

**BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH
STATE OF NEW JERSEY**

ORDINANCE 2026- 1150

ORDINANCE AMENDING FOURTH ROUND AFFORDABLE HOUSING ORDINANCE

WHEREAS, the Borough of Shrewsbury, County of Monmouth, State of New Jersey, (hereinafter, "Borough" or "Shrewsbury") has a demonstrated history of voluntary compliance with its constitutional affordable housing obligations and in fact obtained a Final Round Three Judgment of Compliance and Repose from the Court in the matter captioned In the Matter of the Application of the Borough of Shrewsbury, County of Monmouth, Superior Court of New Jersey, Law Division, Docket No. MON-L-002536-15 thereby immunizing the Borough from builder remedy litigation until July 1, 2025 (the "Third Round Litigation"); and

WHEREAS, on March 20, 2024, Governor Murphy signed into law P.L. 2024, c.2, an Amendment to the 1985 Fair Housing Act (hereinafter "Amended FHA" or "Act") establishing the statutory calculation of the state-wide fair share obligation for the Fourth Round of affordable housing for the time period 2025-2035; and

WHEREAS, the Amended FHA requires the Department of Community Affairs ("DCA") to provide its calculation of every municipality's Fourth Round fair share affordable housing obligations based upon the criteria on the Amended FHA and the DCA issued a report on October 18, 2024 (the "DCA Report") wherein it supplied its calculation of the fair share affordable housing obligation for all municipalities, including the Borough of Shrewsbury; and

WHEREAS, the DCA Report calculated Shrewsbury Fourth Round fair share obligations as follows: Present Need (Rehabilitation) Obligation of 35 and a Fourth Round Prospective Need (New Construction) Obligation of 96 affordable housing units; and

WHEREAS, the Borough Council adopted Resolution 68-2025 accepting the DCA calculation of the Borough Fourth Round affordable housing obligation of a Present Need Obligation of 35 units and a Fourth Round Prospective Need obligation of 96 affordable housing units, subject to the Borough's right to a Vacant Land Adjustment in accordance with N.J.S.A 52:27D-311 of the Amended Act; and

WHEREAS, in addition to the above, the Acting Administrative Director issued Directive #14-24 dated December 13, 2024 and pursuant to that Directive, a municipality seeking a certification of compliance with the Act is required to file a legal action in the form of a declaratory judgment complaint within 48 hours after adoption of the municipal resolution of fair share obligations, or by February 3, 2025, whichever is sooner; and

WHEREAS, the Borough filed a timely declaratory judgment complaint in accordance with AOC Directive #14-24 known as In the Matter of the Application of the Borough of Shrewsbury, County of Monmouth, State of New Jersey, Docket No. MON-L-000202-25 seeking a declaration as to the Borough's Fourth Round affordable housing obligation and the approval of the Borough's Housing Element and Fair Share Plan ("HESP") which sets forth the affordable housing mechanisms the Borough will implement to satisfy its Fourth Round affordable housing obligation; and

WHEREAS, the Court entered an order on April 2, 2025 setting the Borough's Fourth Fair Share obligations of a Present Need of 15 units and a prospective need of 96 units and ordered the Borough to file a Housing Element and Fairs Plan by June 30, 2025; and

WHEREAS, the Borough filed its HESP with the Court on June 6, 2025 after the Planning Board approved and the Borough Council endorsed the HESP setting forth the Borough is entitled to a Vacant Land Adjustment adjusting the Borough's Realistic Development Potential to two units with an unmet need of units, and

WHEREAS, Fair Share Housing enter having filed a letter pursuant to N.J.S.A. 52:27D-304.1(f)(2)(b) on August 31, 2025 seeking additional information before the HESP may be approved; and

WHEREAS, the Borough and Fair Share having entered into a Consent Order approving the Borough's amended HESP subject to certain conditions which must be met under the Amended FHA; and

WHEREAS, the Borough Council approved Ordinance 2026-1147 entitled “ An Affordable Housing Ordinance Implementing the Fourth Round Housing Plan Element and Fair Share Plan” as required by the Amended FHA and in accordance with the Borough’s obligation to maintain immunity from builder’s remedy litigation; and

WHEREAS, Fair Share Housing Center requested that the Borough make minor amendments to the Fourth Round Ordinance, and the Borough Council believes it is in the best interests of the Borough to make the requested changes to maintain immunity from builder’s remedy litigation; and

NOW THEREFORE BE IT ORDAINED by the Borough Council of the Borough of Shrewsbury, County of Monmouth, State of New Jersey that it hereby amends Article XII, Section 94-12.3 (D) of the Borough Code is hereby amended as follows:

[Deletions are marked through strike-out an additions are underlined].

§94-12.3

[Sections A-C No changes]

D. Affordable Housing Programs

1. No changes.

The affordable housing programs set forth in the HESP are incorporated herein as if fully set forth at length.

2. Rehabilitation Programs (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 are ~~not~~ applicable to the Borough of Shrewsbury because it has ~~no~~ a 35 unit Fourth Round Present Need obligation.
 - i. The rehabilitation program shall be designed to renovate deficient housing units occupied or intended to be 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. 5:28-1.1 et seq or the Rehabilitation Subcode, N.J.A.C. 5:23-6 to the extent applicable.
 - ii. Both ownership and rental units shall be eligible for rehabilitation funds.
 - iii. All rehabilitated units shall remain affordable to very low-, low- and moderate-income households for a period of 10 years (the control period). For owner-occupied units, the control period shall be enforced with a mortgage and note and for renter-occupied units the control period will be enforced with a deed restriction.
 - iv. The municipality shall dedicate a minimum average hard cost of \$10,000 for each unit to be rehabilitated through this program and in addition shall dedicate associated rehabilitation program soft costs such as case management, inspection fees and work write-ups.
 - v. The municipality shall designate, subject to the approval of the Department, one or more Administrative Agents to administer the rehabilitation program in accordance with P.L 2024, Chapter 2. The Administrative Agent(s) shall provide rehabilitation manuals for ownership and rental rehabilitation programs. Manuals shall be adopted by resolution of the governing body. Both rehabilitation manuals shall be available for public inspection in the Office of the Municipal Clerk and on the municipal affordable housing web page.
 - vi. 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:
 1. 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.
 2. 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.

3. Rents in rehabilitated units may increase annually based on the standards in UHAC.
 4. At the time of application, applicant households and/or tenant households shall be subject to income eligibility determinations in accordance with UHAC.
3. Accessory Apartment program per N.J.A.C. 5:93-5.9 as may be updated per various sections in N.J.A.C. 5:97-6.8). The Borough of Shrewsbury does not have an accessory apartment program in its current HESP, and this section is only applicable should the Borough adopt such a program as part of its compliance plan.
- a. An accessory apartment program ~~shall~~ should only provide for at least 50% low/very low income units and 50% should be limited to only low or only moderate-income units .

[subsections b-f no changes].

BE IT FURTHER RESOLVED as follows:

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

Severability

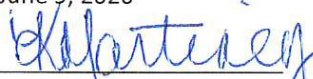
If any section, subsection, paragraph, sentence or any other part of this Ordinance is adjudged unconstitutional or invalid, such judgment shall not affect, impair or invalidate the remainder of this Ordinance.

Introduction: May 12, 2026

Second Reading/Public Hearing: June 9, 2026

Adoption: June 9, 2026

ATTEST:


Kerry Martinez, RMC, Clerk

APPROVE:


Kimberly Eulmer, Mayor

Council Member	Moved	Seconded	Ayes	Nays	Absent	Abstain
Mr. Daly			x			
Mr. Eddy					X	
Mr. Levy			X			
Mr. Martinetti			X			
Mr. McAvoy	x		X			
Ms. Morton		x	X			