

MEDIATION AGREEMENT BEFORE THE AFFORDABLE HOUSING DISPUTE
RESOLUTION PROGRAM

In the Matter of the Application of the Borough of Allentown, County of Monmouth
Docket No. MON-L-429-25

WHEREAS, the Borough of Allentown (the “Borough” or “Allentown”) having filed a resolution of participation in the Affordable Housing Dispute Resolution Program (the “Program”) and a declaratory judgment action pursuant to N.J.S.A. 52:27D-301 et. seq. (the “Fair Housing Act”) on January 30, 2025; and

WHEREAS, the Court entered an order on April 1, 2025 setting the Borough’s Fourth Round fair share obligations as a Present Need of 0 units and a Prospective Need of 28 units, which no party appealed, and ordering the Borough to file a Housing Element and Fair Share Plan (“HEFSP”) by June 30, 2025; and

WHEREAS, the Borough having filed its HEFSP on June 4, 2025 (“Adopted HEFSP”);
and

WHEREAS, FSHC having filed a challenge pursuant to N.J.S.A. 52:27D-304.1(f)(2)(b) regarding the Borough’s HEFSP on August 30, 2025; and

WHEREAS, the Borough and FSHC have agreed to amicably resolve the issues set forth in the challenge through this mediation agreement and present this agreement for review by the Program and referral to the Mount Laurel judge pursuant to N.J.S.A. 52:27D-304.1(f)(2)(b) and Administrative Directive #14-24, which if approved will result in a compliance certification for the Borough for the Fourth Round;

THEREFORE, the Borough and FSHC agree:

Fair Share Obligations

1. The Borough’s Present Need or Rehabilitation Obligation is 0, the Borough’s Prior Round Obligation (1987-1999) is 28, the Borough’s Third Round Obligation (1999-2025) is 84, the Borough’s Fourth Round Prospective Need (2025-2035) is 28.

Satisfaction of Fair Share Obligations

2. The Borough does not have a present need obligation to address in the Fourth Round.
3. The Borough’s Prior Round Obligation is 28 and the Third Round Obligation is 84. These obligations have been combined and adjusted through a Vacant Land Adjustment (“VLA”), resulting in a Realistic Development Potential (“RDP”) of 0, and an Unmet Need of 112.
4. The Borough’s Fourth Round Prospective Need Obligation is 28 and shall be adjusted through a VLA, resulting in an RDP of 7, and an Unmet Need of 21, which shall be addressed with the following mechanisms:

| MECHANISM | TYPE | UNITS | BONUS | TENURES | STATUS |
|-------------------------|---------------|--------------|--------------|------------------|---------------|
| Towne Mews Overlay Zone | Family | 6 | 2 | Rental | Proposed |
| Triple C Group Home | Special Needs | 3 | | Rental | Proposed |
| Pennreach Group Home | Special Needs | 3 | | Rental | Proposed |
| | | 12 | 2 | Total =14 | |

- a. The Towne Mews Overlay Zone will permit a total of 30 units on the 3.2 acre vacant site adjacent to the existing Towne Mews development.

- b. The excess RDP credits will be applied to the Borough's Unmet Need obligation including the obligation to address at least 25% of the unmet need via sites that are likely to redevelop.

Unit Type and Income Distribution Requirements

5. The Borough and FSHC agree that the Borough's HEFSP as presented above satisfies the following standards set forth in P.L. 2024, c. 2, including but not limited to, with respect to the following, and that the Borough shall maintain satisfaction with such requirements for the Fourth Round:
 - a. Age Restricted Cap. The Borough agrees that it shall not exceed the age-restricted cap found in N.J.S.A. 52:27D-311(l), which requires age-restricted units to be capped at 30 percent of the overall Fourth Round affordable housing units that address the Fourth Round Prospective Need obligation exclusive of any bonus credits.
 - b. Family units. Pursuant to N.J.S.A. 52:27D-211(l), the Borough shall satisfy a minimum of 50 percent of the actual affordable housing units, exclusive of any bonus credits created to address its Fourth Round Prospective Need affordable housing obligation through the creation of housing available to families with children and otherwise in compliance with the requirements and controls established pursuant to Section 21 of P.L.1985, c.222 (C.52:27D-321).
 - c. Rental and family rental units. Pursuant to N.J.S.A. 52:27D-311(l), at least 25 percent of the actual affordable housing units, exclusive of any bonus credits, created to address its Prospective Need affordable housing obligation shall be

addressed through rental housing, including at least half as available to families with children.

- d. Very low-income units. Pursuant to N.J.S.A. 52:27D-329.1, 13 percent of all affordable units referenced in this Agreement addressing the Borough's Prospective Need obligation shall be very low-income units for households earning 30 percent or less of the regional median income, with half of the very low-income units being available to families.
 - e. All new construction units shall be adaptable in conformance with P.L.2005, c.350/N.J.S.A. 52:27D-311(a) and (b), and all other applicable law.
 - f. All Prior Round and Third Round compliance shall continue to meet with the applicable percentages and standards for bonuses, family and senior housing, rental and family rental, very low-income units, and adaptability set forth in any prior settlement agreement between FSHC and the Borough, statutory requirements, and the Prior Round and Third Round regulations.
6. In all developments that produce affordable housing, the Borough and FSHC agree that, unless varied by a prior court order of the trial court, the below terms shall apply:
- a. All of the affordable units shall fully comply with the Uniform Housing Affordability Controls, N.J.A.C. 5:80-26.1, et seq. ("UHAC"), including but not limited to the required bedroom and income distribution, length of affordability controls, and phasing of affordable units.
 - b. The applicability of the updated form of UHAC versus the prior form of UHAC shall be as set forth in the statute and most current form of UHAC adopted by HMFA. Any terms of a prior agreement, judgment, or grant of substantive

certification as to prior round of obligations modifying UHAC as to affordability controls longer than the now current regulations or as to very low-income units shall remain in effect as to those prior rounds of obligations.

- c. The Borough agrees that in order to meet the low-income and very low-income requirement of the Fair Housing Act, it shall adopt an ordinance requiring for all affordable housing developments in its HEFSP that 50 percent of the affordable units within each bedroom distribution shall be required to be for low-income households earning 50 percent or less of the regional median income, including 13 percent of the affordable units within each bedroom distribution shall be required to be for very low-income households earning 30 percent or less of the regional median income.
- d. The Borough agrees to review its Affordable Housing Ordinance and other ordinances to ensure that it complies with the most up to date requirements of UHAC and revise those ordinances accordingly as part of its Fourth Round HEFSP and implementing ordinances.
- e. The affordable units shall be affirmatively marketed in accordance with UHAC and applicable law. The affirmative marketing shall include posting of all affordable units on the New Jersey Housing Resource Center website in accordance with applicable law. The affirmative marketing plan shall include the following community and regional organizations: FSHC; the Latino Action Network; the New Jersey State Conference of the NAACP; the Greater Red Bank, Asbury Park/Neptune, Bayshore, Greater Freehold, and Greater Long Branch Branches of the NAACP; and the Supportive Housing Association.

Process for Approval and Implementation

7. Pursuant to N.J.S.A. 52:27D-304.1(f)(2)(b) and Administrative Directive #14-24, the municipality and FSHC recognize that the Program and/or county level housing judge must still review this agreement and the resulting HEFSP and implementing ordinances and resolutions for compliance with the Fair Housing Act prior to issuing a compliance certification, as follows:
- a. The Borough and FSHC shall present this mediation agreement to the Program member for review upon full execution by both parties.
 - b. The Program Member shall review the agreement and if satisfied with compliance with the Fair Housing Act shall refer this matter to the Mount Laurel judge for review and entry of certification of compliance, conditioned on adoption of all implementing ordinances and resolutions.
 - c. The Borough shall adopt all implementing ordinances and resolutions no later than March 15, 2026, including but not limited to the outstanding items identified in the next paragraph. No later than 48 hours after adoption or March 15, 2026, whichever is sooner, the Borough shall file the information required by Paragraph 8 and any other adopted ordinances and resolutions on eCourts.
 - d. No later than April 15, 2026, the Borough and FSHC shall provide via filing on eCourts a form of consent order granting final compliance certification for the Court's review or identify any remaining issues of compliance that may be disputed at which point the court shall schedule a conference to review any such areas.
 - e. Both parties agree to implement the terms of this Agreement. If the Program, county level housing judge, or any appellate court rejects this Agreement, the parties

reserve their right to rescind any action taken in anticipation of the Program's approval and return to status quo ante. All parties shall have an obligation to fulfill the intent and purpose of this Agreement, unless to do so would be inconsistent with the final, unappealable adjudication of any Program or court ruling or judgment. The terms of this agreement may be enforced through an enforcement motion in this declaratory judgment or a separate action before the Program or the Superior Court, Law Division.

8. The Borough and FSHC agree that following conditions remain to be met prior to March 15, 2026 as conditions of compliance certification, and that the municipality shall provide these documents to FSHC in draft form for comment by February 15, 2026:
 - a. The Borough will adopt a resolution appointing the Municipal Housing Liaison, and a resolution appointing the Administrative Agent.
 - b. The Borough will adopt an ordinance establishing the Towne Mews Overlay Zone.
 - c. The Borough will provide a facility license and a valid Supportive and Special Needs Survey for both Pennreach on Walker Ave (Block 9, Lot 5) and Triple C (Block 18, Lot 32),
 - d. The Borough will adopt a Fourth Round Spending Plan in accordance with P.L. 2024, c. 2 and the forthcoming regulations at N.J.A.C. 5:99.
 - e. The Borough will update and adopt its affordable housing ordinance, development fee ordinance, affirmative marketing plan, and other administrative documents in accordance with the forthcoming regulations at N.J.A.C. 5:80-26.1, et seq., and N.J.A.C. after they are adopted and before March 15, 2026.

9. The Borough and FSHC recognize that substantial changes in circumstances affecting the Borough's RDP are possible pursuant to the holding in *Fair Share Housing Center v. Cherry Hill*, 173 N.J. 393, (2002) and related law. In the event such a substantial changed circumstance occurs, the Borough shall have one hundred twenty (120) days to present to the trial court and FSHC a plan to address such change in circumstances on notice and opportunity to be heard from FSHC. The Borough agrees that any additional RDP generated due to changed circumstances must be addressed in a manner that is consistent with controlling law.
10. The Borough's Compliance Certification shall be subject to required ongoing monitoring as follows:
 - a. The Borough by February 15, 2026, and annually, agrees to electronically enter data into the AHMS system of the Department of Community Affairs of a detailed accounting of all development fees and any other payments into its trust fund that have been collected including residential and non-residential development fees, along with the current balance in the municipality's affordable housing trust fund as well as trust funds expended, including purposes and amounts of such expenditures, in the previous year from January 1st to December 31st.
 - b. The Borough by February 15, 2026, and annually, agrees to electronically enter data into the AHMS system of the Department of Community Affairs of up-to-date municipal information concerning the number of affordable housing units actually constructed, construction starts, certificates of occupancy granted, and the start and expiration dates of deed restrictions. With respect to units actually constructed, the information shall specify the characteristics of the housing, including housing type,

tenure, affordability level, number of bedrooms, date and expiration of affordability controls, and whether occupancy is reserved for families, senior citizens, or other special populations.

- c. For the midpoint realistic opportunity review as of July 1, 2030, pursuant to N.J.S.A. 52:27D-313, the Borough or other interested party may file an action through the Program seeking a realistic opportunity review and shall provide for notice to the public, including a realistic opportunity review of any inclusionary development site as set forth in the adopted HEFSP that has not received preliminary site plan approval prior to the midpoint of the 10-year round. Any such filing shall be through eCourts or any similar system set forth by the Program with notice to any party that has appeared in this matter.

11. This Agreement may be executed in counterparts, all of which together shall constitute the same agreement, and any exhibits or schedules attached hereto shall be hereby made a part of this Agreement. This Agreement shall not be modified, amended or altered in any way except by a writing signed by each of the parties. Each party acknowledges that each has entered into this Agreement on its own volition without coercion or duress after consulting with its counsel, that each signatory is the proper person and possesses the authority to sign the Agreement, and that this Agreement was not drafted by any one of the parties, but was drafted, negotiated and reviewed by all parties, therefore, the presumption of resolving ambiguities against the drafter shall not apply. Unless otherwise specified, it is intended that the provisions of this Agreement are to be severable. The validity of any article, section, clause or provision of this Agreement shall not affect the validity of the remaining articles, sections, clauses or provisions hereof. If any section of this Agreement shall be

adjudged by a court to be invalid, illegal, or unenforceable in any respect, such determination shall not affect the remaining sections. No member, official or employee of the municipality shall have any direct or indirect interest in this Agreement, nor participate in any decision relating to the Agreement which is prohibited by law, absent the need to invoke the rule of necessity.

On behalf of the Borough of Allentown:

On behalf of Fair Share Housing Center:



Signature



Signature

Mayor Thomas G. Fritts

Name/Title

Joshua Feuers

Name/Title

Date: March 24, 2026

Date: 4/9/26



Sworn to and subscribed
before me this
24th day of March, 2026

LAURIE ALICIA ROTH
Notary Public, State of New Jersey
My Commission Expires April 16, 2029

**RESOLUTION 99-2026
BOROUGH OF ALLENTOWN
COUNTY OF MONMOUTH, STATE OF NEW JERSEY**

**RESOLUTION OF THE BOROUGH OF ALLENTOWN APPROVING AFFORDABLE HOUSING
DISPUTE RESOLUTION PROGRAM MEDIATION AGREEMENT**

WHEREAS, on March 20, 2024, Governor Murphy signed into law P.L.2024, c.2, which amended the 1985 New Jersey Fair Housing Act (the "Amended FHA"); and

WHEREAS, the Borough of Allentown (the "Borough") adopted a "binding resolution" accepting the DCA-calculated present need and prospective need affordable housing obligation, as required by the Amended FHA, on January 28, 2025, establishing its Fourth Round Present Need of 0 and Prospective Need of 28; and

WHEREAS, in accordance with the Amended FHA and Administrative Directive #14-24, issued by the Administrative Office of the Courts, the Borough filed a timely Fourth Round Declaratory Judgment Complaint with the Superior Court of New Jersey, Law Division, Monmouth County, entitled In the Matter of the Application of the Borough of Allentown, County of Monmouth, State of New Jersey, Docket No. MON-L-000429-25 (the "DJ Action"), along with its binding resolution, on January 30, 2025; and

WHEREAS, on April 1, 2025, the Honorable Linda Grasso Jones, J.S.C., issued an Order setting the Borough's present need obligation at 0 affordable units and the prospective need obligation at 28 affordable units and further authorized the Borough to proceed with preparation and adoption of a proposed Fourth Round Housing Element and Fair Share Plan ("Fourth Round HEFSP") to satisfy the Borough's affordable housing obligation; and

WHEREAS, in accordance with the Amended FHA, the Borough's affordable housing planner, T. Andrew Thomas, P.P., of Thomas Planning Associates prepared a Fourth Round HEFSP; and

WHEREAS, upon notice duly provided pursuant to N.J.S.A. 40:55D-13, the Borough's Planning Board held a public hearing on the Fourth Round HEFSP on June 2, 2025 and adopted the HEFSP by resolution on the same night; and

WHEREAS, the Governing Body of the Borough of Allentown endorsed the Fourth Round HEFSP by resolution at its regular meeting on June 17, 2025; and

WHEREAS, the Fair Share Housing Center ("FSHC") filed a timely challenge ("FSHC's challenge") to the Borough's Fourth Round HEFSP citing a number of comments the Borough should address to achieve fourth round compliance; and

WHEREAS, a court master was appointed, and mediation settlement conferences were held in November and December 2025 culminating in a settlement; and

**RESOLUTION 99-2026
RESOLUTION OF THE BOROUGH OF ALLENTOWN APPROVING AFFORDABLE HOUSING
DISPUTE RESOLUTION PROGRAM MEDIATION AGREEMENT**

WHEREAS, the Borough and FSHC have agreed to amicably resolve the issues set forth in FSHC’s challenge, the terms of which are set forth in the proposed Mediation Agreement, which if approved will result in a compliance certification for the Borough with respect to the Borough’s Fourth Round Affordable Housing Obligations; and

WHEREAS, the Borough’s Affordable Housing counsel has reviewed the Mediation Agreement and advised that it is fair, reasonable, and in the best interests of the Borough; and

WHEREAS, the Borough Council desires to approve the Mediation Agreement between the Borough and FSHC.

NOW, THEREFORE, BE IT RESOLVED by the Council of the Borough of Allentown, Monmouth County, State of New Jersey, as follows:

1. The Mediation Agreement between the Borough of Allentown and Fair Share Housing Center is hereby ratified and approved.

2. The Mayor and Clerk, together with other appropriate officers and employees of the Borough of Allentown, are hereby authorized to take all steps actions for approval and implementation of the Mediation Agreement.

3. This Resolution shall take effect immediately.

| | Offered | Second | Ayes | Nays | Abstain | Absent |
|--------------------------------|---------|--------|------|------|---------|--------|
| Council President Elder | | | X | None | None | None |
| Council Vice President Darling | | | X | | | |
| Councilman Drennan | X | | X | | | |
| Councilwoman DeKranes | | | X | | | |
| Councilwoman Johnson | | X | X | | | |
| Councilman Payson | | | X | | | |
| Mayor Fritts | | | | | | |

CERTIFICATION

I, Laurie A. Roth, Municipal Clerk of the Borough of Allentown do hereby certify this to be a true and exact copy of a resolution adopted by the Governing Body of the Borough of Allentown, County of Monmouth, State of New Jersey at Borough Council meeting held on March 24, 2026.


 Laurie A. Roth, MAS, RMC, CMR, CPM
 Administrator/ Municipal Clerk