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IN THE MATTER OF THE DECLARATORY JUDGMENT ACTIONS FILED IN THE COUNTY OF SOMERSET, STATE OF NEW JERSEY, PURSUANT TO In Re Adoption of N.J.A.C. 5:96, 221 N.J. 1 (2015) **IN THE MATTER OF THE DECLARATORY JUDGMENT ACTIONS FILED IN THE COUNTY OF HUNTERDON, STATE OF NEW JERSEY, PURSUANT TO In Re Adoption of N.J.A.C. 5:96, 221 N.J. 1 (2015)** **IN THE MATTER OF THE DECLARATORY JUDGMENT ACTIONS FILED IN THE COUNTY OF WARREN, STATE OF NEW JERSEY, PURSUANT TO In Re Adoption of N.J.A.C. 5:96, 221 N.J. 1 (2015)**	SUPERIOR COURT OF NEW JERSEY LAW DIVISION **DOCKET NO.: SOM-L-000903-15** **DOCKET NO.: HNT-L-301-15** CIVIL ACTION – *MOUNT LAUREL* **ORDER SETTING AFFORDABLE HOUSING REGIONAL INCOME LIMITS FOR ALL MUNICIPALITIES IN VICINAGE 13**

This matter having come before the Court via Declaratory Judgment Complaints filed by approximately 60 municipalities filed in July of 2015 (hereinafter "DJ Actions"); and Fair Share Housing Center ("FSHC") having participated as an interested party in all of DJ Actions and intervenor in some of them; and an important function historically performed by the Council on Affordable Housing ("COAH") is setting income limits for each of the COAH

housing regions, which are used to determine eligibility for affordable housing, and setting rent increases for existing affordable housing; and COAH having not published income limits or rent increases since 2014; and the Court finding it necessary to establish income limits and rent increase information to comply with the directives of the Fair Housing Act, and to more generally ensure the implementation of municipalities' constitutional obligations through the availability of existing affordable housing and new affordable housing constructed pursuant to In re N.J.A.C. 5:96 and 5:97, 221 N.J. 1 (2015) ("Mount Laurel IV"); and Mount Laurel IV having directed trial courts to adhere to the First and Second Round rules and aspects of the two earlier versions of the Third Round rules that were not found invalid by the appellate courts; and the Vicinage 13 Group and FSHC and the Court thus having deemed it appropriate to establish income limits and rent increases based on COAH's methodology for setting such income limits and rent increases, and to empower municipalities to update such income limits and rent increases on an annual basis themselves based on the process historically used by COAH; and the Court previously having approved such income limits for some municipalities through individual municipal orders and deeming it advisable to approve

income limits for all municipalities in Vicinage 13 to ensure consistency for applicants seeking affordable housing in Hunterdon, Somerset, and Warren Counties and for municipalities administering affordable housing, and such a vicinage-wide approval being consistent with COAH's past practice of having approved income limits universally for each region; and this Order having been submitted under the 5-day rule by Michael J. Edwards, Esq., counsel to the Vicinage 13 Group with the consent of Fair Share Housing Center, and good cause having been shown;

IT IS on this 11th day of October 2018 ORDERED as follows:

1. Income limits for all affordable housing units located in any municipality that has filed a DJ Action in Vicinage 13, and for which income limits are not already established through a federal program exempted from the Uniform Housing Affordability Controls pursuant to N.J.A.C. 5:80-26.1, shall be updated by each municipality annually within 60 days of the publication of determinations of median income by HUD as follows:

a) Regional income limits shall be established for the region that the municipality is located within (i.e. Region 2 for Warren County and Region 3 for Hunterdon and Somerset Counties) based on the median income by household size, which shall be established by a

regional weighted average of the uncapped Section 8 income limits published by HUD. To compute this regional income limit, the HUD determination of median county income for a family of four is multiplied by the estimated households within the County according to the most recent decennial Census. The resulting product for each County within the housing region is summed. The sum is divided by the estimated total households from the most recent decennial Census in the municipality's housing region. This quotient represents the regional weighted average of median income for a household of four. The income limit for a moderate-income unit for a household of four shall be 80 percent of the regional weighted average median income for a family of four. The income limit for a low-income unit for a household of four shall be 50 percent of the regional weighted average median income for a family of four. The income limit for a very low-income unit for a household of four shall be 30 percent of the regional weighted average median income for a family of four. These income limits shall be adjusted by household size based on multipliers used by HUD to adjust median income by household size. In no

event shall the income limits be less than those for the previous year.

b) The income limits attached hereto are the result of applying the percentages set forth in paragraph (a) above to HUD's determination of median income for for 2018, and shall be utilized until the municipality updates the income limits after HUD has published revised determinations of median income for the next fiscal year.

c) The Regional Asset Limit used in determining an applicant's eligibility for affordable housing pursuant to N.J.A.C. 5:80-26.16(b)3 shall be calculated by the municipality annually by taking the percentage increase of the income limits calculated pursuant to paragraph (a) above over the previous year's income limits, and applying the same percentage increase to the Regional Asset Limit from the prior year. In no event shall the Regional Asset Limit be less than that for the previous year.

2. In establishing sale prices and rents of affordable housing units, the administrative agent shall follow the procedures set forth in UHAC, utilizing the regional income limits established pursuant to the process defined above:

a) The resale prices 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 determined pursuant to paragraph 1 above. In no event shall the maximum resale price established by the administrative agent be lower than the last recorded purchase price.

b) The rent levels of very low, low and moderate income units may be increased annually based on the percentage increase in the Housing Consumer Price Index for the Northeast Urban Area, upon its publication for the prior calendar year. 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.

3. A copy of the within Order shall be served upon all parties on the Service List within 7 days from the date of entry of this Order.

4. At the time of the entry of this Order, some of the municipalities impacted by the Order have settled their DJ

Action and some have not settled their DJ Actions and may proceed in the future to a methodology trial. This Order is being entered to facilitate the establishment of up to date limits on income, rental increases and sales price increases related to the administration of affordable units and programs and is without prejudice to any party in an action that has not yet settled challenging the methodology or its basis in the future.

/S/ THOMAS C. MILLER, P.J.Cv.

Hon. Thomas C. Miller, P.J.Cv.

EXHIBIT A

Prepared by Affordable Housing Professionals of New Jersey (AHPNJ) - April 2018

2018 AFFORDABLE HOUSING REGIONAL INCOME LIMITS BY HOUSEHOLD SIZE

Income limits not officially adopted by the State of New Jersey. Contact your municipality to see if applicable in your jurisdiction. Additional information about AHPNJ income limits is posted on

		1 Person	*1.5 Person	2 Person	*3 Person	4 Person	*4.5 Person	5 Person	6 Person	7 Person	8+ Person	Max Increase Rents**	Max Increase Sales***	Regional Asset Limit****
Region 1	Median	$63,597	$68,140	$72,682	$81,767	$90,853	$94,487	$98,121	$105,389	$112,657	$119,926	2.2%	5.52%	$175,679
Bergen, Hudson,	Moderate	$50,878	$54,512	$58,146	$65,414	$72,682	$75,589	$78,497	$84,311	$90,126	$95,940			
Passaic and	Low	$31,798	$34,070	$36,341	$40,884	$45,426	$47,243	$49,060	$52,695	$56,329	$59,963			
Sussex	Very Low	$19,079	$20,442	$21,805	$24,530	$27,256	$28,346	$29,436	$31,617	$33,797	$35,978			
Region 2	Median	$66,755	$71,523	$76,291	$85,828	$95,364	$99,179	$102,993	$110,622	$118,252	$125,881	2.2%	1.22%	$182,955
	Moderate	$53,404	$57,218	$61,033	$68,662	$76,291	$79,343	$82,395	$88,498	$94,601	$100,705			
Essex, Morris,	Low	$33,377	$35,762	$38,146	$42,914	$47,682	$49,589	$51,497	$55,311	$59,126	$62,940			
Union and Warren	Very Low	$20,026	$21,457	$22,887	$25,748	$28,609	$29,754	$30,898	$33,187	$35,475	$37,764			
Region 3	Median	$75,530	$80,925	$86,320	$97,110	$107,900	$112,216	$116,532	$125,164	$133,796	$142,428	2.2%	2.37%	$205,458
Hunterdon,	Moderate	$60,424	$64,740	$69,056	$77,688	$86,320	$89,773	$93,226	$100,131	$107,037	$113,942			
Middlesex and	Low	$37,765	$40,463	$43,160	$48,555	$53,950	$56,108	$58,266	$62,582	$66,898	$71,214			
Somerset	Very Low	$22,659	$24,278	$25,896	$29,133	$32,370	$33,665	$34,960	$37,549	$40,139	$42,728			
Region 4	Median	$69,447	$74,407	$79,368	$89,289	$99,209	$103,178	$107,146	$115,083	$123,020	$130,956	2.2%	5.19%	$186,616
Mercer,	Moderate	$55,557	$59,526	$63,494	$71,431	$79,368	$82,542	$85,717	$92,066	$98,416	$104,765			
Monmouth and	Low	$34,723	$37,204	$39,684	$44,644	$49,605	$51,589	$53,573	$57,541	$61,510	$65,478			
Ocean	Very Low	$20,834	$22,322	$23,810	$26,787	$29,763	$30,953	$32,144	$34,525	$36,906	$39,287			
Region 5	Median	$61,180	$65,550	$69,920	$78,660	$87,400	$90,896	$94,392	$101,384	$108,376	$115,368	2.2%	5.05%	$161,977
Burlington,	Moderate	$48,944	$52,440	$55,936	$62,928	$69,920	$72,717	$75,514	$81,107	$86,701	$92,294			
Camden and	Low	$30,590	$32,775	$34,960	$39,330	$43,700	$45,448	$47,196	$50,692	$54,188	$57,684			
Gloucester	Very Low	$18,354	$19,665	$20,976	$23,598	$26,220	$27,269	$28,318	$30,415	$32,513	$34,610			
Region 6	Median	$51,085	$54,734	$58,383	$65,681	$72,979	$75,898	$78,817	$84,655	$90,494	$96,332	2.2%	0.00%	$136,680
Atlantic, Cape	Moderate	$40,868	$43,787	$46,706	$52,545	$58,383	$60,718	$63,054	$67,724	$72,395	$77,066			
May, Cumberland,	Low	$25,543	$27,367	$29,192	$32,840	$36,489	$37,949	$39,409	$42,328	$45,247	$48,166			
and Salem	Very Low	$15,326	$16,420	$17,515	$19,704	$21,894	$22,769	$23,645	$25,397	$27,148	$28,900			

Moderate income is between 80 and 50 percent of the median income. Low income is 50 percent or less of median income. Very low income is 30 percent or less of median income.

* These columns are for calculating the pricing for one, two and three bedroom sale and rental units as per N.J.A.C. 5:80-26.4(a).

**This column is used for calculating the pricing for rent increases for units (as previosuly calculated under N.J.A.C. 5:97-9.3). The increase for 2015 was 2.3%, the increase for 2016 was 1.1%, the increase for 2017 was 1.7%, and the increase for 2018 is 2.2% (Consumer price index for All Urban Consumers (CPI-U): Regions by expenditure category and commodity and service group). Landlords who did not increase rents in 2015, 2016, or 2017 may increase rent by up to the applicable combined percentage from their last rental increase for that unit. In no case can rent for any particular apartment be increased more than one time per year.

*** This column is used for calculating the pricing for resale increases for units (as previously calculated under N.J.A.C. 5:97-9.3). 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.

Low income tax credit developments may increase based on the low income tax credit regulations.

**** The Regional Asset Limit is used in determining an applicant's eligibility for affordable housing pursuant to N.J.A.C. 5:80-26.16(b)3.

Note: Since the Regional Income Limits for Region 6 in 2017 were higher than the 2018 calculations, the 2017 income limits will remain in force for 2018 (as previously required by N.J.A.C. 5:97-9.2(c)).

EXHIBIT B

MUNICIPALITY	DOCKET NO.
SOMERSET COUNTY	
In the Matter of the Township of Bedminister	SOM-L-914-15
In the Matter of the Township of Bernards	SOM-L-899-15
In the Matter of the Township of Bernardsville	SOM-L-925-15
In the Matter of the Township of Branchburg	SOM-L-898-15
In the Matter of the Township of Bridgewater	SOM-L-934-15
In the Matter of the Borough of Far Hills	SOM-L-903-15
In the Matter of the Township of Franklin	SOM-L-866-15
In the Matter of the Township of Greenbrook	SOM-L-929-15
In the Matter of the Township of Hillsborough	SOM-L-900-15
In the Matter of the Township of Montgomery	SOM-L-924-15
In the Matter of the Borough of North Plainfield	SOM-L-935-15
In the Matter of the Borough of Peapack-Gladstone	SOM-L-905-15
In the Matter of the Borough of Raritan	SOM-L-926-15
In the Matter of the Borough of Rocky Hill	SOM-L-901-15
In the Matter of the Township of Warren	SOM-L-904-15
In the Matter of the Borough of Watchung	SOM-L-902-14
HUNTERDON COUNTY	
In the Matter of the Township of Alexandria	HNT-L-300-15
In the Matter of the Township of Bethlehem	HNT-L-316-15
In the Matter of the Borough of Bloomsbury	HNT-L-298-15
In the Matter of the Township of Clinton	HNT-L-315-15
In the Matter of the Town of Clinton	HNT-L-304-15
In the Matter of the Township of East Amwell	HNT-L-306-15
In the Matter of the Borough of Flemington	HNT-L-308-15
In the Matter of the Township of Franklin	HNT-L-314-15
In the Matter of the Township of Frenchtown	HNT-L-309-15
In the Matter of the Borough of Glen Gardner	HNT-L-302-15
In the Matter of the Borough of High Bridge	HNT-L-310-15
In the Matter of the Township of Kingwood	HNT-L-317-15
In the Matter of the City of Lambertville	HNT-L-311-15
In the Matter of the Borough of Labanon	HNT-L-321-15
In the Matter of the Township of Lebanon	HNT-L-299-15
In the Matter of the Township of Milford	HNT-L-303-15
In the Matter of the Township of Raritan	HNT-L-312-15
In the Matter of the Township of Readington	HNT-L-301-15
In the Matter of the Township of Tewksbury	HNT-L-313-15
In the Matter of the Township of Union	HNT-L-305-15
In the Matter of the Township of West Amwell	HNT-L-307-15

WARREN COUNTY

In the Matter of the Township of Allamuchy	WRN-L-232-15
In the Matter of the Town of Belvidere	WRN-L-238-15
In the Matter of the Township of Blairstown	WRN-L-226-15
In the Matter of the Borough of Bloomsbury	WRN-L-298-15
In the Matter of the Township of Franklin	WRN-L-224-15
In the Matter of the Township of Frelinghuysen	WRN-L-231-15
In the Matter of the Township of Greenwich	WRN-L-228-15
In the Matter of the Township of Hackettstown	WRN-L-234-15
In the Matter of the Township of Hardwick	WRN-L-240-15
In the Matter of the Township of Harmony	WRN-L-239-15
In the Matter of the Township of Hope	WRN-L-237-15
In the Matter of the Township of Independence	WRN-L-246-15
In the Matter of the Township of Knowlton	WRN-L-215-15
In the Matter of the Township of Lopatcong	WRN-L-241-15
In the Matter of the Township of Mansfield	WRN-L-242-15
In the Matter of the Township of Oxford	WRN-L-243-15
In the Matter of the Township of Pohatcong	WRN-L-220-15
In the Matter of the Borough of Washington	WRN-L-230-15
In the Matter of the Township of Washington	WRN-L-244-15
In the Matter of the Township of White	WRN-L-245-15