REGULAR MEETING
AUGUST 18, 2026

In compliance with Chapter 231, OPEN PUBLIC MEETINGS ACT of the State of New Jersey, adequate notice has been given to all members of the Governing Body, the “Local Source” and the "Westfield Leader" the two newspapers designated to receive such notice. The notice is posted on the Borough Hall bulletin board.

Mayor Paul N. Mirabelli called the meeting to order at 7:31 P.M.

INVOCATION: Councilman Matejek
SALUTE TO THE FLAG
ROLL CALL

PRESENT: Mayor Mirabelli, Councilman Dierkes, Council President Matejek, Councilwoman Pacifico, Councilman Rinaldo, Councilman Van Deusen, Councilwoman Wass, Administrator Mortimer and Attorney Epstein. Also present were Senior Coordinator Kim Moriak, DPW Director Matthew DeAnna, Recreation Director Frank Masella and Police Chief Joseph Giannuzzi.

APPROVAL OF MINUTES:

Upon a motion by Councilwoman Pacifico and a second by Councilman Matejek, the minutes of the Regular & Executive Session Meetings held on July 21, 2026 were approved. Roll Call: Ayes: Dierkes, Matejek, Pacifico, Rinaldo, Van Deusen, Wass. Nays: 0.

Upon a motion by Councilwoman Pacifico and a second by Councilwoman Wass, the minutes of the Work Session Meeting held on August 4, 2026 were approved. Roll Call: Ayes: Dierkes, Matejek, Pacifico, Rinaldo, Van Deusen, Wass. Nays: 0.

PROCLAMATIONS:

WHEREAS, the Governor Livingston High School Varsity Softball Team exemplified the highest standards of athletic excellence, determination, teamwork, and sportsmanship throughout an exceptional 2026 season; and

WHEREAS, under the outstanding leadership of Head Coach Erin Lanigan, Assistant Coach Kacie Worswick, and Assistant Coach Kristen Meagher, the Highlanders developed into one of New Jersey's most accomplished high school softball teams through hard work, dedication, and a commitment to excellence; and

WHEREAS, the team's remarkable season was defined by perseverance, discipline, and unity, as the players consistently rose to every challenge while serving as exemplary ambassadors for Governor Livingston High School and the communities of Mountainside and Berkeley Heights; and

WHEREAS, the Highlanders opened the NJSIAA North Jersey, Section 2, Group 2 Tournament with a decisive 16–1 victory over Voorhees, establishing the momentum for an unforgettable postseason run; and

WHEREAS, the team then earned a dramatic 13–12 victory over Bernards in a thrilling 12-inning sectional quarterfinal contest lasting more than four hours, demonstrating extraordinary resilience, competitive spirit, and unwavering determination; and

WHEREAS, Governor Livingston continued its championship pursuit with an impressive 5–1 semifinal victory over top-seeded Caldwell, showcasing outstanding pitching, timely offense, and exceptional teamwork; and

WHEREAS, after narrowly missing the sectional title the previous year, the Highlanders achieved a well-earned championship by capturing the 2026 NJSIAA North Jersey, Section 2, Group 2 Championship, securing the program's first sectional crown since 2010 and bringing great honor to Governor Livingston High School and the communities it proudly represents; and

WHEREAS, this championship stands as a testament not only to the team's athletic accomplishments but also to the enduring values of dedication, leadership, perseverance, integrity, and mutual respect that define successful student-athletes; and

WHEREAS, the achievements of the Governor Livingston Varsity Softball Team have inspired young athletes, strengthened community pride, and created a lasting legacy that will be remembered for years to come.

NOW, THEREFORE, I, Paul N. Mirabelli, Mayor of the Borough of Mountainside, on behalf of the Borough Council and the residents of the Borough of Mountainside, do hereby extend heartfelt congratulations to the Governor Livingston High School Varsity Softball Team, its coaches, school administrators, families, and supporters for winning the 2026 NJSIAA North Jersey, Section 2, Group 2 Championship. I further commend them for their outstanding dedication, exceptional accomplishments, and for representing the Borough of Mountainside with pride, character, and distinction.

WHEREAS**,** the Governor Livingston High School Varsity Baseball Team of Berkeley Heights, New Jersey, is comprised of student-athletes Addison Adornato, Michael Basile, Reid Bazydlo, Owen Keough, Dominic Labisi, Mateo Liloia, Keith Mann, Michael Novotny, Ryan Pappas, Zach Geertsma, Matthew Di Rado, Liam Freyre, Michael Donahue, Parker Chatfield, Connor Jakubowski, Aidan Feldman, Jaiden Fernandez, Michael Healy, Noah Ornstein, Jackson Crimaldi, Matthew Kanarek, and CJ Cantagallo; and

WHEREAS**,** these student-athletes are guided by Head Coach Chris Roof and Assistant Coaches James Cariello, Chris Flynn, Sean Flynn, Matt Rago, Bryan Young, and Jim Monaghan, with the dedicated support of team managers Braeden Tripp, Michelle Espinoza, Abigail Espinoza, Sierra Isbirian, Hudson McLaughlin, Alex Trano, Alexandra Tranquilli, and Leah Shehady; and

WHEREAS**,** the Governor Livingston High School Varsity Baseball Team achieved an outstanding 2026 season by capturing the Central Jersey Group 2 Sectional Championship, defeating Allentown High School by a score of 5-4 in the championship game at Governor Livingston High School; and

WHEREAS**,** the team demonstrated exceptional skill, determination, and resilience throughout its championship run, beginning with a decisive 10-1 victory over Cinnaminson High School in the opening round, followed by a 12-4 quarterfinal victory over Point Pleasant Boro High School; and

WHEREAS**,** the Highlanders continued their impressive postseason performance in the semifinal round, defeating Robbinsville High School 9-2 to earn a place in the championship game; and

WHEREAS**,** with this victory, Governor Livingston High School secured its third consecutive Central Jersey Group 2 State Sectional Championship and its 12th sectional title in school history, further establishing the program as one of the region’s premier high school baseball teams; and

WHEREAS, the team also captured the Union County Conference Watchung Division Championship with an impressive 11-1 record, demonstrating excellence and consistency throughout the regular season; and

WHEREAS**,** the accomplishments of these student-athletes, coaches, and managers are a source of great pride for the communities of Mountainside and Berkeley Heights, as well as for their families, classmates, teachers, and supporters; and

WHEREAS**,** the Borough of Mountainside recognizes the value of teamwork, discipline, perseverance, sportsmanship, and leadership demonstrated by the Governor Livingston High School Varsity Baseball Team throughout its remarkable championship season.

NOW, THEREFORE, I, Paul N. Mirabelli, Mayor of the Borough of Mountainside, on behalf of the Borough Council and the residents of the Borough of Mountainside, do hereby extend our sincere congratulations and highest commendation to the Governor Livingston High School Varsity Baseball Team on winning the 2026 Central Jersey Group 2 Sectional Championship.

RESOLUTIONS:

The following resolution was introduced by Councilman Matejek and seconded by Councilwoman Pacifico.

RESOLUTION 106-2026

WHEREAS, it is the desire of the Governing Body of the Borough of Mountainside to appoint a Probationary Police Officer to the Borough of Mountainside Police Department; and

WHEREAS, the Police Committee interviewed qualified candidates for the position of Probationary Police Officer for the Borough of Mountainside Police Department; and

WHEREAS, the Police Committee has recommended the appointment of James Greaney as a Police Officer; and

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the Borough of Mountainside that James Greaney be appointed as a Probationary Police Officer for the Borough of Mountainside Police Department; and

BE IT FURTHER RESOLVED, that said appointment shall be effective July 27, 2026 with the probationary period ending one-year from the appointment date at a probationary period salary of $50,500.

Roll Call: Ayes: Dierkes, Matejek, Pacifico, Rinaldo, Van Deusen, Wass. Nays: 0.

The following resolution was introduced by Councilwoman Pacifico and seconded by Councilman Matejek.

RESOLUTION 107-2026

WHEREAS, there exist a need for Pool and Summer Staff in the Recreation Department that will operate from April 1st to September 30th; and

WHEREAS, Recreation Director Frank Masella and the Recreation Committee has recommended that the following individuals be appointed to said positions:

Name	Position	Wage	
	Pool		
	Start Date August 1st		
Hanna Dorsett	Desk	$16.50	Per Hour
Colin Hasselgren	Maintenance	$15.75	Per Hour

WHEREAS, the above individuals shall be appointed as temporary employees for the 2026 pool and summer season; and

NOW, THEREFORE, BE IT RESOLVED, by the Mayor and Council of the Borough of Mountainside that the recommendation of Recreation Director Frank Masella and the Recreation Committee be and hereby are accepted and approved pending background checks.

BE IT FURTHER RESOLVED, that the salary for the above positions shall be set forth in the borough's salary ordinance.

Roll Call: Ayes: Dierkes, Matejek, Pacifico, Rinaldo, Van Deusen, Wass. Nays: 0.

The following resolution was introduced by Councilman Rinaldo and seconded by Councilwoman Pacifico.

RESOLUTION 108-2026

BE IT RESOLVED that the Treasurer be authorized to issue the following refunds:

Applicant	For	Amount
Cindy Kwok 379 Park Slope Mountainside, NJ 07092	Playground Camp	$165.00
Juan Peng 1332 Stony Brook Lane Mountainside, NJ 07092	Kid's Tennis Clinics	$200.00

Roll Call: Ayes: Dierkes, Matejek, Pacifico, Rinaldo, Van Deusen, Wass. Nays: 0.

The following resolution was introduced by Councilman Van Deusen and seconded by Councilwoman Wass.

RESOLUTION 109-2026

WHEREAS, N.J.S.A. 40A:4-87 provides that the Director of the Division of Local Government Services may approve the insertion of any special item of revenue in the budget of any County or Municipality when such item shall have been made available by law and the amount thereof was not determined at the time of the adoption of the budget; and

WHEREAS, said Director may also approve the insertion of any item of appropriation for equal amount;

SECTION 1

NOW, THEREFORE, BE IT RESOLVED, that the Borough of Mountainside hereby requests the Director of the Division of Local Government Services to approve the insertion of an item of revenue in the budget for the year 2026 for the below amount sums of which item is now available as a revenue from:

Public & Private Revenues off-set with Appropriations:
Watts Foundation – Mountainside Active Retirees ($5,400.00)

SECTION 2

BE IT FURTHER RESOLVED, that a like sum be and the same is hereby appropriated under the caption of:

Public & Private Programs Offset By Revenues Excluded from "CAPS"
Watts Foundation – Mountainside Active Retirees ($5,400.00)

Roll Call: Ayes: Dierkes, Matejek, Pacifico, Rinaldo, Van Deusen, Wass. Nays: 0.

The following resolution was introduced by Councilwoman Wass and seconded by Councilwoman Pacifico.

RESOLUTION 110-2026

WHEREAS, N.J.S.A. 40A:5-4 requires the Governing Body of every local unit to have made an annual audit of its books, accounts and financial transactions; and

WHEREAS, the Annual Report of Audit for the year 2025 has been filed by a Registered Municipal Accountant with the Borough Clerk as per the requirements of N.J.S.A. 40A:5-6 and a copy has been received by each member of the Governing Body; and

WHEREAS, the Local Finance Board of the State of New Jersey is authorized to prescribe reports pertaining to the local fiscal affairs, as per R.S. 52:27BB-34; and

WHEREAS, the Local Finance Board has promulgated a regulation requirement that the Governing Body of each municipality shall by resolution certify to the Local Finance Board of the State of New Jersey that all members of the Governing Body have reviewed, as a minimum, the sections of the annual audit entitled:

GENERAL COMMENTS
RECOMMENDATIONS
and;

WHEREAS, the members of the Governing Body have personally reviewed as minimum the Annual Report of Audit, and specifically the sections of the Annual Audit entitled:

GENERAL COMMENTS
RECOMMENDATIONS

as evidenced by the group affidavit form of the Governing Body; and

WHEREAS, such resolution of certification shall be adopted by the Governing Body no later than forty-five days after the receipt of the annual audit, as per the regulations of the Local Finance Board; and

WHEREAS, all members of the Governing Body have received and have familiarized themselves with, at least, the minimum requirements of the Local Finance Board of the State of New

Jersey, as stated aforesaid and have subscribed to the affidavit, as provided by the Local Finance Board; and

WHEREAS, failure to comply with the promulgations of the Local Finance Board of the State of New Jersey may subject the members of the Local Governing Body to the penalty provisions of R.S. 52:27BB-52 – to wit:

> R.S. 52-27BB-52 – "A local officer or member of a local Governing Body who, after a date fixed for compliance fails or refuses to obey an order of the of the Director of Local Government Services, under the provisions of this Article, shall be guilty of a misdemeanor and, upon conviction, may be fined not more than One Thousand Dollars ($1,000) or imprisoned for not more than one year, or both, in addition shall forfeit his office."

NOW, THEREFORE, BE IT RESOLVED that the Mayor and Council of the Borough of Mountainside, hereby states that it has complied with the promulgation of the Local Finance Board of the State of New Jersey dated July 30, 1968 and does hereby submit a certified copy of this resolution and the required affidavit to said Board to show evidence of said compliance.

Roll Call: Ayes: Dierkes, Matejek, Pacifico, Rinaldo, Van Deusen, Wass. Nays: 0.

The following resolution was introduced by Councilman Dierkes and seconded by Councilman Rinaldo.

RESOLUTON 111-2026

WHEREAS, the Chief Finance Officer is required to submit a Corrective Action Plan of the 2025 Municipal Audit Report to the Governing Body;

NOW, THEREFORE, BE IT RESOLVED that the following 2025 Audit Corrective Action Plan submitted by the Chief Finance Officer be and the same is hereby approved; and

BE IT FURTHER RESOLVED, that a certified copy of the 2025 Audit Corrective Action Plan be forwarded to the Division of Local Government Services.

2025 Audit- Corrective Action Plan

Recommendation: None

Corrective Action: None

Roll Call: Ayes: Dierkes, Matejek, Pacifico, Rinaldo, Van Deusen, Wass. Nays: 0.

The following resolution was introduced by Councilman Van Deusen and seconded by Councilwoman Wass.

RESOLUTION 112-2026

WHEREAS, in accordance with applicable provisions of the Public Contracts Law, the Borough advertised for Bids for Contract 2026-5 for "Renovation of Beechwood School Athletic Field"; and

WHEREAS, on August 14, 2026 the return date for the bids, six bids were received as follows:

Bidders:	Base Bid	Alt. #1	Alt. #2	Alt. #3	Alt.#4	Alt. #5
Gallen Contracting	$695,000	$45,000	$18,000	$42,300	$84,600	$19,600
Applied Landscape	$741,959	$13,661	$16,900	$47,000	$122,200	$19,600
Turco Gulf	$804,687.87	$12,245.61	$15,444.28	$62,698	$105,938	$39,277.60

TC Landscape	$859,831	$40,000	$40,000	$150,400	$206,800	$20,000
Picerno-Giordano	$996,750	$10,000	$27,000	$23,500	$112,800	$15,600
Fuscon Enterprises	$1,080,000	$18,300	$24,400	$29,610	$98,700	$20,160

WHEREAS, the Borough Engineer recommends awarding the Base Bid, Alternate #2 and Alternate #4; and

WHEREAS, the lowest bidder is Gallen Contracting, Inc. and the Borough Engineer has recommended that Contract 2026-5 be awarded to Gallen Contracting Inc., 11 Birch Street, Midland Park, NJ 07432.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the Borough of Mountainside that the contract for Renovations of Beechwood School Athletic Field be awarded to Gallen Contracting Inc. in the amount of $797,600 pending Attorney review.

Roll Call: Ayes: Dierkes, Matejek, Pacifico, Rinaldo, Van Deusen, Wass. Nays: 0.

The following resolution was introduced by Councilman Dierkes and seconded by Councilwoman Pacifico.

RESOLUTION 113-2026

RESOLUTION OF THE BOROUGH COUNCIL OF THE BOROUGH OF MOUNTAINSIDE, IN THE COUNTY OF UNION, NEW JERSEY, COVENANTING TO COMPLY WITH THE PROVISIONS OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED, APPLICABLE TO THE EXCLUSION FROM GROSS INCOME FOR FEDERAL INCOME TAX PURPOSES OF INTEREST ON OBLIGATIONS ISSUED BY THE BOROUGH OF MOUNTAINSIDE, AUTHORIZING THE MAYOR, BOROUGH CLERK, CHIEF FINANCIAL OFFICER AND OTHER BOROUGH OFFICIALS TO TAKE SUCH ACTION AS THEY MAY DEEM NECESSARY OR ADVISABLE TO EFFECT SUCH COMPLIANCE AND DESIGNATING A $6,591,000 BOND ANTICIPATION NOTE, DATED JULY 17, 2026 AND PAYABLE JULY 16, 2027, AS A "QUALIFIED TAX-EXEMPT OBLIGATION" PURSUANT TO SECTION 265(b)(3) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED.

WHEREAS, the Borough of Mountainside, in the County of Union, New Jersey (the "Borough"), from time to time issues bonds, notes and other obligations, the interest on which is excluded from gross income for Federal income tax purposes, and desires to take such action as may be necessary or advisable to establish and maintain such exclusion; and

WHEREAS, the Internal Revenue Code of 1986, as amended (the "Code"), contains provisions with respect to the exclusion from gross income for Federal income tax purposes of interest on obligations, including provisions, among others, that require issuers of tax-exempt obligations, such as the Borough, to account for and rebate certain arbitrage earnings to the United States Treasury and to take such other action to establish and maintain such Federal tax exclusion; and

WHEREAS, the Borough intends to issue a $6,591,000 bond anticipation note, dated July 17, 2026 and payable July 16, 2027 (the "Note"); and

WHEREAS, the Borough desires to designate the Note as a "qualified tax-exempt obligation" pursuant to Section 265(b)(3) of the Code;

NOW, THEREFORE, BE IT RESOLVED by the Borough Council of the Borough of Mountainside, in the County of Union, New Jersey, as follows:

SECTION 1. The Borough Council hereby covenants on behalf of the Borough, to the extent permitted by the Constitution and the laws of the State of New Jersey, to do and perform all acts and things permitted by law and necessary to assure that interest paid on bonds, notes or other obligations of the Borough (including the Note) be and remain excluded from gross income of the owners thereof for Federal income tax purposes pursuant to Section 103 of the Code.

SECTION 2. The Mayor, Borough Clerk, Chief Financial Officer and other officials of the Borough are hereby authorized and directed to take such action, make such representations and give such assurances as they may deem necessary or advisable to effect compliance with the Code.

SECTION 3. The Note is hereby designated as a "qualified tax-exempt obligation" for the purpose of Section 265(b)(3) of the Code.

SECTION 4. It is hereby determined and stated that (1) the Note is not a "private activity bond" as defined in the Code and (2) the Borough and its subordinate entities, if any, do not reasonably anticipate issuing in excess of $10 million of new money tax-exempt obligations (other than private activity bonds) during the calendar year 2026.

SECTION 5. It is further determined and stated that the Borough has not, as of the date hereof, issued any tax-exempt obligations (other than the Note) during the calendar year 2026.

SECTION 6. The Borough will, to the best of its ability, attempt to comply with respect to the limitations on issuance of tax-exempt obligations pursuant to Section 265(b)(3) of the Code; however, the Borough does not covenant to do so, and hereby expressly states that a covenant is not made hereby.

SECTION 7. The issuing officers of the Borough are hereby authorized to deliver a certified copy of this resolution to the original purchaser of the Note and to further provide such original purchaser with a certificate of obligations issued during the calendar year 2026 dated as of the date of delivery of the Note.

SECTION 8. This resolution shall take effect immediately upon its adoption.

Roll Call: Ayes: Dierkes, Matejek, Pacifico, Rinaldo, Van Deusen, Wass. Nays: 0.

The following resolution was introduced by Councilman Rinaldo and seconded by Councilman Van Deusen.

RESOLUTION 114-2026

WHEREAS, in accordance with applicable provisions of the Public Contracts Law, the Borough advertised for Bids for Contract 2026-6 for “Paving Improvements on Nottingham Way”; and

WHEREAS, on July 30, 2026 the return date for the bids, five bids were received as follows:

Bidders:	Base Bid	Alt. #1	Alt. #2	Alt. #3
Midwest Construction	$246,616.46	$5,000.00	$13,920.00	$6,640.15
Denbar Construction	$244,877.00	$7,750.00	$11,310.00	$9,850.00
AJM Contractors	$281,186.00	$4,875.00	$13,920.00	$11,205.00
DLS Contracting	$316,549.00	$4,750.00	$13,920.00	$8,250.00
Crossroads Paving	$348,991.50	$5,000.00	$15,442.50	$10,100.00

WHEREAS, the Borough Engineer recommends awarding the Base Bid, Alternate #1 and Alternate #3; and

WHEREAS, the lowest bidder is Midwest Construction Inc. and the Borough Engineer has recommended that Contract 2026-6 be awarded to Midwest Construction Inc., 19 Dead River Road, Warren, NJ 07059.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the Borough of Mountainside that the contract for Paving Improvements on Nottingham Way be awarded to Midwest Construction Inc. in the amount of $258,256.61 pending Attorney review.

Roll Call: Ayes: Dierkes, Matejek, Pacifico, Rinaldo, Van Deusen, Wass. Nays: 0.

The following resolution was introduced by Councilman Matejek and seconded by Councilwoman Pacifico.

RESOLUTION 115-2026

WHEREAS, the Borough of Mountainside desires to amend the 2026 Capital Budget to include a Capital project that was not previously reflected therein;

WHEREAS, The Borough of Mountainside desires to undertake the Community Pool Renovation and Improvement Project.

NOW, THEREFORE, BE IT RESOLVED, by the Governing Body of the Borough of Mountainside, County of Union, State of New Jersey is hereby amending by adding thereto a schedule to read as follows.

AMENDMENT NO. 01
CAPITAL BUDGET 2026
BOROUGH OF MOUNTAINSIDE
METHOD OF FINANCING

Project Title	Estimated Total Cost	Budget Appropriations	Capital Improvement Fund	Grants in Aid and Other Funds	Debt Authorized
Community Pool Project	$8,400,000.00		$ 400,000.00		$ 8,000,000.00

Roll Call: Ayes: Dierkes, Matejek, Pacifico, Rinaldo, Van Deusen, Wass. Nays: 0.

The following resolution was introduced by Councilwoman Wass and seconded by Councilman Van Deusen.

RESOLUTION 116-2026

WHEREAS, the State of New Jersey Department of Military and Veterans Affairs has confirmed that the resident owner of the property located at 1315 Birch Hill Road (Block 15.09, Lot 34) was granted a determination of 100% total disability by the United States Department of Veterans Affairs, and

WHEREAS, the resident property owner of Block 15.09 Lot 34 has made an application to the Tax Assessor for an exemption from property taxes on the above address based on their disabled veteran's status under N.J.S.A. 54:4-3.30; and

WHEREAS, it is recommended by the Tax Assessor in a letter dated March 13th, 2026, to the Tax Collector that the resident property owner of Block 15.09 Lot 34 shall be granted a full tax exemption from billed property taxes as of March 6th, 2026, and this has resulted in an overpayment of 2026 taxes due.

NOW, THEREFORE, BE IT RESOLVED, by the Governing Body of the Borough of Mountainside, County of Union, State of New Jersey, that the resident owner of Block 15.09 Lot 34 be granted a full tax exemption from property taxes billed to 1315 Birch Hill Road, Mountainside, NJ, as of March 6th, 2026, and that the overpayment of taxes be refunded per the amount below.

BE IT FURTHER RESOLVED, that the tax exemption will only be in effect for as long as the disabled veteran owner owns and occupies the property and meets all eligibility requirements. Should the property not meet all eligibility requirements the exemption will no longer be in effect and the property will be subject to conventional taxes.

Refund $3,443.29 Property Owner
1315 Birch Hill Road
Mountainside, NJ 07092

Roll Call: Ayes: Dierkes, Matejek, Pacifico, Rinaldo, Van Deusen, Wass. Nays: 0.

The following resolution was introduced by Councilwoman Pacifico and seconded by Councilman Matejek.

RESOLUTION 117-2026

WHEREAS, the State of New Jersey Department of Military and Veterans Affairs has confirmed that the resident owner of the property located at 1100 Heckel Drive (Block 5.02, Lot 23) was granted a determination of 100% total disability by the United States Department of Veterans Affairs, and

WHEREAS, the resident property owner of Block 5.02 Lot 23 has made an application to the Tax Assessor for an exemption from property taxes on the above address based on their disabled veteran's status under N.J.S.A. 54:4-3.30; and

WHEREAS, it is recommended by the Tax Assessor in a letter dated June 2nd, 2026, to the Tax Collector that the resident property owner of Block 5.02 Lot 23 shall be granted a full tax exemption from billed property taxes as of May 11th, 2026, and this has resulted in an overpayment of 2026 taxes due.

NOW, THEREFORE, BE IT RESOLVED, by the Governing Body of the Borough of Mountainside, County of Union, State of New Jersey, that the resident owner of Block 5.02 Lot 23 be granted a full tax exemption from property taxes billed to 1100 Heckel Drive, Mountainside, NJ, as of May 11th, 2026, and that the overpayment of taxes be refunded per the amount below.

BE IT FURTHER RESOLVED, that the tax exemption will only be in effect for as long as the disabled veteran owner owns and occupies the property and meets all eligibility requirements. Should the property not meet all eligibility requirements the exemption will no longer be in effect and the property will be subject to conventional taxes.

Refund $2,346.10: Property Owner
1100 Heckel Drive
Mountainside, NJ 07092

Roll Call: Ayes: Dierkes, Matejek, Pacifico, Rinaldo, Van Deusen, Wass. Nays: 0.

MOTION:

The following motion was unanimously approved by the Council.

1. Raffle application from Mountainside Restoration Committee for an off premise draw raffle

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Mayor Mirabelli addressed misinformation in a recent press release regarding the community pool renovations.

ORDINANCES: Second Reading (Public Hearing)

ORDINANCE 1358-2026

BOND ORDINANCE TO AUTHORIZE THE UNDERTAKING OF THE MOUNTAINSIDE COMMUNITY POOL RENOVATION AND IMPROVEMENT PROJECT IN, BY AND FOR THE BOROUGH OF MOUNTAINSIDE, IN THE COUNTY OF UNION, STATE OF NEW JERSEY, TO APPROPRIATE THE SUM OF $8,400,000 TO PAY THE COST

THEREOF, TO MAKE A DOWN PAYMENT, TO AUTHORIZE THE ISSUANCE OF BONDS TO FINANCE SUCH APPROPRIATION AND TO PROVIDE FOR THE ISSUANCE OF BOND ANTICIPATION NOTES IN ANTICIPATION OF THE ISSUANCE OF SUCH BONDS.

BE IT ORDAINED by the Borough Council of the Borough of Mountainside, in the County of Union, State of New Jersey, as follows:

Section 1. The Borough of Mountainside, in the County of Union, State of New Jersey (the "Borough") is hereby authorized to undertake the Mountainside Community Pool Renovation and Improvement Project in, by and for the Borough. Said improvement shall include all work, materials and appurtenances necessary and suitable therefor.

Section 2. The sum of $8,400,000 is hereby appropriated to the payment of the cost of making the improvement described in Section I hereof (hereinafter referred to as "purpose"). Said appropriation shall be met from the proceeds of the sale of the bonds authorized and the down payment appropriated by this ordinance. Said improvement shall be made as a general improvement and no part of the cost thereof shall be assessed against property specially benefited.

Section 3. It is hereby determined and stated that (1) said purpose is not a current expense of said Borough, and (2) it is necessary to finance said purpose by the issuance of obligations of said Borough pursuant to the Local Bond Law (Chapter 2 of Title 40A of the New Jersey Statutes Annotated, as amended; the "Local Bond Law"), and (3) the estimated cost of said purpose is $8,400,000, and (4) $400,000 of said sum is to be provided by the down payment hereinafter appropriated to finance said purpose, and (5) the estimated maximum amount of bonds or notes necessary to be issued for said purpose is $8,000,000, and (6) the cost of such purpose, as hereinbefore stated, includes the aggregate amount of $200,000 which is estimated to be necessary to finance the cost of such purpose, including architect's fees, accounting, engineering and inspection costs, legal expenses and other expenses, including interest on such obligations to the extent permitted by Section 20 of the Local Bond Law.

Section 4. It is hereby determined and stated that moneys exceeding $400,000, appropriated for down payments on capital improvements or for the capital improvement fund in budgets heretofore adopted for said Borough, are now available to finance said purpose. The sum of $400,000 is hereby appropriated from such moneys to the payment of the cost of said purpose.

Section 5. To finance said purpose, bonds of said Borough of an aggregate principal amount not exceeding $8,000,000 are hereby authorized to be issued pursuant to the Local Bond Law. Said bonds shall bear interest at a rate per annum as may be hereafter determined within the limitations prescribed by law. All matters with respect to said bonds not determined by this ordinance shall be determined by resolutions to be hereafter adopted.

Section 6. To finance said purpose, bond anticipation notes of said Borough of an aggregate principal amount not exceeding $8,000,000 are hereby authorized to be issued pursuant to the Local Bond Law in anticipation of the issuance of said bonds. In the event that bonds are issued pursuant to this ordinance, the aggregate amount of notes hereby authorized to be issued shall be reduced by an amount equal to the principal amount of the bonds so issued. If the aggregate amount of outstanding bonds and notes issued pursuant to this ordinance shall at any time exceed the sum

first mentioned in this section, the moneys raised by the issuance of said bonds shall, to not less than the amount of such excess, be applied to the payment of such notes then outstanding.

Section 7. Each bond anticipation note issued pursuant to this ordinance shall be dated on or about the date of its issuance and shall be payable not more than one year from its date,

shall bear interest at a rate per annum as may be hereafter determined within the limitations prescribed by law and may be renewed from time to time pursuant to and within limitations prescribed by the Local Bond Law. Each of said bond anticipation notes shall be signed by the Mayor and by a

financial officer and shall be under the seal of said Borough and attested by the Borough Clerk or Deputy Borough Clerk. Said officers are hereby authorized to execute said notes in such form as they may adopt in conformity with law. The power to determine any matters with respect to said notes not determined by this ordinance and also the power to sell said notes, is hereby delegated to the Chief Financial Officer of the Borough who is hereby authorized to sell said notes either at one time or from time to time in the manner provided by law.

Section 8. It is hereby determined and declared that the period of usefulness of said purpose, according to its reasonable life, is a period of fifteen years computed from the date of said bonds.

Section 9. It is hereby determined and stated that the Supplemental Debt Statement required by the Local Bond Law has been duly made and filed in the office of the Borough Clerk of said Borough, and that such statement so filed shows that the gross debt of said Borough, as defined in Section 43 of the Local Bond Law, is increased by this ordinance by $8,000,000 and that the issuance of the bonds and notes authorized by this ordinance will be within all debt limitations prescribed by said Local Bond Law.

Section 10. Any funds received from private parties, the County of Union, the State of New Jersey or any of their agencies or any funds received from the United States of America or any of its agencies in aid of such purpose, shall be applied to the payment of the cost of such purpose, or, if bond anticipation notes have been issued, to the payment of the bond anticipation notes, and the amount of bonds authorized for such purpose shall be reduced accordingly.

Section 11. The capital budget is hereby amended to conform with the provisions of this ordinance to the extent of any inconsistency therewith and the resolutions promulgated by the Local Finance Board showing full detail of the amended capital budget and capital program as approved by the Director, Division of Local Government Services, is on file with the Borough Clerk and is available for public inspection.

Section 12. The Borough intends to issue the bonds or notes to finance the cost of the improvement described in Section 1 of this bond ordinance. If the Borough incurs such costs prior to the issuance of the bonds or notes, the Borough hereby states its reasonable expectation to reimburse itself for such expenditures with the proceeds of such bonds or notes in the maximum principal amount of bonds or notes authorized by this bond ordinance.

Section 13. The full faith and credit of the Borough are hereby pledged to the punctual payment of the principal of and the interest on the obligations authorized by this ordinance. Said obligations shall be direct, unlimited and general obligations of the Borough, and the Borough shall levy ad valorem taxes upon all the taxable real property within the Borough for the payment of the principal of and interest on such bonds and notes, without limitation as to rate or amount.

Section 14. This ordinance shall take effect twenty days after the first publication thereof after final passage.

Donna Manz, 1015 Charles Street, thanked the Council for exploring options, providing an on-site tour and listening to the community. She also asked for clarification on the cost and if the project includes other upgrades to the facility.

Rob Barletta, 1363 Birch Hill Road, questioned the cost estimate. He also suggested seeking grants, multiple bids and charging more to out of town pool members to help reduce the tax burden.

Sue Winans, 269 Central Ave, asked Council not to charge the out of town pool members with additional fees.

Ted Grossi, 1057 Ledgewood Road, explained the benefits of having a community pool.

Hearing no one else wishing to speak, Councilman Matejek closed the meeting to the public.

It was moved by Councilman Dierkes and seconded by Councilwoman Wass that this ordinance be passed on second and final reading and advertised by title only.

Roll Call: Ayes: Dierkes, Matejek, Pacifico, Rinaldo, Van Deusen, Wass. Nays: 0

Second Reading (Public Hearing)

ORDINANCE 1359-2026

AN ORDINANCE AMENDING ORDINANCE 2019-2014 (LAND DEVELOPMENT) OF THE CODE OF THE BOROUGH OF MOUNTAINSIDE, COUNTY OF UNION, AND STATE OF NEW JERSEY, AND REPEALING AND REPLACING ORDINANCE 1352-2026, TO ADDRESS THE BOROUGH OF MOUNTAINSIDE'S AFFORDABLE HOUSING OBLIGATIONS, INCLUDING THE ESTABLISHMENT OF AN INCLUSIONARY ZONE DISTRICT ENTITLED L-1/AH2, AND A TOWN-WIDE MANDATORY SET ASIDE, TO CREATE THE BOROUGH'S FAIR SHARE OF AFFORDABLE HOUSING UNITS, AND TO OTHERWISE ADDRESS COMPONENTS OF THE BOROUGH'S FOURTH ROUND HOUSING ELEMENT AND FAIR SHARE PLAN.

Section 1. Introduction & Applicability

A. This section of the Code sets forth the regulations regarding the very low-, low- and moderate-income housing units in the Borough of Mountainside consistent with the provisions outlined in P.L 2024, Chapter 2, including the amended Fair Housing Act ("FHA") at N.J.S.A. 52:27D-301 et seq., as well as the Department of Community Affairs, Division of Local Planning Services ("LPS") at N.J.A.C. 5:99 et seq., statutorily upheld existing regulations of the now-defunct Council on Affordable Housing ("COAH") at N.J.A.C. 5:93 and 5:97, the Uniform Housing Affordability Controls ("UHAC") at N.J.A.C. 5:80-26.1 et seq., and as reflected in the adopted municipal Fourth Round Housing Element and Fair Share Plan ("HEFSP") and any amendments thereto.
B. To that extent, this Ordinance hereby amends the Fourth Round Housing Element and Fair Share Plan to make clear that the Borough reviewed its lands in conjunction with its development of the Fourth Round Housing Element, as required by N.J.S.A. 52:27D-310.f and determined that no properties would qualify as sites that would redevelop or be in need of redevelopment.
C. This Ordinance is intended to assure that very low-, low- and moderate-income units ("affordable units") are created with controls on affordability over time and that very low, low- and moderate-income households shall occupy these units pursuant to statutory requirements. This Ordinance shall apply to all inclusionary developments, individual affordable units, and 100% affordable housing developments except where inconsistent with applicable law. Low-Income Housing Tax Credit financed developments shall adhere to the provisions set forth below in item 5.c. below.
D. The Borough of Mountainside Planning Board has adopted a Housing Element and Fair Share Plan pursuant to the Municipal Land Use Law at NJ.S.A. 40:55D-1, et seq. The Fair Share

Plan has been endorsed by the governing body. The Fair Share Plan describes the ways the Borough of Mountainside shall address its fair share for very low-, low- and moderate-income housing as determined by the Department of Community Affairs (the Department), approved by the Superior Court, and documented in the HEFSP.

E. This Ordinance implements and incorporates the relevant provisions of the HEFSP and addresses the requirements of P.L. 2024, Chapter 2, the FHA, N.J.A.C. 5:99, NJ Supreme Court upheld COAH regulations at N.J.A.C. 5:93 and 5:97, and UHAC at N.J.A.C. 5:80-26.1, as may be amended and supplemented.

Section 2. Definitions

The following terms when used in this Ordinance shall have the meanings given in this Section:

"Accessory apartment" means a residential dwelling unit that provides complete independent living facilities with a private entrance for one or more persons, consisting of provisions for living, sleeping, eating, sanitation, and cooking, including a stove and refrigerator, and is located within a proposed preexisting primary dwelling, within an existing or proposed structure that is an accessory to a dwelling on the same lot, constructed in whole or part as an extension to a proposed or existing

primary dwelling, or constructed as a separate detached structure on the same lot as the existing or proposed primary dwelling. Accessory apartments are also referred to as “accessory dwelling units.”

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

"Adaptable" means constructed in compliance with the technical design standards of the Barrier Free Subcode, adopted by the Commissioner of Community Affairs pursuant to the “State Uniform Construction Code Act,” P.L.1975, c. 217 (C.52:27D-119 et seq.) and in accordance with the provisions of section 5 of P.L.2005, c. 350 (C.52:27D-123.15).

"Administrative agent" means the entity approved by the Division responsible for the administration of affordable units, in accordance with N.J.A.C. 5:99-7, and UHAC at N.J.A.C. 5:80-26.15.

"Affirmative marketing" means a regional marketing strategy designed to attract buyers and/or renters of affordable units pursuant to N.J.A.C. 5:80-26.16.

“Affirmative Marketing Plan” means the municipally adopted plan of strategies from which the administrative agent will choose the implement as part of the Affirmative Marking requirements.

“Affirmative Marketing Process” or “Program” means the actual undertaking of Affirmative Marketing activities in furtherance of each project with very low-, low- and moderate-income units.

“Affordability assistance” means the use of funds to render housing units more affordable to low- and moderate-income household and includes, but is not limited to, down payment assistance, security deposit assistance, low interest loans, rental assistance, assistance with homeowner’s association or condominium fees and special assessments, common maintenance expenses, and assistance with emergency repairs and rehabilitation to bring deed-restricted units up to code, pursuant to N.J.A.C. 5:99-2.5.

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

"Affordable" means, in the case of an ownership unit, that the sales price for the unit conforms to the standards set forth at N.J.A.C. 5:80-26.7 and, in the case of a rental unit, that the rent for the unit conforms to the standards set forth at N.J.A.C. 5:80-26.13.

"Affordable housing development" means a development included in a municipality’s housing element and fair share plan, and includes, but is not limited to, an inclusionary development, a municipally sponsored affordable housing project, or a 100 percent affordable development. This includes developments with affordable units on-site, off-site, or provided as a payment in-lieu of construction only if such a payment-in-lieu option has been previously approved by the Program or Superior Court as part of the HEFSP. Payments in lieu of construction were invalidated per P.L. 2024, c.2.

"Affordable Housing Dispute Resolution Program” or “the Program” refers to the dispute resolution program established pursuant to N.J.S.A. 52:27D-313.2.

"Affordable unit" means a housing unit proposed or developed pursuant to the Act, including units created with municipal affordable housing trust funds.
"Agency" means the New Jersey Housing and Mortgage Finance Agency established by P.L. 1983, c. 530 (N.J.S.A. 55:14K-1, et seq.).
"Age-restricted housing" means a housing unit designed to meet the needs of, and exclusively for, the residents of an age-restricted segment of the population such that: 1) all the residents of the development where the unit is situated are 62 years or older; or 2) at least 80 percent of the units are occupied by one person that is 55 years or older; or 3) the development has been designated by the Secretary of the U.S. Department of Housing and Urban Development as "housing for older persons" as defined in Section 807(b)(2) of the Fair Housing Act, 42 U.S.C. § 3607.
"Assisted living residence" means a facility licensed by the New Jersey Department of Health and Senior Services to provide apartment-style housing and congregate dining and to assure that assisted living services are available when needed for four or more adult persons unrelated to the proprietor and that offers units containing, at a minimum, one unfurnished room, a private bathroom, a kitchenette and a lockable door on the unit entrance.
"Certified household" means a household that has been certified by an Administrative Agent as a low-income household or moderate-income household.
“CHOICE” means the no-longer-active Choices in Homeownership Incentives for Everyone Program, as it was authorized by the Agency.
“COAH” or the “Council” means the Council on Affordable Housing established in, but not of, DCA pursuant to the Act and that was abolished effective March 20, 2024, pursuant to section 3 at P.L. 2024, c. 2 (N.J.S.A. 52:27D-304.1).
“Commissioner” means the Commissioner of the Department of Community Affairs.
“Compliance certification” means the certification obtained by a municipality pursuant to section 3 of P.L.2024, c. 2 (C.52:27D-304.1), that protects the municipality from exclusionary zoning litigation during the current round of present and prospective need and through July 1 of the year the next round begins, which is also known as a “judgment of compliance” or “judgment of repose.” The term “compliance certification” shall include a judgment of repose granted in an action filed pursuant to section 13 of P.L.1985, c. 222 (C.52:27D-313).
“Construction” means new construction and additions, but does not include alterations, reconstruction, renovations, conversion, relocation, or repairs, as those terms are defined in the State Uniform Construction Code promulgated pursuant to the State Uniform Construction Code Act, P.L. 1975, c. 217(N.J.S.A. 52:27D-119 et seq.).
“County-level housing judge” means a judge appointed pursuant to section 5 at P.L. 2024, c. 2, to resolve disputes over the compliance of municipal fair share affordable housing obligations and municipal Fair Share plans and housing elements with the Act.
“DCA” or 'The Department" means the State of New Jersey Department of Community Affairs.
"Deficient housing unit" means a housing unit with health and safety code violations that require the repair or replacement of a major system. A major system includes weatherization, roofing, plumbing (including wells), heating, electricity, sanitary plumbing (including septic systems), lead paint abatement, and/or load bearing structural systems.
"Developer" means 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."Development" means the division of a parcel of land into two or more parcels, the construction, reconstruction, conversion, structural alteration, relocation, or enlargement of any building or other structure, or of any mining, excavation or landfill, and any *use* or change in the use of any building or other structure, or land or extension of use of land, for which permission may be required pursuant to the Municipal Land Use Law, N.J.S.A. 40:55D-1 et seq.
“Development fee” means money paid by a developer for the improvement of residential and non-residential property as permitted pursuant to N.J.S.A. 52:27D-329.2 and 40:55D-8.1 through 40:55D-8.7 and N.J.A.C. 5:99-3.
“Dispute Resolution Program” means the Affordable Housing Dispute Resolution Program, established pursuant to section 5 at P.L. 2024, c. 2 (N.J.S.A. 52:27D-313.2).
“Division” means the Division of Local Planning Services within the Department of Community Affairs.

“Emergent opportunity” means a circumstance that has arisen whereby affordable housing will be able to be produced through a delivery mechanism not originally contemplated by or included in a fair share plan that has been the subject of a compliance certification.
“Equalized assessed value” or “EAV” 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 at P.L. 1973, c. 123 (N.J.S.A. 54:1-35a, 54:1-35b,and 54:1-35c). Estimates at the time of building permit may be obtained by the tax assessor using construction cost estimates. Final EAV shall be determined at project completion by the municipal assessor.
“Equity share amount” means the product of the price differential and the equity share, with the equity share being the whole number of years that have elapsed since the last non-exempt sale of a restricted ownership unit, divided by 100, except that the equity share may not be less than five percent and may not exceed 30 percent.
“Exit sale” means the first authorized non-exempt sale of a restricted unit following the end of the control period, which sale terminates the affordability controls on the unit.
“Exclusionary zoning litigation” means litigation challenging the fair share plan, housing element, ordinances, or resolutions that implement the fair share plan or housing element of a municipality based on alleged noncompliance with the Act or the Mount Laurel doctrine, which litigation shall include, but shall not be limited to, litigation seeking a builder’s remedy.
“Extension of expiring controls” means extending the deed restriction period on units where the controls will expire in the current round of a housing obligation, so that the total years of a deed restriction is at least 60 years.
“Fair share obligation” means the total of the present need and prospective need, including prior rounds, as determined by the Affordable Housing Dispute Resolution Program, or a court of competent jurisdiction.
“Fair share plan” means the plan or proposal, with accompanying ordinances and resolutions, by which a municipality proposes to satisfy its constitutional obligation to create a realistic opportunity to meet its fair share of low- and moderate-income housing needs of its region and which details the affirmative measures the municipality proposes to undertake to achieve its fair share of low- and moderate-income housing, as provided in the municipal housing element, and which addresses the development regulations necessary to implement the housing element, including, but not limited to, inclusionary requirements and development fees, and the elimination of unnecessary housing cost-generating features from the municipal land use ordinances and regulations.
“FHA” means the New Jersey Fair Housing Act, N.J.S.A. 52:27D-301 et seq.
“Green Building Strategies” means the strategies that minimize the impact of development on the environment, and enhance the 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.
“HMFA” or “the Agency” means the New Jersey Housing and Mortgage Finance Agency established pursuant to P.L. 1983, c. 530 (N.J.S.A. 55:14K-1 et seq.).
“Household income” means a household’s gross annual income calculated in a manner consistent with the determination of annual income pursuant to section 8 of the United States Housing Act of 1937 (Section 8), not in accordance with the determination of gross income for Federal income tax liability.
“Housing element” means the portion of a municipality’s master plan adopted in accordance with the Municipal Land Use Law (MLUL) at N.J.S.A. 40:55D-28.b(3) and the Act consisting of reports, statements proposals, maps, diagrams, and text designed to meet the municipality’s fair share of its region’s present and prospective housing needs, particularly with regard to low- and moderate-income housing, which shall include the municipal present and prospective obligation for affordable housing, determined pursuant to subsection f. at N.J.S.A. 52:27D-304.1.
“Housing region” means a geographic area established pursuant to N.J.S.A. 52:27D-304.2b.
"Inclusionary development" means a residential housing development in which a substantial percentage of the housing units are provided for a reasonable income range of low- and moderate-income households.

"Low-income household" means a household with a household income equal to 50 percent or less of the median household income.
"Low-income unit" means a restricted unit that is affordable to a low-income household.
"Major system" means the primary structural, mechanical, plumbing, electrical, fire protection, or occupant service components of a building which include but are not limited to, weatherization, roofing, plumbing (including wells), heating, electricity, sanitary plumbing (including septic systems), lead paint abatement, or load bearing structural systems.
“Mixed use development” means any development that includes both a non-residential development component and a residential development component, and shall include developments for which: (1)there is a common developer for both the residential development component and the non-residential development component, provided that for purposes of this definition, multiple persons and entities maybe considered a common developer if there is a
contractual relationship among them obligating each entity to develop at least a portion of the residential or non-residential development, or both, or otherwise to contribute resources to the development; and (2) the residential and non-residential developments are located on the same lot or adjoining lots, including, but not limited to, lots separated by a street, a river, or another geographical feature.
"Moderate-income household" means a household with a total gross annual household income in excess of 50 percent but less than 80 percent of the median household income.
"Moderate-income unit" means a restricted unit that is affordable to a moderate-income household.
“MONI” means the no-longer-active Market Oriented Neighborhood Investment Program, as it was authorized by the Agency.
“Municipal housing liaison” or “MHL” means an appointed municipal employee who is, pursuant to N.J.A.C. 5:99-6, responsible for oversight and/or administration of the affordable units created within the municipality.
“Municipal affordable housing trust fund” means a separate, interest-bearing account held by a municipality for the deposit of development fees, payments in lieu of constructing affordable units on sites zoned for affordable housing previously approved prior to March 20, 2024 (per P.L. 2024, c.2), barrier-free escrow funds, recapture funds, proceeds from the sale of affordable units, rental income, repayments from affordable housing program loans, enforcement fines, unexpended RCA funds remaining from a completed RCA project, application fees, and any other funds collected by the municipality in connection with its affordable housing programs, which shall be used to address municipal low- and moderate-income housing obligations within the time frames established by the Legislature and this chapter.
“Municipal development fee ordinance” means an ordinance adopted by the governing body of a municipality that authorizes the collection of development fees.
“New construction” means the creation of a new housing unit under regulation by a code enforcement official regardless of the means by which the unit is created. Newly constructed units are evidenced by the issuance of a certificate of occupancy and may include new residences created through additions and alterations, adaptive reuse, subdivision, or conversion of existing space, and moving a structure from one location to another.
“New Jersey Affordable Housing Trust Fund” means an account established pursuant to N.J.S.A. 52:27D-320.
“New Jersey Housing Resource Center” or “Housing Resource Center” means the online affordable housing listing portal, or its successor, overseen by the Agency pursuant to N.J.S.A. 52:27D-321.3 et seq.
“95/5 restriction” means a deed restriction governing a restricted ownership unit that is part of a housing element that received substantive certification from COAH pursuant to N.J.A.C. 5:93, as it was in effect at the time of the receipt of substantive certification, before October 1, 2001, or any other deed restriction governing a restricted ownership unit with a seller repayment option requiring 95 percent of the price differential to be paid to the municipality or an instrument of the municipality at the closing of a sale at market price.
"Non-exempt sale" means any sale or transfer of ownership other than the transfer of ownership between husband and wife; the transfer of ownership between former spouses ordered as a result of judicial decree of divorce or judicial separation, but not including sales to third parties; the transfer of

ownership between family members as a result of inheritance; the transfer of ownership through an executor's deed to a class A beneficiary and the transfer of ownership by court order.

“Nonprofit” means an organization granted nonprofit status in accordance with section 501(c)(3) of the Internal Revenue Code.

“Non-residential development” means:

Any building or structure, or portion thereof, including, but not limited to, any appurtenant improvements, which is designated to a use group other than a residential use group according to the State Uniform Construction Code, N.J.A.C. 5:23, promulgated to effectuate the State uniform Construction Code Act, N.J.S.A. 52:27D-119 et seq., including any subsequent amendments or revisions thereto;

Hotels, motels, vacation timeshares, and child-care facilities; and

The entirety of all continuing care facilities within a continuing care retirement community which is subject to the Continuing Care Retirement Community Regulation and Financial Disclosure Act, N.J.S.A.52:27D-330 et seq.

“Order for repose” means the protection a municipality has from a builder’s remedy lawsuit for a period of time from the entry of a judgment of compliance by the Superior Court. A judgment of compliance often results in an order for repose.

“Payment in lieu of constructing affordable units” means the prior approval of the payment of funds to the municipality by a developer when affordable units are were not produced on a site zoned for an inclusionary development. The statutory permission for payments in lieu of constructing affordable units was eliminated per P.L. 2024, c.2.

“Prospective need” means a projection of housing needs based on development and growth which is reasonably likely to occur in a region or a municipality, as the case may be, as a result of actual determination of public and private entities. Prospective need shall be determined by the methodology set forth pursuant to sections 6 and 7 of P.L.2024, c. 2 (C.52:27D-304.2 and C.52:27D-304.3) for the fourth round and all future rounds of housing obligations.

“Qualified Urban Aid Municipality” means a municipality that meets the criteria established pursuant to N.J.S.A. 52:27D-304.3.c(1).

“Person with a disability” means a person with a physical disability, infirmity, malformation, or disfigurement which is caused by bodily injury, birth defect, aging, or illness including epilepsy and other seizure disorders, and which shall include, but not be limited to, any degree of paralysis, amputation, lack of physical coordination, blindness or visual impairment, deafness or hearing impairment, the inability to speak or a speech impairment, or physical reliance on a service animal, wheelchair, or other remedial appliance or device.

“Price differential” means the difference between the controlled sale price of a restricted unit and the contract price at the exit sale of the unit, determined as of the date of a proposed contract of sale for the unit. If there is no proposed contract of sale, the price differential is the difference between the controlled sale price of a restricted unit and the appraised value of the unit as if it were not subject to UHAC, determined as of the date of the appraisal. If the controlled sale price exceeds the contract price or, in the absence of a contract price, the appraised value, the price differential is zero dollars.

“Prior round unit” means a housing unit that addresses a municipality’s fair share obligation from a round prior to the fourth round of affordable housing obligations, including any unit that: (1) received substantive certification from COAH; (2) is part of a third-round settlement agreement or judgment of compliance approved by a court of competent jurisdiction, inclusive of units created pursuant to a zoning designation adopted as part of the settlement agreement or judgment of compliance to create a realistic opportunity for development; (3) is subject to a grant agreement or other contract with either the State or a political subdivision thereof entered into prior to July 1, 2025, pursuant to either item (1) or (2) above; or (4) otherwise addresses a municipality’s fair share obligation from a round prior to the fourth round of affordable housing obligations. A unit created after the enactment of P.L. 2024, c. 2 (N.J.S.A. 52:27D-304.1) on March 20, 2024, is not a prior round unit unless: (1) it is created pursuant to a prior round development plan or zoning designation that received COAH or court approval on or before the cutoff date of June 30, 2025, or the date that the municipality adopts the implementing ordinances and resolutions for the fourth round of affordable housing obligations, whichever occurs sooner; and (2) its siting and creation are consistent with the form of the prior round development plan or zoning designation in effect as of the cutoff date, without any amendment or variance.

“Program” means the Affordable Housing Dispute Resolution Program, established pursuant to section 5 of P.L.2024, c. 2 (C.52:27D-313.2).

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

responsible for oversight and/or administration of affordable units and associated revenues and expenditures within the municipality that were funded through regional contribution agreements.

"Regional asset limit" means the maximum housing value in each housing region affordable to a four-person household with an income at 80 percent of the regional median as defined by the Department's adopted Regional Income Limits published annually by the Department.

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

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

“Residential development fee” means money paid by a developer for the improvement of residential property as permitted pursuant to N.J.S.A. 52:27D-329.2 and N.J.A.C. 5:99-3.2.

"Restricted unit" means a dwelling unit, whether a rental unit or ownership unit, that is subject to the affordability controls of N.J.A.C. 5:80-26.1, as may be amended and supplemented, but does not include a market-rate unit financed under UHORP or M0NI.

“Spending plan” means a method of allocating funds contained in an affordable housing trust fund account, which includes, but is not limited to, development fees collected and to be collected pursuant to an approved municipal development fee ordinance, or pursuant to N.J.S.A. 52:27D-329.1 et seq., for the purpose of meeting the housing needs of low- and moderate-income individuals.

“State Development and Redevelopment Plan” or “State Plan” means the plan prepared pursuant to sections 1 through 12 of the “State Planning Act,” P.L.1985, c. 398 (C.52:18A-196 et al.), designed to represent a balance of development and conservation objectives best suited to meet the needs of the State, and for the purpose of coordinating planning activities and establishing Statewide planning objectives in the areas of land use, housing, economic development, transportation, natural resource conservation, agriculture and farmland retention, recreation, urban and suburban redevelopment, historic preservation, public facilities and services, and intergovernmental coordination pursuant to subsection f. of section 5 of P.L.1985, c. 398 (C.52:18A-200).

“Supportive housing household” means a very low-, low- or moderate-income household certified as income eligible by an administrative agent in accordance with N.J.A.C. 5:80-26.14, in which at least one member is an individual who requires supportive services to maintain housing stability and independent living and who is part of a population identified by federal or state statute, regulation, or program guidance as eligible for supportive or special needs housing. Such populations include, but are not limited to: persons with intellectual or developmental disabilities, persons with serious mental illness, person with head injuries (as defined in Section 2 of P.L. 1977), persons with physical disabilities or chronic health conditions, persons who are homeless as defined by the U.S. Department of Housing and Urban Development at 24 C.F.R. Part 578, survivors of domestic violence, youth aging out of foster care, and other special needs populations recognized under programs administered by the U.S. Department of Housing and Urban Development, the Low-Income Housing Tax Credit Program, the McKinney–Vento Act, or the New Jersey Department of Human Services. A supportive housing household may include family members, unrelated individuals, or live-in aides, provided that the household meets the income eligibility requirements of this subchapter, except that in the case of unrelated individuals not operating as a family unit, income eligibility shall be tested on an individual basis rather than in the aggregate; the unit is leased or sold subject to the affordability controls established herein; and the supportive services available to the household are designed to promote housing stability, independent living, and community integration. The determination of whether unrelated individuals are operating as a family unit shall be made based on the applicant’s self-identification of household members on the affordable housing application.

“Supportive housing sponsoring program” means grant or loan program which provided financial assistance to the development of the unit.

“Supportive housing unit” means a restricted rental unit, as defined by N.J.S.A. 34:1B-21.24, that is affordable to very low-, low- or moderate-income households and is reserved for occupancy by a supportive housing household. Supportive housing units are also referred to as permanent supportive housing units.

“Transitional housing” means temporary housing that: (1) includes, but is not limited to, single-room occupancy housing or shared living and supportive living arrangements; (2) provides access to on-site or off-site supportive services for very low-income households who have recently been homeless or lack stable housing; (3) is licensed by the department; and (4) allows households to remain for a minimum of six months.

“Treasurer” means the Treasurer of the State of New Jersey.

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

“UHORP” means the Agency’s Urban Homeownership Recovery Program, as it was authorized by the Agency Board.

“Unit type” means type of dwelling unit with various building standards including but not limited to single-family detached, single-family attached/townhouse, stacked townhouse (attached building containing 2 units

each with separate entrances), duplex (detached building containing 2 units each with separate entrances), triplex (3 units each with separate entrance), quadplex (4 units each with separate entrance), multifamily / flat (2 or more units with a shared entrance). Inclusion of a garage, or not, shall not define the unit type.

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

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

"Weatherization" means building insulation (for attic, exterior walls, and crawl space), siding to improve energy efficiency, replacement storm windows, replacement storm doors, replacement windows, and replacement doors, and is considered a major system for rehabilitation.

C. Monitoring and Reporting Requirements

1. The municipality shall comply with the following monitoring and reporting requirements regarding the status of the implementation of its court-approved Housing Element and Fair Share Plan:

a. The municipality shall provide electronic monitoring data with the Department pursuant to P.L 2024, Chapter 2 and N.J.A.C. 5:99 through the Affordable Housing Monitoring System (AHMS). All monitoring information required to be made public by the FHA shall be available to the public on the Department's website at

https://www.nj.gov/dca/dlps/hss/MuniStatusReporting.shtml.

b. On or before February 15 of each year, the municipality shall provide annual reporting of its municipal Affordable Housing Trust Fund activity to the Department on the AHMS portal. The reporting shall include an accounting of all municipal Affordable Housing Trust Fund activity, including the sources and amounts of funds collected and the amounts and purposes for which any funds have been expended, for the previous year from January 1st to December 31st.

c. On or before February 15 of each year, the annual reporting of the status of all affordable housing activity shall be provided to the Department on the AHMS portal, for the previous year from January 1st to December 31st.

D. Municipality-wide Mandatory Set-Aside

A. A development, other than single-family family detached, providing a minimum of five new housing units created through any municipal rezoning or Zoning Board action, use or density variance, redevelopment plan, or rehabilitation plan that provides for densities at or above six units per acre, is required to include an affordable housing set-aside of 20%.

B. Any affordable units generated through such mandatory set-aside shall be subject to all other provisions of this ordinance.

C. All such affordable units shall be governed by this ordinance the controls on affordability, including bedroom distribution, and affirmatively marketed to the housing region in conformance with UHAC at N.J.A.C. 5:80-26.1 et seq., any successor regulation, and all other applicable laws.

D. No subdivision shall be permitted or approved for the purpose of avoiding compliance with this requirement. Developers cannot, for example, subdivide a project into two lots and then make each of them a number of units just below the threshold.

E. The mandatory set-aside requirements of this section do not give any developer the right to any rezoning, variance or other relief, or establish any obligation on the part of the municipality to grant such rezoning, variance or other relief.

F. This municipality-wide mandatory set-aside requirement does not apply to any sites or specific zones otherwise identified in the HEFSP, for which density and set-aside requirements shall be governed by the specific standards as set forth therein.

E. New Construction (per N.J.A.C. 5:93 as may be updated per various sections in N.J.A.C. 5:97 and N.J.S.A. 52:27D-301 et seq.). Per the definition of "New Construction," this section governs the creation of new affordable housing units regardless of the means by which the units are created. Newly constructed units may include new residences constructed or created through other means.

1. The following requirements shall apply to all new or planned developments that contain very low-, low- and moderate-income housing units. To the extent possible, details related to the adherence to the requirements below shall be outlined in the resolution granting municipal subdivision or site plan approval of the project to assist municipal representatives, developers and Administrative Agents.

2. Completion Schedule (previously known as phasing). Final site plan or subdivision approval shall be contingent upon the affordable housing development meeting the following completion schedule for very low-, low- and moderate-income units whether developed in a single-phase development, or in a multi-phase development:

Maximum Percentage of Market-Rate Units Issued a Temporary or Final Certificate of Occupancy	Minimum Percentage of Affordable Units Issued a Temporary or Final Certificate of Occupancy
25+1	10
50	50
75	75
90	100

3. Design. The following design requirements apply to affordable housing developments, excluding prior round units.

a. Design of 100 percent affordable developments:

i. Restricted units must meet the minimum square footage required for the number of inhabitants for which the unit is marketed and the minimum square footage required for each bedroom, as set forth in the Neighborhood Preservation Balanced Housing rules at N.J.A.C. 5:43-2.4.

ii. Each bedroom in each restricted unit must have at least one window.

iii. Restricted units must include adequate air conditioning and heating.

b. Design of developments comprising market-rate rental units and restricted rental units. The following does not apply to prior round units, unless stated otherwise.

i. Restricted units must use the same building materials and architectural design elements (for example, plumbing, insulation, or siding) as market-rate units of the same unit type (for example, flat or townhome) within the same development, except that restricted units and market-rate units may use different interior finishes. This shall apply to prior round units.

ii. Restricted units and market-rate units within the same affordable development must be sited such that restricted units are not concentrated in less desirable locations.

iii. Restricted units may not be physically clustered so as to segregate restricted and market-rate units within the same development or within the same building, but must be interspersed throughout the development, except that age-restricted and supportive housing units may be physically clustered if the clustering facilitates the provision of on-site medical services or on-site social services. Prior round affordable units shall be integrated with market rate units to the extent feasible.

iv. Residents of restricted units must be offered the same access to communal amenities as residents of market-rate units within the same affordable development. Examples of communal amenities include, but are not limited to, community pools, fitness and recreation centers, playgrounds, common rooms and outdoor spaces, and building entrances and exits. This shall apply to prior round units.

v. Restricted units must include adequate air conditioning and heating and must use the same type of cooling and heating sources as market-rate units of the same unit type. This shall apply to prior round units.

vi. Each bedroom in each restricted unit must have at least one window.

vii. Restricted units must be of the same unit type as market-rate units within the same building.

viii. Restricted units and bedrooms must be no less than 90 percent of the minimum size prescribed by the Neighborhood Preservation Balanced Housing rules at N.J.A.C. 5:43-2.4.

c. Design of developments containing for-sale units, including those with a mix of rental and for-sale units. Restricted rental units shall meet the requirements of section b above. Restricted sale units shall comply with the below:

i. Restricted units must use the same building standards as market-rate units of the same unit type (for example, flat, townhome, or single-family home), except that restricted units and market-rate units may use different interior finishes. This shall apply to prior round units.

ii. Restricted units may be clustered, provided that the buildings or housing product types containing the restricted units are integrated throughout the development and are not concentrated in an undesirable location or in undesirable locations. Prior round affordable units shall be integrated with market rate units to the extent feasible.

iii. Restricted units may be of different unit housing product types than market-rate units, provided that there is a restricted option available for each market rate housing type. Developments containing market-rate duplexes, townhomes, and/or single-family homes shall offer restricted housing options that also include duplexes, townhomes, and/or single-family homes. Penthouses and higher priced end townhouses shall be exempt from this requirement. The proper ratio for restricted to market-rate unit type shall be subject to municipal ordinance or, if not specified, shall be determined at the time of site plan approval.

iv. Restricted units must meet the minimum square footage required for the number of inhabitants for which the unit is marketed and the minimum square footage required for each bedroom, as set forth in the Neighborhood Preservation Balanced Housing rules at N.J.A.C. 5:43-2.4.

v. Penthouse and end units may be reserved for market-rate sale, provided that the overall number, value, and distribution of affordable units across the development is not negatively impacted by such reservation(s).

vi. Residents of restricted units must be offered the same access to communal amenities as residents of market-rate units within the same affordable development. Examples of communal amenities include, but are not limited to, community pools, fitness and recreation centers, playgrounds, common rooms and outdoor spaces, and building entrances and exits. This shall apply to prior round units.

vii. Each bedroom in each restricted unit must have at least one window; and

viii. Restricted units must include adequate air conditioning and heating.

4. Utilities

a. Affordable units shall utilize the same type of cooling and heating source as market-rate units within the affordable housing development.

b. Tenant-paid utilities that are included in the utility allowance shall be so stated in the lease and shall be consistent with the utility allowance in accordance with N.J.AC 5:80-26.13(e).

5. Low/moderate split and bedroom distribution.

a. Affordable units shall be divided equally between low- and moderate-income units, except that where there is an odd number of affordable housing units, the extra unit shall be low-income unit.

b. In each affordable housing development, at least 50% of the restricted units within each bedroom distribution rounded down to the nearest whole number shall be very low- or low-income units.

c. Within rental developments, of the total number of affordable rental units, at least 13%, rounded up to the nearest whole number, shall be affordable to very low-income households. The very low-income units shall be distributed between each bedroom count as proportionally as possible, to the nearest whole unit, to the total number of restricted units within each bedroom count, and counted as part of the required number of low-income units within the development.

d. Affordable housing developments that are not age-restricted or supportive housing shall be structured such that:

i. At a minimum, the number of bedrooms within the restricted units equals twice the number of restricted units;

ii. Two-bedroom and/or three-bedroom units compose at least 50 percent of all restricted units;

iii. The combined number of efficiency and one-bedroom units shall be no greater than 20%, rounded up, of the total number of low- and moderate- income units.

iv. At least 30% of all low- and moderate-income units, rounded down, shall be two-bedroom units.

v. At least 20% of all low- and moderate-income units, rounded down shall be three-bedroom units.

vi. The remaining units may be allocated among two- and three-bedroom units at the discretion of the developer.

e. Affordable housing developments that are age-restricted or supportive housing, except those supportive housing units whose sponsoring program determines the unit arrangements, shall be structured such that, at a minimum, the number of bedrooms shall equal the number of age-restricted or supportive housing low- and moderate-income units within the inclusionary development. Supportive housing units whose sponsoring program determines the unit arrangement shall comply with all requirements of the sponsoring program. The standard may be met by having all one-bedroom units or by having a two-bedroom unit for each efficiency unit. In affordable housing developments with 20 or more restricted units that are age-restricted or supportive housing, two-bedroom units must comprise at least 5% of those restricted units.

6. Accessibility requirements.

a. Any new construction shall be adaptable; however, elevators shall not be required in any building or within any dwelling unit for the purpose of compliance with this section. In buildings without elevator service, only ground floor dwelling units shall be required to be constructed to conform with the technical design standards of the barrier free subcode. "Ground floor" means the first floor with a dwelling unit or portion of a dwelling unit, regardless of whether that floor is at grade. A building may have more than one ground floor.

b. Notwithstanding the exemption for townhouse dwelling units in the barrier free subcode, the first floor of all townhouse dwelling units and of all other multifloor dwelling units that are attached to at least one other dwelling unit shall be subject to the technical design standards of the barrier free subcode and shall include the following features:

i. An adaptable toilet and bathing facility on the first floor;

ii. An adaptable kitchen on the first floor;

iii. An interior accessible route of travel however an interior accessible route of travel shall not be required between stories;

iv. An adaptable room that can be used as a bedroom, with a door, or the casing for the installation of a door that is compliant with the Barrier Free Subcode, on the first floor;

v. If not all of the foregoing requirements in b.i. through b.iv. can be satisfied, then an interior accessible route of travel shall be provided between stories within an individual unit; and

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

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

(b) To this end, the builder of restricted units shall deposit funds within the Affordable Housing Trust Fund sufficient to install accessible entrances in 10% of the affordable units that have been constructed with adaptable entrances.

(c) The funds deposited shall be expended for the sole purpose of making the adaptable entrance of an affordable unit accessible when requested to do so by a person with a disability who occupies or intends to occupy the unit and requires an accessible entrance.

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

(e) Once the Construction Official has determined that the design plan to convert the unit entrances from adaptable to accessible meets the requirements of the Barrier Free Subcode, N.J.A.C. 5:23-7, and that the cost estimate of such conversion is reasonable, payment shall be made to the Affordable Housing Trust Fund and earmarked appropriately.

vii. Full compliance with the foregoing provisions shall not be required where an entity can demonstrate that it is "site-impracticable" to meet the requirements. If full compliance with this section would be site impracticable, compliance with this section for any portion of the dwelling shall be required to the extent that it is not site impracticable. Determinations of site impracticability shall comply with the Barrier Free Subcode at N.J.A.C. 5:23-7.

Section 3. Affordable Housing Programs

Pursuant to amended UHAC regulations at N.J.A.C. 5:80-26.1 et seq. and, in addition, pursuant to P.L. 2024, c.2 and specifically to the amended FHA at N.J.S.A. 52:27D-311.m, "All parties shall be entitled to rely upon regulations on municipal credits, adjustments, and compliance mechanisms adopted by the Council on Affordable Housing unless those regulations are contradicted by statute, including but not limited to P.L. 2024, c.2, or binding court decisions." The Borough of Mountainside has determined that it will use the following mechanisms to satisfy its affordable housing obligations: rehabilitation and new construction.

(a) A Rehabilitation program (per N.J.A.C. 5:93-5.2 with updated provisions herein per N.J.A.C. 5:97-6.2 related to credit towards a municipal present need obligation).

1. The Borough of Mountainside's rehabilitation program shall be designed to renovate deficient housing units occupied by very-low, low- and moderate-income° households such that, after rehabilitation, these units will comply with the New Jersey State Housing Code pursuant to N.J.A.C. 5:28.

2. Both owner occupied and renter occupied units shall be eligible for rehabilitation funds.

3. All rehabilitated units shall remain affordable to low- and moderate-income households for a period of 10 years (the control period). For owner occupied units the control period will be enforced with a lien and for renter occupied units the control period will be enforced with a deed restriction.

4. The Borough of Mountainside shall dedicate a minimum average hard cost of $10,000 for each unit to be rehabilitated through this program, reflecting the minimum hard cost of rehabilitation for each unit.

5. The Borough of Mountainside shall adopt a resolution committing to fund any shortfall in the rehabilitation programs for the Borough of Mountainside.

6. The Borough of Mountainside shall designate, subject to the approval of the Department, one or more Administrative Agents to administer the rehabilitation program in accordance with N.J.A.C. 5:96 and N.J.A.C. 5:97. The Administrative Agent(s) shall provide a rehabilitation manual for the owner occupancy rehabilitation program and a rehabilitation manual for the rental occupancy rehabilitation program to be adopted by resolution of the governing body and subject to approval of the Department. Both rehabilitation manuals shall be available for public inspection in the Office of the Municipal Clerk and in the office(s) of the Administrative Agent(s).

(b.) Households determined to be very low-, low-, or moderate-income may participate in a rehabilitation program. Rehabilitated units shall be exempt from the very low-income requirements, low/mod split, and bedroom distribution requirements of UHAC, but shall be administered in accordance with the following:

i. If a unit is vacant at the time of rehabilitation, or if a rehabilitated unit becomes vacant and is re-rented before the expiration of the affordability controls, the deed restriction shall require that the unit be rented to a low- or moderate-income household at an affordable rent.

ii. If a rental unit is occupied by a tenant at the time rehabilitation is completed, the rent charged after rehabilitation shall not exceed the lesser of the tenant's current rent or the maximum rent permitted under UHAC.

iii. Rents in rehabilitated units may increase annually based on the standards in UHAC.

iv. At the time of application, applicant households and/or tenant households shall be subject to income eligibility determinations in accordance with UHAC.

Section 4. Inclusionary Zoning

(A) **Presumptive densities and set-asides.** To ensure the efficient use of land through compact forms of development and to create realistic opportunities for the construction of affordable housing, inclusionary zoning permits minimum presumptive densities and presumptive maximum affordable housing set-asides as follows:

1. For Sale Developments: Inclusionary zoning for the L-I/AH2 zone in the Borough of Mountainside permits residential development at a presumptive minimum gross density of twelve (12) units per acre and a presumptive maximum affordable housing set-aside of twenty (20) percent of the total number of units in the development.

2. Rental Developments: Inclusionary zoning permits a presumptive minimum density of 12 units per acre and a presumptive maximum affordable housing set-aside of 20 percent of the total number of units in the development and the zoning provides for at least 10 percent of the affordable units to be affordable to households earning 30 percent or less of the area median income for the Housing Region.

(B) **Design.** In inclusionary developments, to the extent possible, low- and moderate-income units shall be integrated with the market units.

(C) **Payments-in-lieu and off-site construction.** The standards for the collection of Payments-in-Lieu of constructing affordable units or standards for construction affordable units off-site shall be in accordance with N.J.A.C. 5:97-6.4.

(D) **Utilities.** Affordable units shall utilize the same type of heating source as market units within the affordable development.

(E) Affordable Housing (AH) Districts

1. Purpose. The AH districts are established to provide the opportunity to provide affordable housing in accord with NJ Fair Housing Law. The standards and requirements of the districts are designed to recognize the existing developed neighborhood character and to further the goals of the Borough Master Plan as amended. All districts established by Ordinance 1219-1014 remain and the new L-I/AH2 zone is shown on Exhibit 1.

2. The following sites and areas shall provide affordable housing units as follows:

   a. Block 3A, Lots 17 and 18 6 units

   b. Block 14 Lot 14 6 units

   c. Block 15I, Lot 48B 4 units

   d. LI/OB, OB/AH and B/AH 20% of total approved units overlay zone

   e. LI/AH2 overlay zone 20% of total approved units

3. The R-2/AH district permits senior citizen development only. The O-B/AH, B/AH, and L-I/AH2 district are not age restricted.

4. The L-I/AH, OB/AH, AND L-I/AH2 districts are overlay zones. These properties may be maintained and/or developed in accord with L-1 and OB district restrictions and standards as set forth in Section 1013 and 1014 respectively or in the alternative developed for affordable units as set forth in this section.

5. Permitted Uses. No building, structure or premises shall be used and no building or structure shall be erected or structurally altered except for the following uses:

a. Townhouses.

b. Apartments.

c. In the B/AH zone non-residential uses limited to and subject to all restrictions and standards of the B zone as set forth in Section 1100.

d. In the L-I/AH and Ob/AH non-residential uses limited to and subject to all restrictions and standards of the L-I and Ob zones and as set forth in Section 1013 and 1014 respectively.

6. Area, yard and building requirements for the L-I/AH2 zone are as follows:

a. Minimum area — 200,000 sf for B24.10, L 1 , 2, 3, and 5

Minimum area — 20,000 sf for B14, L1.01

b. Maximum density

i. R-2/Ali and B/AH — 6 dwelling units/acre

ii. O-B/AH and L-I/AH — 6 dwellings/acre subject to critical area restriction (Section 1003Z)

iii. L-1/AH2 — 12 dwellings/acre subject to critical area restriction (Section 1003Z)

c. Bulk and yard requirements.

i. Maximum percent lot coverage by residential buildings shall be a maximum of twenty-five (25%) percent for the R-2/All, O-B/AH and L-I/AH zones and forty (40%) percent for the L-I/AH2 zone. The maximum percent lot coverage by residential buildings shall be forty (40%) percent for the B/AH zone. This restriction excludes common facilities such as clubhouses, gazebos, maintenance sheds, shelters and similar structures.

ii. Maximum percent total impervious coverage is sixty-five (65%) percent for R-2/AH, O-B/AH and L-UAH zones, eighty (80%) percent for the BIAH zone, and seventy-five (75%) percent for the L-I/AH2 zone.

iii. Building height. No buildings shall exceed a height of 2'A stories or thirty-six (36) feet except 3 story or 38 feet may be permitted in the L-1/AH2 zone

iv. Minimum setback for front yard is fifty (50) feet for R-2/AH, O-B/AH, L-I/AH, and L-I/AH2 zones, five (5) feet for non-residential and mixed-use buildings and thirty (30) feet for residential buildings in the B/AH zone. Minimum setback for side and rear yard is twenty-five (25) feet.

v. Off-street parking. Off-street parking spaces shall be provided in accordance with applicable Residential Site Improvement Standards (RSIS) N.J.S.A. 5:21-4.14 (parking).

vi. In the L-I/AH and L-I/AH2 zones non-residential uses are limited to and subject to all restrictions and standards of the L-I zone and as set forth in Section 1013.

vii. No parking shall be permitted in the required side and rear yard setback area.

viii. Lighting standards for common areas shall conform to standards as set forth in this chapter.

ix. Roads. All interior roads shall be private streets and conform to applicable RSIS standards.

x. Signs. Project ID sign shall be permitted at maximum of 50 sf in size.

7. Establishment of owner association. Where units are sold the developer shall provide for an organization for the ownership and maintenance of any common facilities and recreation facilities, landscaped areas, internal roadways, and other amenities in the development for the benefit of owners and residents of the development. The documentation establishing such owner's association shall be subject to the approval of the Borough Attorney.

8. Recreation facilities.

a. The areas within the common open space shall provide recreation facilities appropriate for the size of the development.

b. The common open space and recreation facilities located on the development shall be available on an equal basis to all residents of the development.

c. The recreation facilities may include a central recreation complex, swimming pool, tennis courts, picnic areas, and similar facilities.

d. The recreation facilities shall include meandering open space and trail system linking residential dwellings and other structures located within and without the development.

9. Sidewalks and walkways.

a. A system of contiguous walkways shall be provided throughout the development, including its common areas, for safe pedestrian movement.

b. Walkways within common areas shall connect to sidewalks along streets.

10. Buffers.

a. Buffers must be a minimum of twenty-five (25) feet from all property lines of the tract where abutting existing single-family homes. These shall either be preserved with natural vegetation or landscaped to provide a visual buffer from adjacent properties.

b. Buffering shall provide a year-round visual screen to minimize adverse impacts on the site from adjacent areas. Buffering shall also ensure privacy for dwelling units and minimize adverse impacts from traffic, noise, and light.

c. Buffering shall consist of a berm and either fencing or evergreens or combinations of materials to achieve the stated buffering objectives.

11. Low- and moderate-income housing requirement. Required percentage of affordable units to be constructed on-site. The developer shall designate and set aside twenty (20%) percent of the total dwelling units as affordable to low- and moderate-income households. Any fractional calculations shall be rounded up.

12. Permitted Accessory Building and Uses. Accessory uses customary and incidental to the principal use, including but not limited to those specified. The term accessory *use* shall not include a business nor any building or unit not located on the same lot with the principal building to which it is accessory.

a. Private garages and carports.

b. Private swimming pools and tennis courts provided such uses shall comply with the minimum required yard depth requirement for the principal building.

c. Outdoor barbecue structures.

d. Storage buildings.

13. Conditional uses. None.

(F) Regional Income Limits.

1. Administrative agents shall use the current regional income limits for the purpose of pricing affordable units and determining income eligibility of households.

2. Regional income limits are based on regional median income, which is established by a regional weighted average of the “median family incomes” published by HUD. The procedure for computing the regional median income is detailed in N.J.A.C. 5:80-26.3.

3. Updated regional income limits are effective as of the effective date of the regional Section 8 income limits for the year, as published by HUD, or 45 days after HUD publishes the regional Section 8 income limits for the year, whichever comes later. The new income limits may not be less than those of the previous year.

(G) Maximum Rents and Sales Prices

1. In establishing rents and sales prices of affordable housing units, the Administrative Agent shall follow the procedures set forth in UHAC N.J.A.C. 5:80-26.4.

2. The maximum rent for restricted rental units within each affordable housing development shall be affordable to households earning no more than 60% of regional median income.

3. The developers and/or municipal sponsors of restricted rental units shall establish at least one rent for each bedroom type for both low-income and moderate-income units, provided that at least 13% of all low- and moderate-income units, provided that at least 13% of all low- and moderate-income rental units shall be affordable to households earning no more than 30% of median income. These very low-income units shall be part of the low-income requirement and very-low-income units should be distributed between each bedroom count as proportionally as possible, to the nearest whole unit, to the total number of restricted units within each bedroom count.

4. The maximum sales price of restricted ownership units within each affordable development shall be affordable to households earning no more than 70 percent of median income, and each affordable development must achieve an affordability average of 55 percent for restricted ownership units; in achieving this affordability average, moderate-income ownership units must be available for at least three different prices for each bedroom type, and low-income ownership units must be available for at least two different prices for each bedroom type.

5. The master deeds and declarations of covenants and restrictions for affordable developments may not distinguish between restricted units and market-rate units in the calculation of any condominium or homeowner association fees and special assessments to be paid by low- and moderate-income purchasers and those to be paid by market-rate purchasers. Notwithstanding the foregoing sentence, condominium units subject to a municipal ordinance adopted before December 20, 2004, which ordinance provides for condominium or homeowner association fees and/or assessments different from those provided for in this subsection are governed by the ordinance.

6. In determining the initial sales prices and rents for compliance with the affordability average requirements for restricted units other than assisted living facilities, the following standards shall be used:

   i. A studio shall be affordable to a one-person household;

   ii. A one-bedroom unit shall be affordable to a one- and one-half person household;

   iii. A two-bedroom unit shall be affordable to a three-person household;

   iv. A three-bedroom unit shall be affordable to a four and one-half person household; and

   v. A four-bedroom unit shall be affordable to a six-person household.

7. In determining the initial rents for compliance with the affordability average requirements for restricted units in assisted living facilities, the following standards shall be used:

   i. A studio shall be affordable to a one-person household;

   ii. A one-bedroom unit shall be affordable to a one- and one-half person household;

   and

   iii. A two-bedroom unit shall be affordable to a two-person household or to two one-person households.

8. The initial purchase price for all restricted ownership units shall be calculated so that the monthly carrying cost of the unit, including principal and interest (based on a mortgage loan equal to 95 percent of the purchase price and the Federal Reserve H.15 rate of interest), taxes, homeowner association fees do not exceed 28 percent of the eligible monthly income of the appropriate size household as determined under N.J.A.C. 5:80-26.4, as may be amended and supplemented; provided, however, that the price shall be subject to the affordability average requirement of N.J.A.C. 5:80-26.3, as may be amended and supplemented.

9. The initial rent for a restricted rental unit shall be calculated so as not to exceed 30 percent of the eligible monthly income of the appropriate household size as determined under N.J.A.C_ 5:80-26.4, as may be

amended and supplemented; provided, however, that the rent shall be subject to the affordability average requirement of N.J.A.C. 5:80-26.3, as may be amended and supplemented.

10. The price of owner-occupied low- and moderate-income units may increase annually based on the percentage increase in the regional median income limit for each housing region. In no event shall the maximum resale price established by the administrative agent be lower than the last recorded purchase price.

11. The rent of low- and moderate-income units may be increased annually based on the percentage increase in the Housing Consumer Price Index for the United States. This increase shall not exceed nine percent in any one year. Rents for units constructed pursuant to low- income housing tax credit regulations shall be indexed pursuant to the regulations governing low- income housing tax credits.

12. Utilities. Tenant-paid utilities that are included in the utility allowance shall be so stated in the lease and shall be consistent with the utility allowance approved by DCA for its Section 8 program.

The following general guidelines apply to all developments that contain very-low, low- and moderate-income housing units, including any currently unanticipated future developments that will provide very-low, low- and moderate-income housing units.

Section 6. Affirmative Marketing Requirements

1. The Borough of Mountainside shall adopt by resolution an Affirmative Marketing Plan, subject to approval of the Superior Court, compliant with N.J.A.C. 5:80-26.15, as may be amended and supplemented.
2. The affirmative marketing plan is a regional marketing strategy designed to attract buyers and/or renters of all majority and minority groups, regardless of race, creed, color, national origin, ancestry, marital or familial status, gender, affectional or sexual orientation, disability, age, or number of children to housing units which are being marketed by a developer, sponsor, or owner of affordable housing. The affirmative marketing plan is also intended to target those potentially eligible persons who are least likely to apply for affordable units in that region. It is a continuing program that directs all marketing activities toward the Housing Region 2 and is required to be followed throughout the period of deed restriction.
3. The affirmative marketing plan shall provide a regional preference for all households that live and/or work in the Department Housing Region 2 comprised of Union, Essex, Morris, and Warren Counties, provided that units that remain unoccupied after these preferences are exhausted may be offered to households without regard to these preferences.
4. The municipality has the ultimate responsibility for adopting the Affirmative Marketing Plan and for the proper administration of the Affirmative Marketing Process, including the marketing of initial sales and rentals and resales and re-rentals. The Administrative Agent designated by the municipality shall implement the Affirmative Marketing Process to ensure the Affirmative Marketing of all affordable units, with the exception of affordable programs that are exempt from Affirmative Marketing as noted herein.
5. The Affirmative Marketing Process shall describe the media to be used in advertising and publicizing the availability of housing. In implementing the Affirmative Marketing Process, the Administrative Agent shall consider the use of language translations where appropriate.
6. Applications for affordable housing or notices thereof, if offered online, shall be available in several locations, including, at a minimum, the County Administration Building and/or the County Library for each county within the housing region; the municipal administration building and municipal library in the municipality in which the units are located; and the developer's rental or sales office. The developer shall mail applications to prospective applicants upon request and shall make applications available through a secure online website address.
7. The Administrative Agent designated by the Borough of Mountainside shall assure the affirmative marketing of all affordable units consistent with the Affirmative Marketing Plan for the municipality.

8. In implementing the affirmative marketing plan, the Administrative Agent shall provide a list of counseling services to low- and moderate-income applicants on subjects such as budgeting, credit issues, mortgage qualification, rental lease requirements, and landlord/tenant law.
9. The affirmative marketing process for available affordable units shall begin at least four months prior to the expected date of occupancy.
10. The costs of advertising and affirmative marketing of the affordable units shall be the responsibility of the developer, sponsor, or owner, unless otherwise determined or agreed to by the Borough of Mountainside.
11. Selection of Occupants of Affordable Housing Units

    a. The Administrative Agent shall use a random selection process to select occupants of very low-, low- and moderate-income housing.

    b. A pool of interested households will be maintained in accordance with the provisions of N.J.A.C. 5:80-26.16.

Section 7. Occupancy Standards

A. In referring certified households to specific restricted units, to the extent feasible, and without causing an undue delay in occupying the unit, the Administrative Agent shall strive to:

    1. Ensure each bedroom is occupied by at least one person, except for age-restricted and supportive and special needs housing units;

    2. Provide a bedroom for every two adult occupants; and

    3. With regard to occupants under the age of 18, accommodate the household's requested arrangement, except that such arrangement may not result in more than two occupants under the age of 18 occupying any bedroom; and

    4. Avoid placing a one-person household into a unit with more than one bedroom.

Section 8. Control Periods for Restricted Ownership Units and Enforcement Mechanisms

(a) Control periods for restricted ownership units shall be in accordance with N.J.A.C. 5:80-26.6, as may be amended and supplemented, and each restricted ownership unit shall remain subject to the controls on affordability for a period of at least 30 years subject to the requirements of N.J.A.C. 5:80-26.6, as may be amended and supplemented.

(b) The affordability control period for a restricted ownership unit shall commence on the date the initial certified household takes title to the unit. The date of commencement shall be identified in the deed restriction.

(c) Prior to the issuance of the initial certificate of occupancy for a restricted ownership unit and upon each successive sale during the period of restricted ownership, the administrative agent shall determine the restricted price for the unit and shall also determine the non-restricted, fair market value of the unit based on either an appraisal or the unit's equalized assessed value.

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

(e) The affordability controls set forth in this Ordinance shall remain in effect despite the entry and enforcement of any judgment of foreclosure with respect to restricted ownership units.

(f) A restricted ownership unit shall be required to obtain a Continuing Certificate of Occupancy or a certified statement from the Construction Official stating that the unit meets all code standards upon the first transfer of title that follows the expiration of the applicable minimum control period provided under N.J.A.C. 5:80-26.5(a), as may be amended and supplemented.

Section 9. Price Restrictions for Restricted Ownership Units. Homeowner Association Fees and Resale Prices

Price restrictions for restricted ownership units shall be in accordance with N.J.A.C. 5:80-26.7, as may be amended and supplemented, including:

(a) The initial purchase price and affordability percentage for a restricted ownership unit shall be set by the Administrative Agent.

(b) The Administrative Agent shall approve all resale prices, in writing and in advance of the resale, to assure compliance with the standards set forth in N.J.A.C 5:80-26.7.

i. If the resale occurs prior to the one-year anniversary of the date on which title to the unit was transferred to a certified household, the maximum resale price for a is the most recent non-exempt purchase price.

ii. If the resale occurs on or after such anniversary date, the maximum resale price is the most recent non-exempt purchase price increased to reflect the cumulative annual percentage increases to the regional median income, effective as of the same date as the regional median income calculated pursuant to N.J.A.C. 5:80-26.3

(c) The owners of restricted ownership units may apply to the Administrative Agent to increase the maximum sales price for the unit on the basis of anticipated capital improvements. Eligible capital improvements shall be:

i. those that render the unit suitable for a larger household or the addition of a bathroom.

ii. The maximum resale price may be further increased by an amount up to the cumulative dollar value of approved capital improvements made after the last non-exempt sale for improvements and/or upgrades to the unit, excluding capital improvements paid for by the entity favored on the recapture note and recapture lien described at N.J.A.C. 5:80-26.6(d);

(d) No increase for capital improvements is permitted if the maximum resale price prior to adjusting for capital improvements already exceeds whatever initial purchase price the unit would have if it were being offered for purchase for the first time at the initial affordability percentage. All adjustments for capital improvements are subject to 10-year, straight-line depreciation.

(e) Upon the resale of a restricted ownership unit, all items of property that are permanently affixed to the unit or were included when the unit was initially restricted (for example, refrigerator, range, washer, dryer, dishwasher, wall-to-wall carpeting) shall be included in the maximum allowable resale price. Other items may be sold to the purchaser at a reasonable price that has been approved by the Administrative Agent at the time of the signing of the agreement to purchase but shall be separate and apart from any contract of sale for the underlying real estate. The purchase of central air conditioning installed subsequent to the initial sale of the unit and not included in the base price may be made a condition of the unit resale provided the price of the air conditioning equipment, which shall be subject to 10-year, straight-line depreciation, has been approved by the Administrative Agent. Unless otherwise approved by the Administrative Agent, the purchase of any property other than central air conditioning shall not be made a condition of the unit resale. The seller and the purchaser must personally certify at the time of closing that no unapproved transfer of funds for the purpose of selling and receiving property has taken place at the time of or as a condition of resale. The seller and the purchaser must personally certify at the time of closing that no unapproved transfer of funds for the purpose of selling and receiving property has taken place at the time of or as a condition of resale.

Section 10. Buyer Income Eligibility

A. Buyer income eligibility for restricted ownership units shall be in accordance with N.J.A.C. 5:80-26.17, as may be amended and supplemented, such that very low-income ownership units shall be reserved for occupancy by households with a gross household income less than or equal to 30% of median income, low-income ownership units shall be reserved for

occupancy by households with a gross household income less than or equal to 50% of median income and moderate-income ownership units shall be reserved for occupancy by households with a gross household income less than 80% of median income.

B. Notwithstanding the foregoing, the Administrative Agent may, upon approval by the municipality, and subject to the Division's approval, permit a moderate-income purchaser to buy a low-income unit if and only if the Administrative Agent can demonstrate that there is an insufficient number of eligible low-income purchasers in the housing region to permit prompt occupancy of the unit and all other reasonable efforts to attract a low-income purchaser, including pricing and financing incentives, have failed. Any such low-income unit that is sold to a moderate-income household shall retain the required pricing and pricing restrictions for a low-income unit. Similarly, the administrative agent may permit low-income purchasers to buy very-low-income units in housing markets where, as determined by the Division, units are reserved for very-low-income purchasers, but there is an insufficient number of very-low-income purchasers to permit prompt occupancy of the units. In such instances, the purchased unit must be maintained as a very-low-income unit and sold at a very-low-income price point such that on the next resale the unit will still be affordable to very-low-income households and able to be purchased by a very-low-income household. A very-low-income unit that is seeking bonus credit pursuant to N.J.S.A. 52:27D-311.k(9) must first be advertised exclusively as a very-low-income unit according to the Affirmative Marketing requirements at N.J.A.C. 5:80-26.16, then advertised as a very-low-income or low-income unit for at least 30 additional days prior to referring any low-income household to the unit.

C. A certified household that purchases a restricted ownership unit must occupy it as the certified household's principal residence and shall not lease the unit; provided, however, that the Administrative Agent may permit the owner of a restricted ownership unit, upon application and a showing of hardship, to lease the restricted unit to another certified household for a period not to exceed one year.

D. The Administrative Agent shall certify a household as eligible for a restricted ownership unit when the household is a low-income household or a moderate-income household, as applicable to the unit, and the estimated monthly housing cost for the particular unit (including principal, interest, property taxes, homeowner and private mortgage insurance and condominium or homeowner association fees, as applicable) does not exceed 35 percent of the household's eligible monthly income; provided, however, that this limit may be exceeded if one or more of the following circumstances exists:

1. The household currently pays more than 35% (40% for households eligible for age-restricted units) of its gross household income for housing expenses, and the proposed housing expenses will reduce its housing costs;
2. The household has consistently paid more than 35% (40% for households eligible for age-restricted units) of eligible monthly income for housing expenses in the past and has proven its ability to pay; or
3. The household is currently in substandard or overcrowded living conditions;
4. The household documents the existence of assets, within the asset limitation otherwise applicable, with which the household proposes to supplement the rent payments.

<u>Section 11. Limitations on indebtedness secured by ownership unit; subordination</u>

(a) Prior to incurring any indebtedness to be secured by a restricted ownership unit, the administrative agent shall determine in writing that the proposed indebtedness complies with the provisions of this section.

(b) With the exception of original purchase money mortgages, during a control period neither an owner nor a lender shall at any time cause or permit the total indebtedness secured by a restricted ownership unit to exceed 95 percent of the maximum allowable resale price of that

unit, as such price is determined by the administrative agent in accordance with N.J.A.C.5:80-26.76(c).

Section 12. Control Periods for Restricted Rental Units

1. Control periods for units that meet the definition of prior round units shall be pursuant to the 2001 UHAC rules originally adopted October 1, 2001, 33 N.J.R. 3432, and amended December 20, 2004, 36 N.J.R. 5713 and shall remain subject to the requirements of this ordinance for a period of at least 30 years as applicable unless otherwise indicated.
2. Other than for prior round units, control periods for restricted rental units shall be in accordance with N.J.A.C. 5:80-26.12, as may be amended and supplemented, and each restricted rental unit shall remain subject to the requirements of this Ordinance for a period of at least 40 years. Restricted rental units created as part of developments receiving 9% Low-Income Housing Tax Credits must comply with a control period of not less than a 30-year compliance period plus a 15-year extended use period for a total of 45 years.
3. The affordability control period for a restricted rental unit shall commence on the first date that a unit is issued a certificate of occupancy following the execution of the deed restriction or, if affordability controls are being extended, on the effective date of the extension, which is the end of the original control period.
4. Rehabilitated renter-occupied housing units that are improved to code standards shall be subject to affordability controls for a period of not less than 10 years.
5. Prior to the issuance of any building permit for the construction/rehabilitation of restricted rental units, the developer/owner and the municipality shall record a preliminary instrument provided by the Administrative Agent.
6. Deeds of all real property that include restricted rental units shall contain deed restriction language. The deed restriction shall have priority over all mortgages on the property. The deed restriction shall be recorded by the developer with the county records office, and provided as filed and recorded, to the Administrative Agent within 30 days of the receipt of a certificate of occupancy.
7. A restricted rental unit shall remain subject to the affordability controls of this Ordinance despite the occurrence of any of the following events:
   a. Sublease or assignment of the lease of the unit;
   b. Sale or other voluntary transfer of the ownership of the unit;
   c. The entry and enforcement of any judgment of foreclosure on the property containing the unit; or
   d. The end of the control period, until the occupant household vacates the unit, or is certified as over-income and the controls are released in accordance with UHAC.

Section 13. Price Restrictions for Rental Units: Leases

A. The initial rent for a restricted rental unit shall be set by the Administrative Agent.

B. A written lease shall be required for all restricted rental units, except for units in an assisted living residence, and tenants shall be responsible for security deposits and the full amount of the rent as stated on the lease. A copy of the current lease for each restricted rental unit shall be provided to the Administrative Agent.

C. No additional fees, operating costs, or charges shall be added to the approved rent (except, in the case of units in an assisted living residence, to cover the customary charges for food and services) without the express written approval of the Administrative Agent.

   1. Operating costs, for the purposes of this section, include certificate of occupancy fees, move-in fees, move-out fees, mandatory internet fees, mandatory cable fees, mandatory utility submetering fees, and for developments with more than one and a half off-street parking spaces per unit, parking fees for one parking space per household.

D. Any fee structure that would remove or limit affordable unit occupant access to any amenities or services that are required or included for market-rate unit occupants is prohibited. Application fees (including the charge for any credit check) shall not exceed 5% of the monthly rent of the applicable restricted unit to be applied to the costs of administering the controls applicable to the unit as set forth in this Ordinance.

E. Fees for unit-specific, non-communal items that are charged to market-rate unit tenants on an optional basis, such as pet fees for tenants with pets, storage spaces, bicycle-share programs, or one-time rentals of party or media rooms, may also be charged to affordable unit tenants, if applicable.

F. Pet fees may not exceed $30.00 per month and associated one-time payments for optional fees pertaining to pets, such as a pet cleaning fee, are prohibited.

G. Fees charged to affordable unit tenants for other optional, unit-specific, non-communal items shall not exceed the amounts charged to market-rate tenants.

H. For any prior round rental unit leased before December 20, 2024, elements of the existing fee structure that are consistent with prior rules, but inconsistent with 5:80-26.13(c)1, may continue until the occupant household's current lease term expires or that occupant household vacates the unit, whichever occurs later.

Section 14. Tenant Income Eligibility

A. Tenant income eligibility shall be in accordance with N.J.A.C. 5:80-26.13, as may be amended and supplemented, and shall be determined as follows:

1. Very low-income rental units shall be reserved for households with a gross household income less than or equal to 30 percent of median income.

2. Low-income rental units shall be reserved for households with a gross household income less than or equal to 50 percent of median income.

3. Moderate-income rental units shall be reserved for households with a gross household income less than 80 percent of median income.

B. The Administrative Agent shall certify a household as eligible for a restricted rental unit when the household is a very low-income, low-income household or a moderate-income household, as applicable to the unit, and the rent proposed for the unit does not exceed 35 percent (40 percent for age-restricted units) of the household's eligible monthly income as determined pursuant to N.J.A.C. 5:80-26.17, as may be amended and supplemented; provided, however, that this limit may be exceeded if one or more of the following circumstances exists:

1. The household currently pays more than 35 percent (40 percent for households eligible for age-restricted units) of its gross household income for rent, and the proposed rent will reduce its housing costs;

2. The household has consistently paid more than 35 percent (40 percent for households eligible for age-restricted units) of eligible monthly income for rent in the past and has proven its ability to pay;

3. The household is currently in substandard or overcrowded living conditions;

4. The household documents the existence of assets with which the household proposes to supplement the rent payments; or

5. The household documents reliable anticipated third-party assistance from an outside source such as a family member in a form acceptable to the Administrative Agent and the owner of the unit.

C. The applicant shall file documentation sufficient to establish the existence of the circumstances in 2.a. through 2.e. above with the Administrative Agent, who shall counsel the household on budgeting.

Section 15. Administration

A. The position of Municipal Housing Liaison (MHL) for the Borough of Mountainside is established by this ordinance. The Mayor shall make the actual appOin1ment of the MHL by means of a resolution.

B. The Municipal Housing Liaison shall be approved by the Division, or is in the process of getting approval, and fully or conditionally meets the requirements for qualifications, including initial and periodic training as set forth in in N.J.A.C. 5:99-1 et seq.

C. The Municipal Housing Liaison shall be responsible for oversight and administration of the affordable housing program, including the following responsibilities, which may not be contracted out to the Administrative Agent:

1. Serving as the primary point of contact for all inquiries from the Affordable Housing Dispute Resolution Program, the State, affordable housing providers, administrative agents and interested households.
2. The oversight of the Affirmative Marketing Plan and affordability controls.
3. When applicable, overseeing and monitoring any contracting Administrative Agent.
4. Overseeing the monitoring of the status of all restricted units listed in the Fair Share Plan.
5. Verifying, certifying and providing annual information within AHMS at such time and in such form as required by the Division.
6. Coordinating meetings with affordable housing providers and administrative agents, as needed.
7. Attending continuing education opportunities on affordability controls, compliance monitoring, and affirmative marketing as offered or approved by the Division.
8. Overseeing the recording of a preliminary instrument in the form set forth at N.J.A.C. 5:80-26.1 for each affordable housing development.
9. Coordinating with the Administrative Agent, municipal attorney and municipal Construction Code Official to ensure that permits are not issued unless the document required in C.8. above has been duly recorded.
10. Listing on the municipal website contact information for the MHL and Administrative Agents.

D. Administrative Agent

1. All municipalities that have created or will create affordable housing programs and/or affordable units shall designate or approve, for each project within its HEFSP, an administrative agent to administer the affordable housing program and/or affordable housing units in accordance with the requirements of the FHA, NJAC 5:99-1 et seq. and UHAC.
2. The fees for administrative agents shall be paid as follows:
   a. Administrative agent fees related to rental units shall be paid by the developer/owner.
   b. Administrative agent fees related to initial sale of units shall be paid by the developer.
   c. Administrative agent fees related to resales shall be paid by the seller of the affordable home.
   d. Administrative agent fees related to ongoing administration and enforcement shall be paid by the municipality.
3. An Operating Manual for each affordable housing program shall be provided by the Administrative Agent(s). The Operating Manual(s) shall be available for public inspection in the Office of the Clerk and in the office(s) of the Administrative Agent(s). Operating manuals shall be adopted by resolution of the Governing Body.
4. Subject to the role of the Administrative Agent(s), the duties and responsibilities as are set forth in N.J.A.C. 5:99-7and which are described in full detail in the Operating Manual, including those set forth in UHAC, include:
   a. Attending continuing education opportunities on affordability controls, compliance monitoring, and affirmative marketing as offered or approved by the Division;
   b. Affirmative marketing:

i. Conducting an outreach process to affirmatively market affordable housing units in accordance with the Affirmative Marketing Plan of the municipality and the provisions of N.J.A.C. 5:80-26.16.

ii. Providing counseling, or contracting to provide counseling services, to low- and moderate-income applicants on subjects such as budgeting, credit issues, mortgage qualification, rental lease requirements; and landlord/tenant law.

c. Household certification.

i. Soliciting, scheduling, conducting and following up on interviews with interested households.

ii. Conducting interviews and obtaining sufficient documentation of gross income and assets upon which to base a determination of income eligibility for a low- or moderate-income unit;

iii. Providing written notification to each applicant as to the determination of eligibility or non-eligibility within 5 days of the determination thereof.

iv. Requiring that all certified applicants for restricted units execute a certificate substantially in the firm, as applicable, of either the ownership or rental certificates set forth in the Appendices J and K of N.J.A.C. 5:80-26.1 et seq.

v. Creating and maintaining a referral list of eligible applicant households living in the housing region, and eligible applicant households with members working in the housing region, where the units are located.

vi. Employing a random selection process as provided in the Affirmative Marketing Plan when referring households for certification to affordable units.

d. Affordability controls.

i. Furnishing to attorneys or closing agents forms of deed restrictions and mortgages for the recording at the time of conveyance of title of each restricted unit.

ii. Ensuring that the removal of the deed restrictions and cancellation of the mortgage note are effectuated and filed properly with the County Register of Deeds or County Clerk's office after the termination of the affordability controls for each restricted unit in accordance with UHAC.

iii. Communicating with lenders and the Municipal Housing Liaison regarding foreclosures.

iv. Ensuring the issuance of Continuing Certificates of Occupancy or certifications pursuant to N.J.A.C. 5:80-26.11.

e. Records retention.

i. Creating and maintaining a file on each restricted unit for its control period, including the recorded deed with restrictions, recorded recapture mortgage, and note, as appropriate.

ii. Records received, retained, retrieved, or transmitted in furtherance of crediting affordable units of a municipality constitute public records of the municipality as defined by N.J.S.A. 47:3-16, and are legal property of the municipality.

f. Resales and re-rentals.

i. Instituting and maintaining an effective means of communicating information between owners and the Administrative Agent regarding the availability of restricted units for resale or re-rental.

ii. Instituting and maintaining an effective means of communicating information to very low-, low-, or moderate-income households regarding the availability of restricted units for resale or re-rental.

g. Processing requests from unit owners.

i. Reviewing and approving requests from owners of restricted units who wish to refinance or take out home equity loans during the term of their ownership to determine that the amount of indebtedness to be incurred will not violate the terms of this ordinance.

ii. Reviewing and approving requests to increase sales prices from owners of restricted units who wish to make capital improvements to the units that would affect the selling price, such authorizations to be limited to those improvements resulting in additional bedrooms or bathrooms and the depreciated cost of central air conditioning systems.

iii. Notifying the municipality of an owner's intent to sell a restricted unit.

iv. Making determinations on requests by owners of restricted units for hardship waivers.

h. Enforcement.

i. Securing annually from the municipality a list of all affordable ownership units for which property tax bills are mailed to absentee owners, and notifying all such owners that they must either move back to their unit or sell it;

ii. Securing from all developers and sponsors of restricted units, at the earliest point of contact in the processing of the project or development, written acknowledgement of the requirement that no restricted unit can be offered, or in any other way committed, to any person, other than a household duly certified to the unit by the Administrative Agent;

iii. Sending annual mailings to all owners of affordable dwelling units reminding them of the notices and requirements outlined in N.J.A.C. 5:80-26.19(d)4;

iv. Establishing a program for diverting unlawful rent payments to the municipal Affordable Housing Trust Fund; and

v. Creating and publishing a written operating manual for each affordable housing program administered by the Administrative Agent setting forth procedures for administering the affordability controls.

i. The Administrative Agent(s) shall, as delegated by the municipality, have the authority to take all actions necessary and appropriate to carry out its/their responsibilities, herein.

B. Responsibilities of The Owner of a development containing affordable units.

1. The owner of all developments containing affordable units subject to this subchapter or the assigned management company thereof shall provide to the administrative agent:

a. Site plan, architectural plan, or other plan that identifies the location of each affordable unit, if subject to the site plan approval, settlement agreement, or other applicable document regulating the location of affordable units. The administrative agent shall determine the location of affordable units if not set forth in the site plan approval, settlement agreement, or other applicable document.

b. The total number of units in the project and the number of affordable units.

c. The breakdown of the affordable units by or identification of affordable unit locations by bedroom count and income level, including street addresses / unit numbers, if subject to the site plan approval, settlement agreement, or other applicable document regulating the breakdown of affordable units. The administrative agent shall determine the bedroom and

income distribution if not set forth in the site plan approval, settlement agreement, or other applicable document.

d. Floor plans of all affordable units, including complete and accurate identification of all rooms and the dimensions thereof.

e. A projected construction schedule.

f. The location of any common areas and elevators.

g. The name of the person who will be responsible for official contact with the administrative agent for the duration of the project, which must be updated if the contact changes.

2. In addition to A above, the owner of rental developments containing affordable rental units subject to this subchapter or the assigned management company thereof shall:

a. Send to all current tenants in all restricted rental units an annual mailing containing a notice as to the maximum permitted rent and a reminder of the requirement that the unit must remain their principal place of residence, which is defined as residing in the unit at least 260 days out of each calendar year, together with the telephone number, mailing address, and email address of the administrative agent to whom complaints of excess rent can be issued.

b. Provide to the administrative agent a description of any applicable fees.

c. Provide to the administrative agent a description of the types of utilities and which utilities will be included in the rent.

d. Agree and ensure that the utility configuration established at the start of the rent-up process not be altered at any time throughout the restricted period.

e. Provide to the administrative agent a proposed form of lease for any rental units.

f. Ensure that the tenant selection criteria for the applicants for affordable units not be more restrictive that the tenant selection criteria for applicants for non-restricted units.

g. Strive to maintain the continued occupancy of the affordable units during the entire restricted period.

3. In addition to A, above, the owner of affordable for-sale developments containing affordable for-sale units subject to this subchapter or the assigned management company thereof shall provide the administrative agent:

a. Proposed pricing for all units, including any purchaser options and add-on items.

b. Condominium or homeowner association fees and any other applicable fees.

c. Estimated real property taxes.

d. Sewer, water, trash disposal, and any other utility assessments.

e. Flood insurance requirement, if applicable.

f. The State-approved planned real estate development public offering statement and/or master deed, where applicable, as well as the full build-out budget.

C. Enforcement of Affordable Housing Regulations

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

2. After providing written notice of a violation to an owner, developer or tenant of an affordable unit and advising the owner, developer or tenant of the penalties for such violations, the municipality may take the following action against the owner, developer or tenant for any violation that remains uncured for a period of 60 days after service of the written notice:

    a. The municipality may file a court action pursuant to N.J.S.A. 2A:58-11 alleging a violation, or violations, of the regulations governing the affordable housing unit. If the owner, developer or tenant is found by the Court to have violated any provision of the regulations governing affordable housing units the owner, developer or tenant shall be subject to one or more of the following penalties, at the discretion of the Court:

        i. A fine of not more than $1,000 or imprisonment for a period not to exceed 90_ days, or both, unless otherwise specified below, provided that each and every day that the violation continues or exists shall be considered a separate and specific violation of these provisions and not a continuation of the initial offense;

        ii. In the case of an owner who has rented his or her low- or moderate-income unit in violation of the regulations governing affordable housing units, payment into the Affordable Housing Trust Fund of the gross amount of rent illegally collected;

        iii. In the case of an owner who has rented his or her affordable unit in violation of the regulations governing affordable housing units, payment of an innocent tenant's reasonable relocation costs, as determined by the Court.

3. The municipality shall have the authority to levy fines against the owner of the development for instances of noncompliance with NJHRC advertising requirements (N.J.S.A. 52:27D-321.6.e.(2)), following written notice to the owner. The fine for the first offense of noncompliance shall be $5,000, the fine for the second offense of noncompliance shall be $10,000, and the fine for each subsequent offense of noncompliance shall be $15,000.

4. The municipality may file a court action in the Superior Court seeking a judgment, which would result in the termination of the owner's equity or other interest in the unit, in the nature of a mortgage foreclosure. Any judgment shall be enforceable as if the same were a judgment of default of the first purchase money mortgage and shall constitute a lien against the low- or moderate-income unit.

    a. Such judgment shall be enforceable, at the option of the municipality, by means of an execution sale by the Sheriff, at which time the affordable unit of the violating owner shall be sold at a sale price which is not less than the amount necessary to fully satisfy and pay off any first purchase money mortgage and prior liens and the costs of the enforcement proceedings incurred by the municipality , including attorney's fees. The violating owner shall have the right to possession terminated as well as the title conveyed pursuant to the Sheriff's sale.

    b. The proceeds of the Sheriff's sale shall first be applied to satisfy the first purchase money mortgage lien and any prior liens upon the low- or moderate-income unit. The excess, if any, shall be applied to reimburse the municipality for any and all costs and expenses incurred in connection with either the court action resulting in the judgment of violation or the Sheriff's sale. In the event that the proceeds from the Sheriff's sale are insufficient to reimburse the municipality in full as aforesaid, the violating owner shall be personally responsible for the full extent of such deficiency, in addition to any and all costs incurred by the municipality in connection with collecting such deficiency. In the event that a surplus remains after satisfying all of the above, such surplus shall be placed in escrow by the municipality for the owner and shall be held in such escrow for a maximum period of two years or until such earlier time as the owner shall make a claim with the municipality for such. Failure of the owner to claim such balance within the two year period shall automatically result in a forfeiture of such balance to the municipality. Any interest accrued or earned on such balance while being held in escrow shall belong to and shall be

paid to the municipality, whether such balance shall be paid to the owner or forfeited to the municipality.

c. Foreclosure due to violation of the regulations governing affordable housing units shall not extinguish the restrictions of the regulations governing affordable housing units as they apply to the low- and moderate-income unit. Title shall be conveyed to the purchaser at the Sheriff's sale, subject to the restrictions and provisions of the regulations governing the affordable housing unit. The owner determined to be in violation of the provisions of this plan and from whom title and possession were taken by means of the Sheriff's sale shall not be entitled to any right of redemption.

d. If there are no bidders at the Sheriff's sale, or if insufficient amounts are bid to satisfy the first purchase money mortgage and any prior liens, the municipality may acquire title to the affordable unit by satisfying the first purchase money mortgage and any prior liens and crediting the violating owner with an amount equal to the difference between the first purchase money mortgage and any prior liens and costs of the enforcement proceedings, including legal fees and the maximum resale price for which the affordable unit could have been sold under the terms of the regulations governing affordable housing units. This excess shall be treated in the same manner as the excess that would have been realized from an actual sale as previously described.

e. Failure of the low- or moderate-income unit to be either sold at the Sheriff's sale or acquired by the municipality shall obligate the owner to accept an offer to purchase from any qualified purchaser that may be referred to the owner by the municipality, with such offer to purchase being equal to the maximum resale price of the low- or moderate-income unit as permitted by the regulations governing affordable housing units.

f. The affordable unit owner shall remain fully obligated, responsible and liable for complying with the terms and restrictions of governing affordable housing units until such time as title is conveyed from the owner.

5. It is the responsibility of the municipal housing liaison and the administrative agent(s) to ensure that affordable housing units are administered properly. All affordable units must be occupied within a reasonable amount of time and be re-leased within a reasonable amount of time upon the vacating of the unit by a tenant. If an administrative agent or municipal housing liaison becomes aware of or suspects that a developer, landlord, or property manager has not complied with these regulations, it shall report this activity to the Division. The Division must notify the developer, landlord, or property manager, in writing, of any violation of these regulations and provide a 30-day cure period. If, after the 30-day cure period, the developer, landlord, or property manager remains in violation of any terms of this subchapter, including by keeping a unit vacant, the developer, landlord, or property manager may be fined up to the amount required to construct a comparable affordable unit of the same size and the deed-restricted control period will be extended for the length of the time the unit was out of compliance, in addition to the remedies provided for in this section. For the purposes of this subsection, a reasonable amount of time shall presumptively be 60 days, unless a longer period of time is required due to demonstrable market conditions and/or failure of the municipal housing liaison or the administrative agent to refer a certified tenant.

6. Banks and other lending institutions are prohibited from issuing any loan secured by owner occupied real property subject to the affordability controls set forth in this subchapter if such loan would be in excess of amounts permitted by the restriction documents recorded in the deed or mortgage book in the county in which the property is located. Any loan issued in violation of this subsection is void as against public policy.

7. The Agency and the Department hereby reserve, for themselves and for each administrative agent appointed pursuant to this subchapter, all of the rights and remedies available at law

and in equity for the enforcement of this subchapter, including, but not limited to, fines, evictions, and foreclosures as approved by a county-level housing judge.

8. Appeals
   a. Appeals from all decisions of an administrative agent appointed pursuant to this subchapter must be filed, in writing, with the municipal housing liaison. A decision by the municipal housing liaison may be appealed to the Division. A written decision of the Division Director upholding, modifying, or reversing an administrative agent's decision is a final administrative action.

Repealer

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

Severability
If any section, subsection, paragraph, sentence or any other part of this Ordinance is adjudged unconstitutional or invalid, such judgment shall not affect, impair or invalidate the remainder of this Ordinance.

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

Hearing no one wishing to speak, Councilman Matejek closed the meeting to the public.

It was moved by Councilman Van Deusen and seconded by Councilwoman Wass that this ordinance be passed on second and final reading and advertised by title only.

Roll Call: Ayes: Dierkes, Matejek, Pacifico, Rinaldo, Van Deusen, Wass. Nays: 0

First Reading (Introduction)

ORDINANCE 1360-2026

CAPITAL ORDINANCE APPROPRIATING THE SUM OF TWO HUNDRED FIFTY THOUSAND DOLLARS ($250,000.00) FROM THE CAPITAL IMPROVEMENT FUND FOR BUILDING AND GROUNDS IMPROVEMENTS

BE IT ORDAINED, by the Governing Body of the Borough of Mountainside, County of Union, State of New Jersey, (not less than two-thirds of all members thereof affirmatively concurring) as follows:

SECTION 1. The Borough of Mountainside is hereby authorized to undertake building and grounds improvements.

SECTION 2. The sum of $250,000 is hereby appropriated from the Capital Improvement Fund for the improvements authorized herein. The project shall be fully funded from the Capital Improvement Fund.

SECTION 3. In the event the Borough of Mountainside receives any federal, state, county, or other grant funding for the improvements authorized herein, such grant proceeds shall be used to reimburse the funds appropriated from the Capital Improvement Fund.

SECTION 4. This ordinance shall take effect upon final adoption and publication as required by law.

It was moved by Councilman Rinaldo and seconded by Councilwoman Pacifico that this ordinance be passed on first reading and advertised in full for a public hearing on September 15, 2026.

Roll Call: Ayes: Dierkes, Matejek, Pacifico, Rinaldo, Van Deusen, Wass. Nays: 0

BILLS & CLAIMS:

The following resolution was introduced by Councilman Dierkes and seconded by Councilwoman Wass.

BE IT RESOLVED by the Mayor and Council of the Borough of Mountainside that the following bills of the persons named and for the amounts stated below, having been duly audited and found to be correct this 18th day of August 2026, the same be paid after Council's review, if and when funds are available and that the Mayor, Council President, Administrator and Treasurer are hereby authorized and directed to sign and deliver warrants for same in the amount of $211,627.88 (Copy of bill list attached).

Roll Call: Ayes: Dierkes, Matejek, Pacifico, Rinaldo, Van Deusen, Wass. Nays: 0

COUNCIL COMMENTS:

Councilman Matejek thanked the Mayor for clarifying the press release.

Councilwoman Wass read the Rescue Squad report and announced active adult events and programs.

Mayor Mirabelli thanked the community for attending National Night Out.

AUDIENCE PARTICIPATION:

Nancy Jean Walker, 268 Birch Lane, thanked the Police and Council for getting the word out about e-bike safety and asked for patrols on Birch Hill Road. Also discussed were violations of the short term rental ordinance at 242 Oak Tree Road.

Upon a motion by Councilman Dierkes and a second by Councilman Matejek, the meeting was unanimously adjourned at 8:38 P.M.

_____
Martha Lopez, RMC
Borough Clerk