fifty (50) feet from any tract boundary. Normal architectural projections such as eaves, chimneys, porches, balconies, patios, and similar projections may extend into this minimum required setback area a maximum of six (6) feet.
 - d. Fifty (50) feet between the rear walls of any two (2) buildings, measured at right angles to the rear wall.
 - e. Twenty-five (25) feet between the front or side walls of a building and the front or side walls of any adjacent buildings, not including bay windows or second-story balcony overhangs.
 - f. Fifteen (15) feet to any common off-street parking area or access driveway for the parking area.
 - g. One hundred (100) feet to any existing principal residential structure or zone. Customary architectural projections such as eaves, chimneys, porches, balconies, patios, and similar projections may extend into the minimum required setback area a maximum of six (6) feet.
 - h. The front facade of any structure containing more than one (1) dwelling unit shall not continue on the same plane for a distance of more than the width of four (4) adjacent units. Offsets between front facade planes shall not be less than four (4) feet nor more than twenty (20) feet.

- i. A minimum twenty (20) foot clear yard area shall be provided on all sides of any multi-family residential structure that are not coincident with a street line.
- j. Notwithstanding the above setback requirements, the residential community shall be designed to provide a pleasing visual environment with adequate provisions for open space, and access to structures by Borough emergency services.

J. Zoning. Common open space and recreation facilities. In developments consisting of more than eight (8) residential units, the development shall be clustered to provide open space areas and shall meet the minimum standards outlined herein:

- 1. A minimum of thirty-five (35) percent of the total tract area shall be retained as common open space.
- 2. The minimum required common open space areas may include steep slope areas, freshwater wetlands, buffer areas, and open waters.
- 3. Common open space and recreation facilities shall be owned and maintained by an association to be established in accordance with the applicable provisions of N.J.S.A. 40:55D-43.
- 4. Conservation or Slope Area Easements shall be required pursuant to local, state, or federal environment protection regulations, specifically including the provisions of § 94-5.13 entitled "Preservation of Natural Features."

K. Buffer areas. In developments consisting of more than eight (8) residential units, buffer areas shall be established within the boundaries of the development tract pursuant to the following standards.

- 1. A landscaped buffer strip at least fifty (50) feet in width shall be permanently maintained along all tract boundaries.
 - a. Required buffer strips may contain earthen berms with a maximum height of three (3) feet, and a minimum top width of six (6) feet.
 - b. Required buffer areas shall be suitably landscaped in accordance with the requirements of § 94-8.6, entitled "Buffer Areas and Screening."
 - c. Landscaped buffers shall be designed to provide a year-round visual screen, and shall contain a mix of deciduous and evergreen plantings and groundcover.
 - d. Buffer areas may be supplemented with fences, with a maximum height of six (6) feet, to provide effective visual and noise buffers.
 - e. Buffers from railroad rights of way shall be provided subject to the design criteria of Chapter 94-8.6, Buffer Areas and Screening

2. Buffer areas may be 'averaged' at the discretion of the municipal agency, and reduced in width to a minimum of twenty-five (25) feet to allow the construction of site access roads, where no feasible alternative exists. In such cases, the design of buffer plantings and fences shall be suitable to maintain an effective year-round screen. Buffer area reductions shall be permitted for the purposes of roadway construction only, and shall be compensated at a 1:1 ratio elsewhere on the tract, with a maximum compensation width of twenty-five feet.
3. Prior to final approval, buffer areas shall be recorded in the form of buffer easements and shall contain restrictions prohibiting the removal of plantings and future construction.

L. Streets, parking, sidewalks, water supply, fire hydrants, sanitary sewers, drainage and stormwater management standards.

1. Primary access shall be from the street with the higher classification.
2. A secondary access shall be provided and shall be designed in accordance with the RSIS.
3. Public improvements shall be designed and installed as required by the RSIS.
4. Street, common driveways, parking areas, and access drives within developments shall be owned and maintained by a private association to be established by the developer in accordance with the applicable provisions of N.J.S.A. 40:55D-43, entitled "Standards For The Establishment of Open Space Organization." The Borough shall bear no responsibility to maintain, or contribute to the maintenance of streets, parking areas, or common driveways, except as mandated by the Municipal Services Act.
5. The maintenance of drainage facilities in privately owned and maintained streets shall be the sole responsibility of the developer and association. The developer shall be required to deposit with the Borough a sum of money computed by the Borough engineer to be held in escrow for a period of ninety-nine (99) years to fund the following:
 - a. The review of an annual report prepared by a licensed professional engineer retained by the developer or association verifying the adequate operation and maintenance of stormwater management facilities.
 - b. Bi-annual inspections by the Borough to confirm maintenance.
6. Prior to the release of performance guarantees, the developer shall be required to deposit a growth fund in accordance with the methodology outlined in Exhibit K for the future maintenance of the on-site stormwater management facilities by the association. The growth fund shall be computed based upon a ninety-nine year period beginning at the time of final acceptance, and shall including the costs for the following:

- a. Routine lawn mowing and landscaping maintenance.
 - b. Semi-annual cleaning, de-silting, and de-snagging of above or below ground facilities.
 - c. Bi-Annual inspections of all on-site stormwater management facilities, including above and below ground facilities, storm sewers, and all appurtenances.
 - d. Replacement of all above ground structures, including outlet structure, headwalls, flared-end sections, and conduit outlet protection at year fifty (50).
 - c. Replacement of Landscaping every twenty-five (25) years.
7. Prior to final approval, the developer shall filing in writing a request with the Borough clerk for the enforcement of N.J.S.A. 39:1 *et seq.* (Title 39), Motor Vehicles and Traffic Regulation pursuant to N.J.S.A. 39:5A-1, Revised Statutes.
 8. In all cases where the maintenance or repair of any wall, fence or other improvement by its owner or his agent would require entry upon an adjacent property, an appropriate easement or right-of-way shall be obtained by the developer. All such easements shall be detailed and specific as to required notice and any limitations upon the right of entry and shall provide a specific means of arbitration in the event of disputes.
 9. Stormwater management facilities shall be maintained solely by the developer or the association in accordance with the provisions of § 94-8.39, Stormwater Runoff and Control, and N.J.A.C 7:8-5, Stormwater Management.
 10. Stormwater management facilities, including detention basins, retention/ infiltration basins, water quality basins, and appurtenant structures shall be designed to be harmonious with the topography of the development and shall maintain a minimum horizontal setback of forty (40) feet as measured from the top of bank to any residential or non-residential structure.
 11. Streets shall be designed to provide a smooth and efficient traffic circulation pattern and shall be in accordance with RSIS design standards. All dead end-streets shall include adequate provisions for turn-around movements of emergency and refuse collection vehicles.
- M. **Lighting.** Development shall comply with § 94-8.22, entitled "Lighting." All public and private streets shall be sufficiently illuminated to ensure traffic and pedestrian safety under all weather conditions.

All exterior lighting shall be arranged protect residential uses both within the project as well as adjoining uses from glare.

2. Pedestrian walkways, excluding nature trails, shall be adequately illuminated to provide a minimum of 0.2 foot-candles in all locations and a maximum of 1 foot-candle.

N. Utilities. Public utilities for all residential developments within the AII-MF-8 Overlay Zone shall be designed and installed in accordance with the New Jersey Residential Site Improvement Standards (N.J.A.C. 5:21), and the following:

1. Residential development within the AII-MF-8 Overlay Zone shall be served by public water and public sanitary sewer that shall be installed by and at the expense of the developer.
2. All utilities shall be installed underground. The costs for the installation of all utilities, including street lighting, shall be borne by the developer.
3. The developer shall establish and convey appropriate utility easements to the appropriate utility service provider.
4. The developer shall pay the cost of connection and transmission facilities necessary to connect to municipal sewer and water systems.
5. All underground utilities shall be installed before the placement of final surface course pavement.

O. Solid Waste and Refuse & Recycling Collection.

1. Areas suitable for storage of recyclable materials shall be provided in accordance with §94-8.51B entitled "Recyclable Materials Storage."
2. Refuse and recycling materials storage and collection areas shall be suitable for containerized collection and shall be provided in sufficient number and at locations convenient to all dwelling units. Such areas shall be screened from view on three sides by solid fence, walls or other suitable materials.
3. Refuse and recycling collection shall be provided and maintained by the entity responsible for internal streets and other common facilities.

P. Low- and Moderate-Income Housing Obligation.

1. Any residential development in the AII-MF-8 Overlay Zone District on Lots 1 and 13 in Block 2 on Shrewsbury Avenue and Patterson Avenue shall be an inclusionary development and the developer shall provide a minimum of one (1) affordable dwelling unit for every five (5) market-rate housing units (i.e., twenty (20) percent set-aside) for units offered for sale. The affordable housing set-aside shall be a minimum of twenty (20) percent for rental units. In computing the low- and moderate-income housing obligation, any portion of a unit less than or equal to 0.50 shall not be considered and any portion of the unit greater than 0.50 shall be rounded up to the nearest whole number.

2. The developer shall comply with all regulations to assure the creditworthiness of each affordable unit, including compliance with all relevant regulations adopted by the New Jersey Council On Affordable Housing and codified at N.J.A.C. 5:96 et. seq. and N.J.A.C. 5:97 et. seq. and the Uniform Housing Affordability Controls adopted by the New Jersey Housing and Mortgage Finance Agency and codified at N.J.A.C. 5:80-26.1 et. Seq.; provided that in lieu of 10 percent of affordable units provided at 35 percent of median income, 13 percent of affordable units shall be provided at 30 percent of median income.
3. The developer in any affordable housing inclusionary development shall bear all costs associated with the administering of affordable units.

SECTION 3

Chapter 94, Article VII, Design Standards and Improvement Specifications is hereby amended and supplemented by the addition of a new section 94-8.52 to be entitled "Affordable Housing Multi-Family Overlay Design Standards" to read as follows:

- A. Residential structures constructed in the AH-MF-8 Overlay Zone shall conform to the following minimum standards:
 1. No dwelling unit shall be less than eighteen (18) feet in width and the average width of all dwelling units within a development shall not be less than twenty (20) feet.
 2. Each dwelling unit shall contain, at a minimum, a bedroom, a bathroom, and a kitchen that shall be located separate and apart from other rooms except that a living room and a dining area may be combined.
 3. Building facades shall be varied in appearance in accordance with § 94-8.4, Architectural and Building Site Design Standards.
 4. Each multi-family residential unit shall be constructed with, and shall maintain, a private outdoor space that may be designed as a deck, patio, balcony, or terrace containing a minimum of 50 square feet.
 5. Off-street parking spaces shall be provided for each dwelling unit in accordance with the New Jersey Residential Site Improvement Standards (N.J.A.C. 5:21). At least one parking space shall be in an attached garage, except in the case of affordable units. In addition, guest parking shall be provided at the ratio of 0.5 parking spaces per dwelling unit in accordance with the New Jersey Residential Site Improvement Standards (N.J.A.C. 5:21). Required parking spaces may be provided in any combination: at least one per unit within attached garages, and the remaining on driveways leading to attached garages, or within collective parking lots or areas. At least one (1) parking space for each dwelling unit shall be within one hundred (100) feet of that dwelling unit measured along the route reasonably expected for access to and from the dwelling unit.
 6. If a driveway is used to satisfy some of the parking requirements, the driveway shall be no less than twenty-two (22) feet in length from the face of the garage to

the back of the sidewalk or the right of way. Where driveways are utilized to meet some of the parking requirements, integrity and function of pedestrian walkways shall be maintained.

7. Garages shall not be used as habitable living space or for any use inconsistent with the use as a garage.
8. Association documents shall contain provisions mandating that at least one vehicle be parked in the garage and prohibiting the conversion of garages to any other use, including habitable living space.
9. The requirements of § 94-8-19 entitled "Garages" shall apply to the design of garages for multi-family buildings, except that the requirement in S 94-8-19D is modified to require rear or side-entry garages to the extent feasible.

SECTION 4

All Ordinances and parts of Ordinances inconsistent herewith are repealed.

SECTION 5

If any section, subparagraph, sentence, clause or phrase of this Ordinance shall be held invalid, such decision shall not invalidate the remaining portion of this Ordinance.

SECTION 6

This Ordinance shall take effect immediately upon passage, publication according to law and filing with the Monmouth County Planning Board.

SECTION 7

Following adoption, copies of this Ordinance shall be sent to: Shrewsbury Planning Board and attorney, Board of Adjustment and attorney, Environmental Commission, Borough attorney, Borough engineer, Borough planner, Affordable Housing special counsel, and the Court appointed special master.

Introduction: May 6, 2019

Second Reading/Public Hearing: May 20, 2019

Adoption: May 20, 2019

ATTEST:


Maureen Muttie, Clerk

APPROVE:


Erik Anderson, Mayor

**BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH**

ORDINANCE NO. 2019-1060

**AN ORDINANCE AMENDING THE CHAPTER 94, LAND USE AND DEVELOPMENT, OF
THE CODE OF THE BOROUGH OF SHREWSBURY, COUNTY OF MONMOUTH AND
STATE OF NEW JERSEY BY MODIFYING THE AH-MU ZONE TO FACILITATE THE
PROVISION OF AFFORDABLE HOUSING IN THE BOROUGH**

BE IT ORDAINED by the Borough Council of the Borough of Shrewsbury in the County of Monmouth and State of New Jersey as follows:

SECTION 1

Chapter 94, Article X, Zoning District Regulations, § 94.10.1, Zoning Map and Schedule, §94.10.1A(5), Revisions to the Zoning Map and Schedule, is hereby amended to modify the map to designate all properties situated in the B-1 Zone, which have primary frontage on Broad Street or Newman Springs Road as "AH-MU Overlay Zone" and to include the ordinance number and adoption date reference as applicable.

SECTION 2

Chapter 94, Article X, Zoning District Regulations is hereby amended and supplemented by the addition of a new section § 94-10.20 to be entitled "Affordable Housing Mixed Use Overlay Zone", to read as follows:

§ 94-10.20. AH-MU Affordable Housing Mixed Use Overlay Zone.

- A. **Purpose.** The purpose of the AH-MU Affordable Housing Mixed Use Overlay Zone is to permit the development of planned mixed use commercial development with overhead inclusionary low and moderate income housing units on parcels of land that are designated for such use by ordinance. Development within the AH-MU Overlay Zone shall permit inclusionary housing as a secondary permitted use to the permitted uses in the underlying zoning district regulations. Alternatively, any property situated in the AH-MU zone may be developed under the AH-MU-8 zone requirements for a solely residential development, without the absolute requirement for mixed use. Mixed Use residential development within this zone shall include affordable housing units for low and moderate income families, in order to better promote the general welfare and to create a realistic opportunity for the construction of low and moderate income housing within the Borough of Shrewsbury in accordance with the New Jersey Fair Housing Act, N.J.S.A. 52:27D-301 et seq., and the New Jersey Council on Affordable Housing Rules, N.J.A.C. 5:92 through N.J.A.C. 5:95.
- B. **Qualification of developer.** The planning board shall require the prospective developer of a planned development to file a report of financial qualifications, prepared by a recognized auditing firm, and

such documentation as may be deemed necessary by the Board or its professionals, to determine the developer's ability to complete the proposed development as part of its finding for a planned development in accordance with N.J.S.A. 40:55D-45.

C. Assignment of interests. Before any applicant or developer effectively assigns any of the interests in any Preliminary or Final Approval, he or she must notify the Administrative Officer of the Planning Board (Planning Board Secretary) in writing of their intent, and must furnish detailed information with regard to the name, address, principals, type of organization, competency, experience, and past performance of the assignee, transferee, or agent. Any such assignment of interests shall be subject to the following requirements.

1. Any successor or assignee is subject to the filing requirements as outlined in paragraph B, Qualification of developer, above.
2. The assignee shall file a written certification that he or she has been made aware of each of the conditions of development application approval.
3. The Administrative Officer shall notify the Borough Clerk, the Borough Chief Financial Officer, the Borough Engineer, the Borough Zoning Officer, and the Borough Construction Official in writing of the assignment of interest, upon approval of the assignee's qualifications by the Planning Board.
4. Any request for assignment of interest must be accompanied by a non-refundable administrative fee in the amount of \$500.00, to offset the cost of the review and recording of the certification filed by the assignee.
5. Written notice of such assignments or transfers shall be made by the applicant no later than ten (10) calendar days after its effective date.

D. Permitted uses. In the AH-MU Zone Overlay, no premises shall be used and no structure shall be erected, altered or occupied for any purposes except the following:

1. Any principal use permitted in the prevailing or underlying zone, in compliance with the standards of the zone.
2. Accessory apartments consisting of a minimum of two (2), with a mandatory inclusionary component for low and moderate income households of twenty (20) percent in accordance with Article XI of this Chapter.
3. Community residences for the developmentally disabled in accordance with N.J.S.A. 40:55D-66.1 and the requirements of the Americans With Disabilities Act.
4. Public parks, playgrounds, conservation areas, and essential municipal services and facilities.

E. Permitted accessory uses. The following shall be considered permitted accessory uses in the AH-MU Zone Overlay.

1. Common parking areas designed in compliance with the New Jersey Residential Site Improvement Standards (N.J.A.C. 5:21).
2. Common recreational facilities and structures.
3. Common open space and conservation areas.
4. Fences and landscaping complying with the provisions of § 94.16, Fences and Hedges, in perimeter or screening areas, or private outdoor areas between dwelling units.
5. Such other customary accessory uses and structures as may be permitted by the approving authority. All structures accessory to dwelling units, such as decks and balconies, shall be attached to the dwelling unit to which they are accessory.
6. Stormwater Management facilities in compliance with the New Jersey Residential Site Improvement Standards (N.J.A.C. 5:21), as well as the standards contained in § 94.38, Storm Drainage Facilities, and § 94.39, Stormwater Runoff and Control.
7. Buffer plantings and site landscaping required by § 94.21, Landscaping and Shade Trees.
8. Site lighting fixtures designed and installed in conformance with § 94.22, Lighting.
9. One (1) temporary construction trailer, adequately screened from public view, incidental to the site construction activities, provided that same is removed upon completion of site construction work.
10. Community recreation center for the residents and guests of a planned development, whose building design shall complement the design of principal buildings; and may include such amenities as a picnic area, playground or tot-lot.

F. Tract ownership, further development and change in zoning district.

1. ~~The minimum contiguous tract area shall consist of all parcels located on Newman Springs Road within one or more of the following tracts.~~
- a. ~~Block 5 Lots 14-19, 34 and 35 between Henry Street and the CONRAH railroad right-of-way containing approximately 2.68 acres.~~
 - b. ~~Block 7-Lot-1 located between Laurel Street and Henry Street containing approximately 1.32 acres.~~
 - c. ~~Block 10 Lots 1-7 located between the alley approximately 130 feet west of Broad Street and Laurel Street containing approximately 4.03 acres.~~

2. 1. The entire tract shall be under the control of one (1) ownership or contract purchaser for the purposes obtaining all required development approvals and committing this tract to the provisions of this overlay zone ordinance. Upon approval of the tract for development, no further development shall be permitted, appropriate restrictions for which shall be incorporated into any approval issued to effectuate this limitation.

G. Design standards. Development in the AH-MU Overlay Zone, which is not in compliance with the underlying zone standards, shall be subject to the following standards and regulations:

1. **Maximum permitted residential density.** The maximum permitted residential density shall be as indicated below.

- a. The gross density includes the total area within the boundaries of the area to be developed, including internal roadways, conservation areas, stormwater management facilities, and dedicated right of way areas. In computing the number of units permitted, any portion of a unit less than 0.50 shall not be considered and any portion of the unit greater than 0.50 shall be rounded up to the nearest whole number.

- b. There shall not be more than eight (8) dwelling units constructed over commercial development upon each gross acre of tract area, except as otherwise provided below. A minimum of twenty-five (25) percent of the units constructed shall be set-aside as Affordable Housing units in accordance with Article XI.

- c. The maximum gross density of dwelling units constructed over commercial development shall be increased as follows: up to a maximum of fourteen (14) dwelling units per acre:

- (1) The maximum gross density of dwelling units constructed over commercial development may increase by one (1) dwelling unit per acre to a maximum of fourteen (14) dwelling units per acre for each additional five (5) feet of principal or accessory building setback provided on all front, side and rear yards. The additional density shall be computed based on the single yard with the smallest increase in setback dimension over the minimum required in the zone. No yards may have less than the minimum setback prescribed by ordinance and no existing non-conformities may be continued to receive a density increase under this provision.

- (2) The maximum gross density of dwelling units constructed over commercial development may increase by one (1) dwelling unit per acre to a maximum of fourteen (14) dwelling units per acre for each one-quarter (1/4) acre which the lot area exceeds the minimum required in the zone, provided the front, side and rear yard setbacks are increased by twenty (20) percent for each additional one-quarter (1/4) acre.

2. **Maximum impervious coverage.** The maximum total impervious coverage for mixed use developments under this chapter, including but not limited to; buildings, pools, parking areas, driveways, streets, walkways, patios, and all other impervious surfaces as defined in § 94.39, Stormwater Runoff and Control, shall be seventy-five (75) percent of the total area of the tract. The maximum impervious coverage permitted shall decrease by two (2) percent for each one (1)

dwelling unit per acre above eight (8) dwelling units per acre constructed in accordance with paragraph 1(c) above.

3. **Maximum building coverage.** The maximum permitted lot coverage by buildings shall be thirty (30) percent of the total area of the tract.
4. **Maximum building height.** The maximum mean building height of a principal structure shall be thirty-five (35) feet with a maximum height of ~~forty-five(40)~~ (45) feet measured to the highest point of the roof. The mean building height of accessory structures shall be sixteen (16) feet. "Mean" height shall be defined as the average elevation of all outside corners of a structure from final grade to the highest point of the roof. Each building shall be limited to two (2) stories plus an attic above grade and a basement which must be partly below grade. Attics and basements shall be used only for storage, utilities, garages or similar uses.
5. **Minimum structure setbacks.** Any structure constructed as part of a planned Affordable Housing Over Commercial development shall meet the following minimum setbacks:
 - a. Fifteen (15) feet from Newman Springs Road street line and twenty (20) feet from a municipal street line.
 - b. Twenty (20) feet from any internal private street (right-of-way) line.
 - c. Twenty (20) feet from an internal parking area or driveway curb or edge of pavement.
 - d. Fifty (50) feet between the rear walls of any two (2) buildings, measured at right angles to the rear wall.
 - e. Thirty-five (35) feet between building front or side walls and adjacent building front or side walls; not including bay windows or second story balcony overhangs.
 - f. Seventy-five (75) feet to any existing residential use or zone.
6. **Building design standards.** Any residential structures constructed in the AH-MU Overlay Zone shall conform to the following minimum standards:
 - a. No dwelling unit shall contain less than three hundred (300) cubic feet of storage space, which may be within garages, basements or cellars, and which shall be in addition to closet space provided with the unit. If within garages, a rectangle of not less than ten (10) feet by twenty (20) feet per parking space shall remain clear for parking vehicles.
 - b. No dwelling unit shall be less than eighteen (18) feet in width and the average width shall be not less than twenty (20) feet.
 - c. Each dwelling unit shall contain, at a minimum, a separate bedroom, a separate bathroom, and a kitchen which shall be located separate and apart from other rooms, with the exception of a dining area.

- d. Building facades shall be varied in appearance in accordance with § 94.4, Architectural and Building Site Design Standards.
 - e. Homeowners association documents shall contain provision prohibiting the conversion of garages to any other use, including habitable living space.
 - f. Prior to final approval of any planned development, a municipal services agreement shall be executed between the developer and the Borough, addressing the contribution by the Borough for trash collection, snow removal, and street lighting in accordance with the Municipal Services Act.
 - g. Off-street parking spaces shall be provided for each dwelling unit in accordance with the New Jersey Residential Site Improvement Standards (N.J.A.C. 5:21), at least one of which spaces shall be in an attached garage. In addition, guest parking shall be provided at the ratio of 0.5 parking spaces per dwelling unit in accordance with the New Jersey Residential Site Improvement Standards (N.J.A.C. 5:21). Required parking spaces may be provided in any combination: within attached garages, on driveways leading to attached garages, parallel parking on internal drives, or within collective parking lots or areas. At least one (1) parking space for each dwelling unit shall be within one hundred (100) feet of that dwelling unit measured along the route reasonably expected to be used to walk from the dwelling unit. Where driveways are utilized to meet parking requirements, integrity and function of pedestrian walkways shall be maintained.
 - h. The requirements of § 94-19D, Garages, shall not apply to the design of Over Commercial buildings; however, applications shall incorporate side-entry garages to the extent feasible.
 - i. All development within the AH-MU Affordable Housing Over Commercial Zones shall provide sidewalks and street trees along Newman Springs Road in accordance with §94-8.21 Landscaping.
7. **Common open space and recreation facilities.** Common open space and recreation facilities shall be owned and maintained by a homeowners association to be established in accordance with the applicable provisions of N.J.S.A. 40:55D-43.
- H. **Buffer areas.** In Affordable Housing Mixed Use developments a landscaped buffer strip at least twenty (20) feet in width shall be permanently maintained along rear property lines adjacent to residential development.
- 1. Required buffer strips may contain earthen berms with a maximum height of three (3) feet, and a minimum top width of six (6) feet.
 - 2. Required buffer areas shall be suitably landscaped in accordance with the requirements of § 94.6, Buffer Areas and Screening.

3. Landscaped buffers shall be designed to provide a year-round visual screen, and shall contain a mix of deciduous and evergreen plantings and ground cover.
4. Buffer areas may be supplemented with fences, with a maximum height of six (6) feet to provide effective visual or noise buffers.

I. Homeowners association, covenants, and easements.

1. All proposed restrictive covenants, articles of incorporation or other documents concerning the creation of a homeowners association for the ownership and maintenance of common lands and facilities shall be submitted to the Borough and approved by the Borough Attorney prior to final approval or as determined by the Planning Board of any proposed subdivision or any proposed site plan.
2. All dwelling units shall be constructed, subject to such restrictions and covenants as may be required to establish common rights and responsibilities.

J. Streets, parking, sidewalks, water supply, fire hydrants, sanitary sewers, drainage, and stormwater management standards.

1. Public improvements shall be designed and installed as required by the New Jersey Residential Site Improvement Standards (N.J.A.C. 5:21).
2. Street, common driveways, parking areas, and access drives within planned developments shall be owned and maintained by a private association to be established by the developer in accordance with the applicable provisions of N.J.S.A. 40:55D-43, Standards For The Establishment Of Open Space Organization. The Borough shall bear no responsibility to maintain, or contribute to the maintenance of streets, parking areas, or common driveways.
3. The maintenance of drainage facilities in privately owned and maintained streets shall be the sole responsibility of the developer and homeowners association.
4. Prior to final approval, the developer shall filing in writing a request with the Borough Clerk for the enforcement of N.J.S.A. 39:1 et seq. (Title 39), Motor Vehicles and Traffic Regulation, within the development.
5. In all cases where the maintenance or repair of any wall, fence or other improvement by its owner or his agent would require entry upon an adjacent property, an appropriate easement or right-of-way shall be created in favor of the subject owner. All such easements shall be detailed and specific as to required notice and any limitations upon the right of entry and shall provide a specific means of arbitration in the event of disputes.

6. Stormwater management facilities shall be maintained solely by the developer or home owners association in accordance with the provisions of § 94.39, Stormwater Runoff and Control, and N.J.A.C 7:8-5, Stormwater Management.

K. Street Lights. Residential developments which necessitate the creation of internal streets shall be designed with street lighting meeting the following standards.

1. All public and private streets shall be sufficiently illuminated to ensure traffic and pedestrian safety under all weather conditions in accordance with § 94.22, Lighting.
2. All exterior lighting shall be arranged so as to reflect away from all adjoining premises.
3. Pedestrian walkways, excluding nature trails, shall be adequately illuminated to provide a minimum of 0.2 foot-candles in all locations.

L. Utilities. Public utilities for all planned residential developments within the AH-B3 Overlay Zone shall be designed and installed in accordance with the New Jersey Residential Site Improvement Standards (N.J.A.C. 5:21), and the following:

1. Planned residential development within the AH-MU Overlay Zone shall be served by public water and public sanitary sewer, which shall be installed by and at the expense of the developer.
2. All utilities shall be installed underground. The costs for the installation of all utilities, including street lighting, shall be borne by the developer.
3. The developer shall establish and convey appropriate utility easements to the appropriate utility service provider.
4. The developer shall pay the cost of connection and transmission facilities necessary to connect to municipal sewer and water systems.

M. Solid Waste and Refuse & Recycling Collection.

1. Areas suitable for storage of recyclable materials shall be provided in accordance with §94.51, Recyclable Materials Storage.
2. Refuse and recycling materials storage and collection areas shall be suitable for containerized collection and shall be provided in sufficient number and at locations convenient to all dwelling units. Such areas shall be screened from view on three sides by solid fence, walls or other suitable materials.
3. Refuse and recycling collection shall be provided and maintained by the entity responsible for internal streets and other common facilities.

N. Low- and Moderate-Income Housing Obligation. Any residential development in the AH-MU Overlay Zone shall be an inclusionary development, and the developer shall provide a minimum of

one (1) affordable dwelling units for every four (4) five (5) market-rate housing units (i.e., twenty-five (25) 20 percent set-aside) for 'Sale' units and twenty (20) percent set-aside for rental units. In computing the low and moderate-income housing obligation, any portion of a unit less than or equal to 0.50 shall not be considered and any portion of the unit greater than 0.50 shall be rounded up to the nearest whole number.

SECTION 3

All Ordinances and parts of Ordinances inconsistent herewith are repealed.

SECTION 4

If any section, subparagraph, sentence, clause or phrase of this Ordinance shall be held invalid, such decision shall not invalidate the remaining portion of this Ordinance.

SECTION 5

This Ordinance shall take effect immediately upon passage, publication according to law and filing with the Monmouth County Planning Board.

SECTION 6

Following adoption, copies of this Ordinance shall be sent to: Shrewsbury Planning Board and Attorney, Board of Adjustment and Attorney, Environmental Commission, Borough Attorney, Borough Engineer, Borough Planner, Affordable Housing Special Counsel, Superior Court and the Court Appointed Special Master.

Introduction: May 6, 2019

Second Reading/Public Hearing: May 20, 2019

Adoption: May 20, 2019

ATTEST:


Maureen Muttie, RMC, Clerk

APPROVED:


Erik Anderson, Mayor

ORDINANCE NO. 2018-1055

AN ORDINANCE AMENDING THE CHAPTER 94, LAND USE AND DEVELOPMENT, OF THE CODE OF THE BOROUGH OF SHREWSBURY, COUNTY OF MONMOUTH AND STATE OF NEW JERSEY BY SUPPLEMENTING CHAPTER 94 TO INCLUDE MANDATORY SET-ASIDE LANGUAGE TO FACILITATE THE PROVISION OF AFFORDABLE HOUSING IN THE BOROUGH.

BE IT ORDAINED by the Borough Council of the Borough of Shrewsbury in the County of Monmouth and State of New Jersey as follows:

SECTION 1

Chapter 94, Article X, § 94.10.2, Description of Districts, is hereby amended and supplemented to include a new sub-section to read as follows:

- G. Any application for a development which includes multi-family or single-family attached residential development that is "approvable" and "developable," as defined at N.J.A.C. 5:93-1.3, at a gross residential density of 6 units to the acre or more, shall include an appropriate percentage of the residential units be set aside for low and moderate income households.
1. This requirement shall apply to any multi-family or single-family attached residential development, including the residential portion of a mixed-use development, which consists of five (5) or more new residential units, whether permitted by a zoning amendment, a variance granted by a Land Use Board, or adoption of a Redevelopment Plan or amended Redevelopment Plan in areas in need of redevelopment or rehabilitation, any of which has been adopted or issued subsequent to the effective date of this ordinance.
 2. For inclusionary projects in which the low and moderate units are to be offered for sale, the minimum set-aside percentage is 20 percent; for projects in which the low and moderate income units are to be offered for rent, the minimum set-aside percentage is 15 percent.
 3. This requirement does not create any entitlement for a property owner or applicant for a zoning amendment, variance, or adoption of a Redevelopment Plan or amended Redevelopment Plan in areas in need of redevelopment or rehabilitation, or for approval of any particular proposed project.
 4. This paragraph shall not apply to developments containing four (4) or less dwelling units.
 5. All subdivision and site plan approvals of qualifying residential developments shall be conditioned upon compliance with the provisions of this section.
 6. All subdivision and site plan approvals of qualifying residential developments shall be conditioned upon compliance with the provisions of this section.

7. Where a developer demolishes existing dwelling units and builds new dwelling units on the same site, the provisions of this section shall apply only if the net number of dwelling units is five (5) or more.

SECTION 2

All Ordinances and parts of Ordinances inconsistent herewith are repealed.

SECTION 3

If any section, subparagraph, sentence, clause or phrase of this Ordinance shall be held invalid, such decision shall not invalidate the remaining portion of this Ordinance.

SECTION 4

This Ordinance shall take effect immediately upon passage, publication according to law and filing with the Monmouth County Planning Board.

SECTION 5

Following adoption, copies of this Ordinance shall be sent to: Shrewsbury Planning Board and attorney, Board of Adjustment and attorney, Environmental Commission, Borough attorney, Borough engineer, Borough planner, Affordable Housing special counsel, and the Court appointed special master.

Introduction: November 19, 2018

Second Reading/Public Hearing: December 17, 2018

Adoption: December 17, 2018

ATTEST: 
Maureen L. Muttie, Clerk

APPROVE: 
Donald W. Burden, Mayor

Affidavit of Publication

State of New Jersey }
Monmouth County } SS.

Of the Asbury Park Press, a newspaper printed in Freehold, New Jersey and published in Neptune, in said County and State, and of general circulation in said county, who being duly sworn, deposes and saith that the advertisement of which the annexed is a true copy, has been published in the said newspaper _____ time(s), once in each issue as follows:

Ord #1055

A.D. 2018

Cost of advertisement: \$

19.25

Maureen L. Muller

Sworn and subscribed before on this 27 day of

NOV, 2018

[Signature]
Notary Public of New Jersey

KERRY QUINN
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires 3/24/2021

**BOROUGH OF SHREWSBURY
NOTICE OF PUBLIC HEARING ON
ORDINANCE 2018-1055**

Please take notice that the Borough of Shrewsbury Mayor and Council, at their meeting on November 19, 2018, introduced Ordinance No. 2018-1055, an Ordinance Amending Chapter 24, Land Use and Development, of the Code of the Borough of Shrewsbury, County of Monmouth and State of New Jersey by Supplementing Chapter 24 to Include Mandatory Set-Aside Language to Facilitate the Production of Affordable Housing by the Borough. A Public Hearing upon second reading will be held at a regular Council Meeting on December 3, 2018 at 7:00pm. Copies of the Ordinance are posted on the bulletin board and borough website and are on file in the Clerk's Office located at the Municipal Center, 419 Spangore Avenue, Shrewsbury, NJ.

Maureen L. Muller, BAC, CMC
Municipal Clerk
Borough of Shrewsbury
(973)

Affidavit of Publication

State of New Jersey }
Monmouth County } SS.

Of the Asbury Park Press, a newspaper printed in Freehold, New Jersey and published in Neptune, in said County and State, and of general circulation in said county, who being duly sworn, depose and saith that the advertisement of which the annexed is a true copy, has been published in the said newspaper 7 time(s), once in each issue as follows:

ord # 1055

A.D. 2018

Cost of advertisement: \$ 1595

Muhammad L. Mulla

Sworn and subscribed before on this 21 day of

December, 2018

(Signature)
Notary Public of New Jersey

BOROUGH OF SHREWSBURY
NOTICE OF ADOPTION
Please take notice that the Borough of Shrewsbury Mayor and Council, at their meeting of December 17, 2018, finally adopted Ordinance No. 2018-1055, an Ordinance Amending Chapter 65, Land Use and Development of the Code of the Borough of Shrewsbury, County of Monmouth and State of New Jersey by Supplementing Chapter 65 to Include Mandatory Set-Aside Language to Facilitate the Provision of Affordable Housing in the Borough. Copies of the Ordinance are posted and on file in the Clerk's Office located at the Municipal Center, 419 Sycamore Avenue, Shrewsbury, NJ.
Muhammad L. Mulla, B.M.C., C.M.C.
Municipal Clerk
Borough of Shrewsbury
(815.925.4444)

ADOPTED 1977 ORDINANCE

ORDINANCE NO. 926

AN ORDINANCE OF THE BOROUGH OF SHREWSBURY, COUNTY OF MONMOUTH, STATE OF NEW JERSEY SUPPLEMENTING CHAPTER 94 ENTITLED "LAND USE AND DEVELOPMENT REGULATIONS" AND IMPOSING MANDATORY AFFORDABLE HOUSING FEES AND ESTABLISHING AN AFFORDABLE HOUSING TRUST FUND

BE IT ORDAINED by the Mayor and Council of Shrewsbury Borough, County of Monmouth and State of New Jersey, as follows:

SECTION 1. Purpose. The purpose of this ordinance is to amend 94.11.1 and to establish mandatory affordable housing fees for new development in the Borough of Shrewsbury and establishment of an Affordable Housing Trust Fund for those uses authorized by the regulations of the New Jersey Council on Affordable Housing ("COAH").

SECTION 2. Chapter 94, Article XI, Affordable Housing Regulations, is adopted as a new article reading as follows:

94.11.1 Affordable Housing Development Fee

A. Findings and Purpose

- (1) In Holmdel Builder's Association v. Holmdel Township, 121 N.J. 550 (1990), the New Jersey Supreme Court determined that mandatory development fees are authorized by the Fair Housing Act of 1985, N.J.S.A. 52:27d-301 et seq., and the State Constitution, subject to the rules adopted by the New Jersey Council on Affordable Housing's (COAH).
- (2) Pursuant to P.L. 2008, c. 46 section 8 (C. 52:27D-329.2) and the Statewide Non-Residential Development Fee Act (C. 40:55D-8.1 through 8.7), COAH is authorized to adopt and promulgate regulations necessary for the establishment, implementation, review, monitoring and enforcement of municipal affordable housing trust funds and corresponding spending plans. Municipalities that are under

the jurisdiction of the Council or court of competent jurisdiction and have an approved spending plan may retain fees collected from non-residential development.

- (3) This ordinance establishes standards for the collection, maintenance, and expenditure of development fees pursuant to COAH's regulations and in accordance with P.L. 2008, c. 46, Sections 8 and 32-38. Fees collected pursuant to this ordinance shall be used for the sole purpose of providing low- and moderate-income housing. This ordinance shall be interpreted within the framework of COAH's rules on development fees, codified at N.J.A.C. 5:97-8.
- (4) The Borough of Shrewsbury shall not impose development fees on any applicant pursuant to this ordinance until COAH or a Court has approved the Development Fee Ordinance pursuant to N.J.A.C. 5:96-5.1.
- (5) The Borough of Shrewsbury shall not spend development fees until COAH or a Court has approved a plan for spending such fees in conformance with N.J.A.C. 5:97-8.10 and N.J.A.C. 5:96-5.3.

B. Definitions

- (1) "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 percent affordable development.
- (2) "COAH" or the "Council" means the New Jersey Council on Affordable Housing established under the Act which has primary jurisdiction for the administration of housing obligations in accordance with sound regional planning considerations in the State.
- (3) "Development fee" means money paid by a developer for the improvement of property as permitted under N.J.A.C. 5:97-8.3.

- (4) "Developer" means the legal or beneficial owner or owners of a lot or of any land proposed to be included in a proposed development, including the holder of an option or contract to purchase, or other person having an enforceable proprietary interest in such land.
- (5) "Equalized assessed value" means the assessed value of a property divided by the current average ratio of assessed to true value for the municipality in which the property is situated, as determined in accordance with sections 1, 5, and 6 of P.L. 1973, c.123 (C. 54:1-35a through C. 54:1-35c).
- (6) "Green building strategies" means those strategies that minimize the impact of development on the environment, and enhance health, safety and well-being of residents by producing durable, low-maintenance, resource-efficient housing while making optimum use of existing infrastructure and community services.

C. Residential Development Fees

(1) Imposed Fees

- a. Within the Borough of Shrewsbury zoning districts, residential developers, except for developers of the types of development specifically exempted below, shall pay a fee of 1.5 percent of the equalized assessed value of \$150,000 or more for residential development, provided no increased density is permitted.
- b. In those circumstances where additions, renovations, or alterations to an existing residential dwelling unit result in an aggregate increase in the equalized assessed value of \$150,000 or more, the homeowner/developer shall be required to pay a fee of one (1.5) percent of the aggregate increase in the equalized assessed value of the dwelling unit as determined by the Borough Tax Assessor.

c. When an increase in residential density pursuant to N.J.S.A. 40:55D-70d(5) (known as a "d" variance) has been permitted, developers may be required to pay a development fee of six (6) percent of the equalized assessed value for each additional unit that may be realized. However, if the zoning on a site has changed during the two-year period preceding the filing of such a variance application, the base density for the purposes of calculating the bonus development fee shall be the highest density permitted by right during the two-year period preceding the filing of the variance application.

Example: If an approval allows four units to be constructed on a site that was zoned for two units, the fees could equal one and a half percent of the equalized assessed value on the first two units; and the specified higher percentage up to six percent of the equalized assessed value for the two additional units, provided zoning on the site has not changed during the two-year period preceding the filing of such a variance application.

(2) Eligible exactions, ineligible exactions and exemptions for residential development

- a. Affordable housing developments and developments where the developer has made a payment in lieu of on-site construction of affordable units shall be exempt from development fees.
- b. Developments that have received preliminary or final site plan approval prior to the adoption of a municipal development fee ordinance shall be exempt from development fees, unless the developer seeks a substantial change in the approval. Where a site plan approval does not apply, a zoning and/or building permit shall be synonymous with preliminary or final site plan

approval for this purpose. The fee percentage shall be vested on the date that the building permit is issued.

- c. Development fees shall be imposed and collected when an existing structure undergoes a change to a more intense use, is demolished and replaced, or is expanded, if the expansion is not otherwise exempt from the development fee requirement. The development fee shall be calculated on the increase in the equalized assessed value of the improved structure.
- d. Structural alterations that do not increase gross floor area of a building or structure or increase the equalized assessed value of a property shall be exempted from paying a development fee.
- e. Nonprofit organizations which have received tax exempt status pursuant to Section 501(c)(3) of the Internal Revenue Code, providing current evidence of that status is submitted to the Municipal Clerk, together with a certification that services of the organization are provided at reduced rates to those who establish an inability to pay existing charges, shall be exempted from paying a development fee.
- f. Federal, state, county and local governments shall be exempted from paying a development fee.
- g. Additions, renovations, or alterations to existing residential development dwelling units shall be exempt from paying development fees provided that the resulting increase in equalized assessed value of the dwelling unit is less than \$150,000 of the equalized assessed value of the existing dwelling unit as determined by the Borough Tax Assessor.

D. Non-Residential Development Fees

- (1) Imposed fees

- a. Within all zoning districts, non-residential developers, except for developers of the types of development specifically exempted, shall pay a fee equal to two and one-half (2.5) percent of the equalized assessed value of the land and improvements, for all new non-residential construction on an unimproved lot or lots.
- b. Non-residential developers, except for developers of the types of development specifically exempted, shall also pay a fee equal to two and one-half (2.5) percent of the increase in equalized assessed value resulting from any additions to existing structures to be used for non-residential purposes.
- c. Development fees shall be imposed and collected when an existing structure is demolished and replaced. The development fee of two and one-half percent (2.5%) shall be calculated on the difference between the equalized assessed value of the pre-existing land and improvement and the equalized assessed value of the newly-improved structure, i.e. land and improvement, at the time final certificate of occupancy is issued. If the calculation required under this section results in a negative number, the non-residential development fee shall be zero.

(2) Eligible exactions, ineligible exactions and exemptions for non-residential development

- a. The non-residential portion of a mixed-use inclusionary or market rate development shall be subject to the two and one-half (2.5) percent development fee, unless otherwise exempted below.
- b. The 2.5 percent fee shall not apply to an increase in equalized assessed value resulting from alterations, change in use within existing footprint, reconstruction, renovations and repairs.

- c. Non-residential developments shall be exempt from payment of non-residential development fees in accordance with the exemptions required pursuant to P.L. 2008, c.46, as specified in the Form N-RDF "State of New Jersey Non-Residential Development Certification/Exemption" Form. Any exemption claimed by a developer shall be substantiated by that developer.
- d. A developer of a non-residential development exempted from the non-residential development fee pursuant to P.L.2008, c.46 shall be subject to it at such time the basis for the exemption no longer applies, and shall make the payment of the non-residential development fee, in that event, within three years after that event or after the issuance of the final certificate of occupancy of the non-residential development, whichever is later.
- e. If a property which was exempted from the collection of a non-residential development fee thereafter ceases to be exempt from property taxation, the owner of the property shall remit the fees required pursuant to this section within 45 days of the termination of the property tax exemption. Unpaid non-residential development fees under these circumstances may be enforceable by the Borough of Shrewsbury as a lien against the real property of the owner.

B. Collection procedure

- (1) Upon the granting of a preliminary, final or other applicable approval, for a development, the applicable approving authority shall direct its staff to notify the Borough's Construction Official responsible for the issuance of a building permit.
- (2) For non-residential developments only, the developer shall also be provided with a copy of Form N-RDF "State of New Jersey Non-Residential Development Certification/Exemption" to be completed as per the instructions provided. The

Developer of a non-residential development shall complete Form N-RDF as per the instructions provided. The construction official shall verify the information submitted by the non-residential developer as per the instructions provided in the Form N-RDF. The Tax assessor shall verify exemptions and prepare estimated and final assessments as per the instructions provided in Form N-RDF.

- (3) The construction official responsible for the issuance of a building permit shall notify the local tax assessor of the issuance of the first building permit for a development which is subject to a development fee.
- (4) Within 90 days of receipt of that notice, the municipal tax assessor, based on the plans filed, shall provide an estimate of the equalized assessed value of the development.
- (5) The construction official responsible for the issuance of a final certificate of occupancy notifies the local assessor of any and all requests for the scheduling of a final inspection on property which is subject to a development fee.
- (6) Within 10 business days of a request for the scheduling of a final inspection, the municipal assessor shall confirm or modify the previously estimated equalized assessed value of the improvements of the development; calculate the development fee; and thereafter notify the developer of the amount of the fee.
- (7) Should the Borough of Shrewsbury fail to determine or notify the developer of the amount of the development fee within 10 business days of the request for final inspection, the developer may estimate the amount due and pay that estimated amount consistent with the dispute process set forth in subsection b. of section 37 of P.L. 2008, c.46 (C.40:55D-8.6).
- (8) Developers shall pay 50 percent of the calculated development fee to Shrewsbury Borough at the issuance of building permits. The development fee shall be estimated

by the tax assessor prior to the issuance of building permits. Developers shall pay the remaining fee to Shrewsbury Borough at the issuance of certificates of occupancy. At the issuance of certificates of occupancy, the tax assessor shall calculate the equalized assessed value and the appropriate development fee. The developer shall be responsible for paying the difference between the fee calculated at certificate of occupancy and the amount paid at issuance of building permit.

(9) Appeal of development fees

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

F. Affordable Housing Trust Fund

- (1) There is hereby created a separate, interest-bearing housing trust fund to be maintained by the Borough's Chief Financial Officer for the purpose of depositing development fees collected from residential and non-residential developers and proceeds from the sale of units with extinguished controls.
- (2) The following additional funds shall be deposited in the Affordable Housing Trust Fund and shall at all times be identifiable by source and amount:
 - a. Payments in lieu of on-site construction of affordable units;
 - b. Developer-contributed funds to make ten percent (10%) of the affordable entrances in a townhouse or other multistory attached development accessible;
 - c. Rental income from municipally-operated units;
 - d. Repayments from affordable housing program loans;
 - e. Recapture funds;
 - f. Proceeds from the sale of affordable units; and
 - g. Any other funds collected in connection with the Borough of Shrewsbury's affordable housing program.
- (3) Within seven days from the opening of the trust fund account, the Borough of Shrewsbury shall provide COAH with written authorization, in the form of a three-party escrow agreement between the municipality, the Borough's banking institution, and COAH to permit COAH to direct the disbursement of the funds as provided for in N.J.A.C. 5:97-8.13(b).
- (4) No funds shall be expended from the affordable housing trust fund unless the expenditure conforms to a spending plan approved by COAH or the Court. All interest accrued in the housing trust fund shall only be used on eligible affordable housing activities approved by COAH or the Court.

G. Use of Funds

- (1) The expenditure of all funds shall conform to a spending plan approved by COAH or the Court. Funds deposited in the housing trust fund may be used for any activity approved by COAH or the Court to address the Borough of Shrewsbury's fair share obligation and may be set up as a grant or revolving loan program. Such activities include, but are not limited to: preservation or purchase of housing for the purpose of maintaining or implementing affordability controls, rehabilitation, new construction of affordable housing units and related costs, accessory apartment, market to affordable, or regional housing partnership programs, conversion of existing non-residential buildings to create new affordable units, green building strategies designed to be cost saving and in accordance with accepted national or state standards, purchase of land for affordable housing, improvement of land to be used for affordable housing, extensions or improvements of roads and infrastructure to affordable housing sites, financial assistance designed to increase affordability, administration necessary for implementation of the Housing Element and Fair Share Plan, or any other activity as permitted pursuant to N.J.A.C. 5:97-8.7 through 8.9 and specified in the approved spending plan.
- (2) Funds shall not be expended to reimburse the Borough of Shrewsbury for past housing activities.
- (3) At least 30 percent of all development fees collected and interest earned shall be used to provide affordability assistance to low- and moderate-income households in affordable units included in the municipal Fair Share Plan. One-third of the affordability assistance portion of development fees collected shall be used to provide affordability assistance to those households earning 30 percent or less of median income by region.

- a. Affordability assistance programs may include down payment assistance, security deposit assistance, low interest loans, rental assistance, assistance with homeowners association or condominium fees and special assessments, and assistance with emergency repairs.
 - b. Affordability assistance to households earning 30 percent or less of median income may include buying down the cost of low or moderate income units in the municipal Fair Share Plan to make them affordable to households earning 30 percent or less of median income. The use of development fees in this manner shall entitle the Borough of Shrewsbury to bonus credits pursuant to N.J.A.C. 5:97-3.7.
 - c. Payments in lieu of constructing affordable units on site and funds from the sale of units with extinguished controls shall be exempt from the affordability assistance requirement.
- (4) The Borough of Shrewsbury may contract with a private or public entity to administer any part of its Housing Element and Fair Share Plan, including the requirement for affordability assistance, in accordance with N.J.A.C. 5:96-18.
 - (5) No more than 20 percent of all revenues collected from development fees may be expended on administration, including, but not limited to, salaries and benefits for municipal employees or consultant fees necessary to develop or implement a new construction program, a Housing Element and Fair Share Plan, and/or an affirmative marketing program. In the case of a rehabilitation program, no more than 20 percent of the revenues collected from development fees shall be expended for such administrative expenses. Administrative funds may be used for income qualification of households, monitoring the turnover of sale and rental units, and compliance with COAH's monitoring requirements. Legal or other fees related to litigation opposing

affordable housing sites or objecting to the Council's regulations and/or action are not eligible uses of the affordable housing trust fund.

H. Monitoring

- (1) The Borough of Shrewsbury shall complete and return to COAH all monitoring forms included in the annual monitoring report related to the collection of development fees from residential and non-residential developers, payments in lieu of constructing affordable units on site, and funds from the sale of units with extinguished controls barrier free escrow funds, rental income, repayments from affordable housing program loans, and any other funds collected in connection with the Borough of Shrewsbury's housing program, as well as to the expenditure of revenues and implementation of the plan approved by the court. All monitoring reports shall be completed on forms designed by COAH.

I. Ongoing Collection of Fees

- (1) The ability of the Borough of Shrewsbury to impose, collect and expend development fees shall expire with its judgment of compliance unless the Borough of Shrewsbury has filed an adopted Housing Element and Fair Share Plan with COAH, has petitioned COAH for substantive certification, or brought a declaratory relief action in Court pursuant to N.J.S.A. 52:27D-313 and has received approval of its development fee ordinance by COAH or a Court. If the Borough of Shrewsbury fails to renew its ability to impose and collect development fees prior to the expiration of its judgment of compliance, it may be subject to forfeiture of any or all funds remaining within its municipal trust fund. Any funds so forfeited shall be deposited into the "New Jersey Affordable Housing Trust Fund" established pursuant to section 20 of P.L. 1985, c.222 (C.52:27D-320). The Borough of Shrewsbury shall not impose a residential development fee on a development that receives preliminary or

final site plan approval after the expiration of its judgment of compliance, nor shall the Borough of Shrewsbury retroactively impose a development fee on such a development. The Borough of Shrewsbury shall not expend development fees after the expiration of its judgment of compliance.

NOW, THEREFORE, BE IT ORDAINED, by the Borough Council and the Borough of Shrewsbury, this Ordinance shall become effective upon final passage and publication as provided by law.

First Reading/Introduction: November 17, 2008

Second Reading/Public Hearing: December 15, 2008

Adoption: December 15, 2008

ATTEST: _____
Lynn A. Spillane, Municipal Clerk

APPROVE: _____
Emilia M. Siciliano, Mayor

SPENDING PLAN

**BOROUGH OF SHREWSBURY
AMENDED AFFORDABLE HOUSING TRUST FUND SPENDING PLAN**

PART I. INTRODUCTION

This Spending Plan has been prepared in accordance with the Municipal Land Use Law (N.J.S.A. 40:55D-1 et seq.) and the Fair Housing Act (N.J.S.A. 52:27D-301) in order to amend the 2011 Spending Plan to account for the changes since the Plan's adoption. This revised spending plan is submitted to the Superior Court of New Jersey for approval to expend all current and future affordable housing trust fund monies, as necessary, to finance the construction of Group Home project(s) and Borough Sponsored, 100% Affordable project(s).

As of November of 2018, the Borough had a balance of \$XX.XX¹ in the Affordable Housing Trust Fund. It has spent a total of \$XX.XX on affordable housing activities and \$XX.XX on administrative costs, leaving a balance of \$XX.XX. 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 [NAME AND ADDRESS OF BANK], for the purposes of affordable housing. These funds shall be spent in accordance with N.J.A.C. 5:23-B.16 as described in the sections that follow.

1. REVENUES FOR CERTIFICATION PERIOD

To calculate a projection of revenue anticipated through the third round prospective need period (2015-2025), the Borough considered the following:

(a) Development fees:

1. Residential and nonresidential projects which have had development fees imposed upon them at the time of preliminary or final development approvals;
2. All projects currently before the planning and zoning boards for development approvals that may apply for building permits and certificates of occupancy; and
3. Future development that is likely to occur based on historical rates of development.

(b) Payment in lieu (PIL):

Currently, there are no actual or committed payments in lieu of construction from any developer, although such payments may be collected in the future.

(c) Other funding sources:

Funds from other sources have not been collected.

¹ All dollar amounts herein are rounded; amounts of \$0.50 are rounded up to the next higher dollar amount.

(d) Projected interest:

Interest on the projected revenue in the municipal Affordable Housing Trust Fund at the current average interest rate 0.50% simple interest.

2. REVENUE PROJECTION

The Borough of Shrewsbury, as reported by the New Jersey Department of Community Affairs (NJDCA) Construction Code Reporter, issued XXX [XX] permits authorizing the new construction of 1 and 2 family housing units between July 2015 and November 2018, as well as, building permits for XXX square feet of office space, XXX square feet of retail space, and XXX square feet of non-residential use as "signs, fences, utility & misc." space.

The Borough anticipates issuing permits authorizing approximately XXX [XX] housing units between December of 2018 and July of 2025. This low estimate is based on the fact that, (1) the Borough is virtually a fully-developed community, and (2) the Borough issued, in the preceding 3-year period (2015-2018), XXX new construction residential permits.

The projection of development fees realized from residential development requires the application of the Borough's equalization rate and establishment of an average equalized assessed value for housing. The Borough's equalization rate for 2018 was XXX%² and the average residential assessment in the Borough is \$XXXX. Dividing the average value of housing by the equalization rate yields the average equalized assessed value for housing, being thusly \$XXX).

As this plan assumes the approximate development of an estimated XXX units over the remainder of the Third Round period, the Borough anticipates collection of \$XXX in additional development fees based on the multiplication of average equalized housing value of \$XXX x XXX units x the residential development fee of 1.5% of equalized assessed value.

The Borough may also receive nonresidential development fees pursuant to N.J.S.A. 40:55D-6.1 et. seq. under which a fee equal to (1) 2.5% of the equalized assessed value of the land and improvements, for all new non-residential construction on an unimproved lot or lots; or (2) 2.5% of the increase in equalized assessed value, of the additions to existing structures to be used for non-residential purposes, is to be paid. The Borough therefore estimates that it will collect an additional \$XXX in non-residential development fees between December of 2018 and July of 2025.

The Borough does not anticipate collection of any payment in lieu fees between December of 2018 and July of 2025.

In sum, by adding the current balance of \$XXX to the potential residential and nonresidential development fee collection amount of \$XXX and account interest of \$XXX on existing funds (assuming a 0.50% fixed interest rate), a potential total development fee revenue of \$XXX results.

² "Table of Equalized Valuations", New Jersey Department of the Treasury, 2018.

TABLE 1. PROJECTED REVENUES HOUSING TRUST FUND SHREWSBURY, MONMOUTH COUNTY, NEW JERSEY										
PROJECTED REVENUES-HOUSING TRUST FUND - 2018 THROUGH 2025										
SOURCE OF FUNDS	2017	2018	2019	2020	2021	2022	2023	2024	2025	Total
(c) Development fees:										
1. Approved Development										
2. Development Pending Approval										
3. Projected Development	\$	\$	\$2	\$	\$	\$	\$	\$	\$	\$
(d) Payments in lieu of Construction										
(g) Other Funds (Existing)										
(d) Interest on Existing *	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Total	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$

*Rate assumes a 0.50% fixed interest rate

The Borough of Shrewsbury estimates and projects a potential total of \$XXXX in revenue collected between November 2018 and July 2025. All interest earned on the account shall accrue to the account to be used only for the purposes of affordable housing.

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 Borough of Shrewsbury:

(c) Collection of Development Fee revenues:

Collection of Development Fee revenues shall be consistent with the Borough of Shrewsbury Development Fee ordinance for both residential and non-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).

Pursuant to a development approval by the Board having jurisdiction, the Borough clerk will notify the construction official of the approval. At the time of construction permit application, the construction official will notify the tax assessor and request an initial calculation of the equalized assessed value (EAV) of the proposed development and the resulting fee to be posted. One-half of the fee will be due at the time of issuance of the first building permit. For non-residential development only, the developer will be provided a copy of Form N - RDF "State of New Jersey Non-Residential Development Certification/Exemption". This form will be used by the tax assessor to verify exemptions and to prepare estimated and final assessments.

At the time of request for the final inspection, the construction official will notify the tax assessor and request confirmation of, or modification of, the initial (EAV) as the case may be. The final (EAV) will be provided to the developer within ten (10) days of the request for final inspection. Payment of the fee will then become a condition of issuance of the certificate of occupancy.

(b) Distribution of Development Fee revenues:

A general description of the distribution of revenues is provided below:

The Shrewsbury Housing Liaison forwards a requisition of affordability assistance and administrative costs (routine expenditures) and rehabilitation expenditures and costs for municipally sponsored 100% affordable housing development (significant expenditures) to the Finance Department recommending the expenditure of development fee revenues as set forth in this spending plan. The Finance Department reviews the request for consistency with the spending plan.

Once a request is approved by the Finance Department, the request is presented to the Borough Council for approval. After receiving Borough Council approval, the Borough of Shrewsbury Administrator releases the requested revenue from the trust fund for the specific use.

4. DESCRIPTION OF ANTICIPATED USE OF AFFORDABLE HOUSING FUNDS

As part of this Amended Spending Plan, the Borough submits the following expenditures:

(a) Group Home Funding (N.J.A.C. 5:93-8.16(a))

The Borough of Shrewsbury will dedicate \$XXX to provide funding for the acquisition of land and/or contribution funding to a qualified Group Home administrator in order to establish a Group Home in the Borough. Funding will ensure that they provide a quality project and to incentivize the construction or acquisition of Group Homes. This will help to fill a growing need for special needs assistance housing. The Borough intends to expend all allocated funding towards the projected Group Home(s). The Borough will adopt a resolution of its intent to fund any shortfall in funding Group Home project(s).

Group Home Funding expenditure: \$XXX

(b) Costs Associated with the New Construction of Borough Sponsored, 100% Affordable Project(s) (N.J.A.C. 5:93-8.16(a))

The Borough of Shrewsbury will dedicate \$XXX towards the construction of units through Borough Sponsored, 100% Affordable Projects. This shall include all costs associated with new construction, including, but not limited to, due diligence associated with site acquisition, acquisition of land, preparation of site plans, and development of the site(s). The Borough intends to expend all allocated funding towards the projected new construction mechanisms. The Borough will adopt a resolution of its intent to fund any shortfall in funding the construction of Borough Sponsored affordable housing project(s).

New Construction Project(s) expenditure: \$XXX

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

The Borough of Shrewsbury is required to spend a minimum of 30 percent of development fee revenue to render units more affordable and at least one-third of that amount must be dedicated to very-low income households or to create very-low income units (i.e. households earning less than 30 percent of the regional median income). The actual affordability assistance minimums are calculated on an ongoing basis based on actual revenues.

Projected minimum Affordability Assistance requirement:

TABLE 2: PROJECTED MINIMUM AFFORDABILITY ASSISTANCE REQUIREMENTS SHREWSBURY, MONMOUTH COUNTY, NEW JERSEY	
Actual Development Fees through 1/01/2018	\$
Development fees projected 2018-2025	+
Interest projected 2018-2025	+
Less housing activity expenditures through 10/31/2018	-
Total	=
30 percent requirement	x 0.30 =
Less Affordability assistance expenditures through 1/01/2018	-
PROJECTED MINIMUM Affordability Assistance Requirement	=
11/1/2018 through 7/1/2025	
PROJECTED MINIMUM Very Low-Income Affordability Assistance Requirement 11/1/2018 through 7/1/2025	÷ 3 =

The Borough will dedicate \$XXX from the Affordable Housing Trust Fund to render units more affordable. Of this amount, \$XXX will be utilized to encourage private sector provision of very low-income units through the offering of a subsidy for the development of said units. The Borough reserves the right to use even more of its affordability assistance funds to help subsidize low and/or very low-income units. In addition, the Borough will utilize such funds for any emergency repairs of older affordable units in the Borough, should that be necessary.

Examples of programs as part of the Affordability Assistance program, and subsequent manual to be prepared, are as follows:

- i. Down-payment assistance for for-sale units;
- ii. Rental assistance;
- iii. Security deposit assistance;
- iv. Low interest loans;
- v. Assistance with homeowners' association or condominium fees and special assessments;
- vi. Qualified closing cost assistance for for-sale units; and/or
- vii. Converting low-income units to very-low-income units or creating new very-low income units, etc.

Total Affordability Assistance Expenditure: \$XXX

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

The Borough of Shrewsbury may use affordable housing trust fund revenue for related administrative costs up to a 20 percent limitation pending funding availability after programmatic and statutory affordability assistance expenditures. The actual administrative expense maximum is calculated on an ongoing basis based on actual revenues. The Borough projects that no more than \$XXX will be available from the Affordable Housing Trust Fund to be used for administrative purposes. Projected administrative expenditures, subject to the 20 percent cap, are as follows:

- 1) Personnel wages, salaries and benefits for administering affordable housing activities;
- 2) Consulting fees for the preparation of Housing Element/Fair Share Plans, assisting in rehabilitation programs and other affordable housing activities including, but not limited to, professional planner and professional engineer consultant fees;
- 3) Fees for other consulting activity as may be found necessary supportive of affordable housing provision, including office supplies;
- 4) Legal fees; and
- 3) Fees for the administration of Affordability Assistance programs by qualified entities retained by the Borough of Shrewsbury.

Total Administrative Expenses Expenditure: \$XXX

5. EXPENDITURE SCHEDULE

The Borough of Shrewsbury intends to use Affordable Housing Trust Fund revenues for the creation and/or rehabilitation of housing units. Where applicable, the creation/rehabilitation funding schedule below parallels the implementation schedule set forth in the Housing Element and Fair Share Plan and is summarized as follows:

TABLE 3: PROJECTED EXPENDITURE SCHEDULE 2018 - 2025 SHREWSBURY, MONMOUTH COUNTY, NEW JERSEY											
Program Description Units Planned	Funds Expended and/or Dedicated 2018-2025	2017	2018	2019	2020	2021	2022	2023	2024	2025	Total
Group Homes 4 - 8	\$500,000		\$200,000	\$200,000	\$100,000						\$500,000
Borough Sponsored, 100% Affordable New Construction	\$1,903,387		\$951,693	\$951,694							\$2,403,387
Total Programs	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Affordability Assurances	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Administration	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Total	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$

6. **EXCESS OR SHORTFALL OF FUNDS**

The Borough intends to expend all current and future revenues toward the mechanisms, including the funding of Group Homes and new construction projects, as described in this Spending Plan. The Borough of Shrewsbury acknowledges that the actual amount of the Development Fees collected may be less than what is projected in this spending plan for a variety of reasons, including, but not limited to: (a) a moratorium on collection of fees may be imposed by law; (b) the actual amount of development in the Borough may be less than what is anticipated; and (c) developers may choose to provide inclusionary developments in lieu of Development Fees. Should there be a shortfall of funds, the Borough agrees that in no event shall it utilize more than 20% of the Development Fees collected for administration. In the event of an excess of funds, these would be dedicated toward supplementing the Affordability Assistance Programs described herein.

II. **SUMMARY**

The Borough of Shrewsbury intends to spend Affordable Housing Trust Fund revenues pursuant to N.J.A.C. 5:93-8.16 and consistent with the housing programs outlined in the Housing Element and Fair Share Plan.

The Borough of Shrewsbury had a balance of \$XXX as of November 2018 and anticipates an additional \$XXX in revenues over the Third Round prospective need period with interest in the amount of \$XXX on existing funds, for a total of \$XXX. The Borough will dedicate \$XXX towards incentivizing and acquiring Group Home units, \$XXX towards the new construction of Borough Sponsored, 100% Affordable project(s), \$ XXX to render units more affordable, and \$ XXX to cover administrative costs. The municipality anticipates that the balance of revenues collected less expenses from 2018 to 2025 will be as close to zero dollars (\$0) as possible whereas any excess funds would be dedicated toward supplementing the Affordability Assistance Programs described herein.

TABLE 4: SPENDING PLAN SUMMARY SHREWSBURY, MONMOUTH COUNTY, NEW JERSEY	
Balance as of 11/01/2018	\$
PROJECTED REVENUE 11/1/2018 - 7/1/2025	
Development fees	+ \$
Payments in lieu of construction	+ \$
Other funds	+ \$
Interest on existing funds	+ \$
TOTAL REVENUE	= \$
EXPENDITURES	
Funds Used for Group Homes	- \$
Funds Used for Borough Sponsored New Construction	- \$
Affordability Assistance	- \$
Administration	- \$
TOTAL PROJECTED EXPENDITURES	= \$
REMAINING BALANCE	0 \$