

PREPARED BY THE AFFORDABLE HOUSING PROGRAM:

In the Matter of the Township of Toms River	Superior Court of New Jersey Law Division, Civil Part Docket No. OCN-L-331-25 Program Settlement Recommendation - Housing Element and Fair Share Plan
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THIS MATTER, having come before the Affordable Housing Dispute Resolution Program (Program), pursuant to the Complaint for Declaratory Judgment filed in this matter on January 30, 2025 (DJ Complaint) by the Petitioner, the Township of Toms River (“Township” or “Toms River”), pursuant to the New Jersey Fair Housing Act, N.J.S.A. 52:27D-301, et. seq. (FHA), and in accordance with Administrative Directive #14-24 and its Addenda, seeking a certification of compliance with the FHA;

AND IT APPEARS that on May 9, 2025, the Court entered an Order as follows:

- (a) Establishing the Municipality’s Fourth Round “present need” at 526;
- (b) Establishing the Municipality’s Fourth Round “prospective need” at 649 ;

(c) Directing the Municipality to prepare and adopt a Housing Element and Fair Share Plan on or before June 30, 2025; and

(d) Granting the Municipality immunity from exclusionary zoning litigation; and

AND IT APPEARS that the Municipality timely adopted and filed the Municipality's Proposed Fourth Round Housing Element and Fair Share Plan (HEFSP);

AND IT APPEARS that a challenge(s) to the Municipality's Fourth Round Housing Element and Fair Share Plan was timely filed by interested party(ies):

- JD Jamestowne, LLC (JD Jamestowne);
- 2008 Route 37 Associates, LLC (2008 Route 37);
- Meridia Toms River 40 Urban Renewal, LLC (Meridia); and
- Fair Share Housing Center (FSHC);

AND the Program having appointed Special Adjudicator Kendra Lelie, PP, AICP;

AND the Program Member having conducted a settlement conference(s) on October 20, 2025, and December 9, 2025, at which time Meridia withdrew its Challenge without prejudice, and the remaining interested parties reached a settlement. The settlement terms were placed on the record and include, but are not limited to the following:

- (a) The Municipality’s Present Need (Rehabilitation) Obligation is 526;
- (b) The Municipality’s Prospective Need Obligation (2025-2035) is 649 ;
- (c) The Municipality’s First and Second Rounds Prospective Need Obligation is 1,735;
- (d) The Municipality’s Third Round Prospective Need Obligation (1999-2025) is 1,285 and a supplemental obligation of seventy (70) units;
- (e) The Municipality shall satisfy its Prior Round and Fourth Round Obligations as follows:

Prior Round Obligations

Toms River Township Prior Round Obligation = 1,735					
Mechanism	Units	Bonus	Total	Difference	Notes
Prior Cycle Credits					
Credits without controls	176		176		
Highland Plaza (seniors)	110		110		
Winteringham Village	182		182	-1	Super unit removed. One bedroom removed.
Alternative Living	21		21	-1	Narrative 21, plan chart 22, loss of one unit
Regional Contribution Agreement					
Lakewood Township	72		72		
100% Affordable Family For-Sale					
Habitat for Humanity	1		1		
103 Walnut Street	12		12		
100% Affordable Rentals					
Alternative Living	42	33	75		COAH previous approved
Alternative Living	30	10	40	-27	Doc 30 bedrooms, 10 without 30-year controls
Hope’s Crossing	125	125	250		
Toms River Crescent	119	119	238	-2	Super’s unit/bedroom removed
Presbyterian Homes (Seniors)	84		84	-1	Super’s unit removed. Bedroom removed.
Inclusionary Family For-Sale					
Autumn Ridge	10		10	+1	Moved from Third Round

Toms River Township Prior Round Obligation = 1,735					
Mechanism	Units	Bonus	Total	Difference	Notes
North Pointe Hollow	89		89		
Walnut Grove	3		3		
Woods at Mass. Avenue	14		14		
Inclusionary Rentals					
Dover Chase	22	22	44		
Walnut Hollow	6	6	12		
Leone	2	2	4		
Fairways at Bey Lea	106	63	169	-3	Only 63 w/ 30-yr ctrls
Kaplan/Camelot (22 of 26)	22	10; cap	32	+32	Moved from Third Round
Villages at Bey Lea (srs)	48		48		
Assisted Living (Seniors)					
Brentwood	12		12		
Magnolia Gardens	12		12		
Residence at Toms River	14		14		
Brandywine	11		11		
TOTALS	1,345	390	1,735	-2	Township meets 1,735 obligation

Toms River Township Third Round Obligation = 1,285				
Mechanism	Units	Bonus	Total	Notes
Extensions of Controls				
Winteringham Village	182		182	Family Rentals
Highland Plaza (seniors)	110		110	Senior Rentals
North Pointe Hollow	68		68	Family Sale
Woods at Massachusetts Avenue	2		2	Family Sale
100% Affordable Rentals				
Project Freedom	71	71	142	
Meadow Green (seniors)	79		79	
TR Senior Apartments (seniors)	101		101	
Michaels	49	49	98	Built
TAS/Krupnick (60 units)	0		0	FSHC agree req plan incl, no third round credit
Inclusionary Family For Sale				
Autumn Ridge (0 of 10)	0		0	All to prior round
Inclusionary Rentals				
Dover Summit	35	35	70	
Grabrielle Run	70	69	139	
Colfax Street	2	2	4	
Autumn Ridge	5	5	10	
Lotano	11	11	22	
Nobility Crest	50	50	100	
Kaplan/Camelot (4 of 26)	4		4	Built
Dover Shopping Center	30	30	60	Approved
1606 Lakewood	29		29	Built
Legion Court	4		4	Approved
JSM Route 166	27		27	Zoned
K. Hovnanian Birmini Dr.	28		28	Zoned
Residence Club at Cox Crow Crossing	9		9	Not in adopted HEFSP, built
Redevelopment				
Hooper-Caudina	10		10	Not in adopted HEFSP
TOTALS	976	322	1298	
Third Round Surplus			13	= 1,298 - 1,285

Maximum Rental Bonuses: $0.25 (1,285) = 322$, round up; 322 requested
 Maximum Seniors: $0.25 (1,285) = 321$, round down; 290 provided

GAP

Dover Chase (rental)*	0	0	0	Extension of Credits, and monetary contribution
Presbyterian Homes (senior rentals)	70	0	70	Extension of Credits, and Monetary Contribution
Total	70	70	70	

Fourth Round Obligation

Toms River Township Fourth Round Obligation = 649					
Mechanism	Units	Bonus	Total	Diff	Notes
Third Round Carry over	13	0	13		Credits moved over from 3rd round (1606 Lakewood Rd)
Extension of Controls					
Highland Plaza (rental - Seniors)***	110	55	165		Extension of Credits – 20 years (change to 30 years), PILOT & Funds
Woods at Massachusetts (family-for-sale)	13	0	13		Extension of credits – 30 years, monetary contribution
Villages of Bey Lea (rental – seniors)	48	24	72		Extension of Credits - Monetary contribution
North Pointe Hollow (family-for-sale)*	7	0	7		Extension of Credits, monetary contribution
Redevelopment					
Hooper-Caudina*	6	0	6		Modify Redevelopment Plan (inclusionary development)
Inclusionary Housing					
Jamestown	42	0	42		Zoning (30% inclusionary with PILOT Agreement)
2008 Route 37	4	0	4		Inclusionary
Rt. 70 parcel	134	0	134		Inclusionary (Zoning)
Market to Affordable					
Hope's Crossing (Rental - Family)	110	83.25	193.25		Market Rate to affordable conversion with 30 year deed restriction, PILOT and monetary contribution
Total	487	162.25	649.25		
Obligation					649
Balance	0.0				
Maximum bonus credits	162.25		25% of 649		
Balance of bonus credits	0				

125 actual units

AND the Municipality and FSHC have executed a written settlement agreement or consent order memorializing the settlement terms and filed it with the Program (attached hereto as Exhibit A);

AND the Municipality and JD Jamestowne and 2008 Route 37 will enter into a written settlement agreement memorializing the settlement terms and file it with the Program;

AND the Municipality having represented it intends to adopt an Amended HEFSP in accordance with the terms of the settlement;

AND the Special Adjudicator Kendra Lelie, PP, AICP having submitted reports dated December 13, 2025, and December 20, 2025, to the Program Member recommending endorsement of the settlement terms (attached hereto as Exhibit B);

AND the Program Member having determined that the terms of the settlement are fair, reasonable and adequately protects the interests of low and moderate-income residents of the Municipality;

AND the Program Member having determined that the terms of the settlement are constitutionally compliant and provide a fair and reasonable opportunity for the Municipality to meet its obligations under the FHA and Mount Laurel doctrine;

AND for all those reasons, as well as those set forth in the Statement of Reasons (attached hereto as Exhibit C), the Program Member hereby recommends an ORDER directing that:

- (a) The settlement terms as set forth above are approved; and
- (b) In accordance with N.J.S.A. §52:27D-304.1(f)(2)(c), on or before March 15, 2026, the Municipality shall adopt and file its Amended HEFSP that contains the terms of the settlement as well as the implementing ordinances and resolutions proposed within the Amended HEFSP; and
- (c) Thereafter, the court shall schedule a Fairness and/or Compliance Hearing to consider approval of the Municipality's Amended HEFSP and the issuance of a Certification of Compliance and Repose; and
- (d) Grant the Municipality continued immunity from exclusionary zoning litigation for the duration of the compliance process conditioned upon the Municipality's compliance with its order and good faith implementation of the Amended HEFSP and good faith participation in the compliance process.

Respectfully Submitted by the Program:

By:

/s/ *Hon. Julio L. Mendez*

Hon. Julio L. Mendez, J.S.C. (Ret.)

Dated: January 5, 2025



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December 12, 2025

Via E-Courts

Hon. Julio L. Mendez (ret.)
Program Member
Affordable Housing Dispute Resolution Program
Richard J. Hughes Justice Complex
P.O. Box 037
Trenton, New Jersey 08625

**Re: In the Matter of the Application of the Township of Toms River
OCN-L-331-25
Declaratory Judgment Filing Pursuant to Directive No. 14-24**

Dear Judge Mendez:

This office represents the Township of Toms River (the "Township") in the above-referenced matter. On December 8, 2025, the Township filed to the Program docket a Settlement Agreement between Fair Share Housing Center and the Township. On December 9, 2025, the parties to this Program matter appeared before Your Honor. Several scrivener errors were noted on the record at that time. Attached, please find a copy of the fully executed Settlement Agreement and a Resolution adopted by the Township Council on December 10, 2025 ratifying same.

The undersigned thanks Your Honor and the Special Adjudicator for your attention to this matter.

RAINONE COUGHLIN MINCHELLO

December 12, 2025

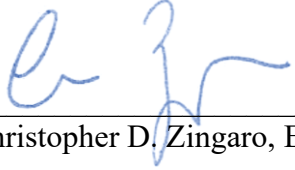
Page 2

Respectfully submitted,

RAINONE COUGHLIN MINCHELLO, LLC

Attorneys for the Township of Toms River

By: _____


Christopher D. Zingaro, Esq.

Encl. (2)

cc: Special Adjudicator Kendra Lelie, PP, *via e-mail*
All Parties, *via e-Courts*

9.

RESOLUTION OF THE TOWNSHIP COUNCIL OF THE TOWNSHIP OF TOMS RIVER, OCEAN COUNTY, NEW JERSEY, RATIFYING THE EXECUTION OF A SETTLEMENT AGREEMENT TO RESOLVE THE CHALLENGE SUBMITTED BY FAIR SHARE HOUSING CENTER IN OPPOSITION TO THE TOWNSHIP OF TOMS RIVER'S FOURTH ROUND HOUSING ELEMENT AND FAIR SHARE PLAN UNDER DOCKET NO. OCN-L-331-25

DECEMBER 10, 2025

WHEREAS, on March 20, 2024, Governor Murphy signed into law P.L. 2024, c.2, which amends the New Jersey Fair Housing Act, P.L. 1985, c.222, N.J.S.A. 52:27D-301, et seq. (the "**Amended FHA**"); and

WHEREAS, pursuant to the Amended FHA, municipalities were authorized to participate in the Affordable Housing Dispute Resolution Program (the "**Program**"), which serves as a forum to determine each municipality's share of the regional need for low- and moderate-income housing for the ten (10) year period beginning July 1, 2025 (the "**Fourth Round**"), and to review a Housing Element and Fair Share Plan setting forth how the municipality will satisfy that obligation; and

WHEREAS, on January 30, 2025, the Township Council of the Township of Toms River (the "**Township Council**") adopted a resolution to participate in the Program, which afforded the Township automatic, continued immunity from all inclusionary lawsuits, including "builder's remedy" lawsuits; and

WHEREAS, on May 9, 2025, the Court entered an Order establishing the Township's fair share obligation for the Fourth Round (2025-2035); and

WHEREAS, on June 20, 2025, the Township submitted its Fourth Round Housing Element and Fair Share Plan (the "**HEFSP**") to the Program pursuant to the Amended FHA's requirements and timelines; and

WHEREAS, prior to the statutory deadline to file challenges, Fair Share Housing Center ("**FSHC**") filed a challenge opposing the HEFSP; and

WHEREAS, the Township and FSHC have negotiated a Settlement Agreement, attached hereto at Exhibit A, to resolve the challenge and permit the Township to seek the Program's review of its HEFSP prior to the statutory deadline of December 31, 2025, so that it can receive a Compliance Certification and immunity from exclusionary zoning litigation for the Fourth Round (2025-2035); and

WHEREAS, the Amended FHA authorizes municipalities to extend affordability controls on existing deed restricted affordable housing as a cost-effective way to secure housing opportunities for low- and moderate-income households, including seniors and working families, and that absent such extensions, these units are likely to lose their deed restrictions upon expiration and convert to market rate housing, thereby undermining long-term affordability in the community; and

WHEREAS, the Settlement Agreement recognizes the Township's use of such extensions as an important mechanism to achieving Fourth Round compliance; and

WHEREAS, the Township wishes to ratify the Memorandums of Agreement attached hereto at Exhibits B – D, subject to any non-substantive revisions as reviewed and approved by the Township's legal counsel, and to authorize the Mayor and Township Clerk to execute any and all documents necessary to effectuate their terms, subject to the review of legal counsel; and

WHEREAS, the MOAs memorialize the terms for the extension of existing deed restrictions on low- and moderate-income units for the following projects: (i) Villages at Bay Lea (Family Rental Units) – In return for an extension of affordability controls for 30 years, the payment of \$2,400,000 from the Affordable Housing Trust Fund to extend affordability controls for 30 years; (ii) Hope's Crossing (Senior Rental Units) – In return for an extension of affordability controls for 30 years, the forgiveness of outstanding municipal loans and extension of existing long-term tax exemption agreement, subject to the Township Council's approval of any required formal extension application; (iii) Highland Plaza (Senior Rental Units) – In return for an extension of affordability controls for 30 years, the payment of \$1,320,000 from the Affordable Housing Trust Fund over ten (10) years in annual installments of \$132,000/year and the extension of an existing long-term tax exemption agreement, subject to the Township Council's approval of any required formal extension application; and (iv) Dover Chase (Family Rental Units) – The Township has reserved a discretionary right as part of the Settlement Agreement to extend 22 existing deed controls, if needed, for a period of 30 years in exchange for a payment of \$1,500,000; and

WHEREAS, to secure the extension of controls for the Hope's Crossing senior rental units for a 30-year period, the Township has further committed to the payment of \$556,000 from the Affordable Housing Trust Fund, which change the Township Council authorizes be made and reflected in the Hope's Crossing Memorandum of Agreement to secure the extension of controls; and

WHEREAS, the Settlement Agreement also resolves two motions currently pending before the Court under Docket No. OCN-L-1867-15 related to the Township's previous request to cap its fair share obligation for the Third Round (1999-2025) and FSHC's cross-motion seeking, in part, to deny that cap and recalculate the Township's Third Round obligation to include an additional 1,095 units; and

WHEREAS, the Township wishes to ratify the execution of the Settlement Agreement to resolve Docket No. OCN-L-331-25 and the pending motions under Docket No. OCN-L-1867-15, and to authorize the Mayor and Township Clerk to execute any and all documents necessary to effectuate its terms, subject to the review of legal counsel.


NOW, THEREFORE, BE IT RESOLVED by the Township Council of the Township of Toms River (the “Township Council”) as follows:

1. The foregoing recitals are hereby incorporated by reference as if fully set forth herein.
2. The Township Council hereby ratifies the Settlement Agreement attached hereto at Exhibit A to resolve the pending Affordable Housing Dispute Resolution matter filed under Docket No. OCN-L-331-25 concerning the Township’s Fourth Round affordable housing obligations (2025-2035), as well as the pending motions under Docket No. OCN-L-1867-15 related to the Township’s Third Round obligations (1999-2025), and to authorize the Mayor and Township Clerk to execute any and all documents necessary to effectuate its terms, subject to the review of legal counsel.
3. The Township Council hereby authorizes the Mayor and Township Clerk to execute the Memorandums of Agreement attached hereto at Exhibits B – D, subject to any non-substantive revisions as reviewed and approved by the Township’s legal counsel, and to take all actions necessary to effectuate their terms, including the preparation and processing of any deed restriction documents and/or affordable housing submissions required to secure Fourth Round credits for the extended controls, subject to the Township Council’s approval of any required applications for extensions of existing long-term tax exemption agreements for Hopes Crossing and Highland Plaza, respectively.
4. This Resolution shall take effect immediately.
5. A certified copy of this resolution shall be provided by the Office of the Township Clerk to each of the following:
 - a) Mayor Daniel T. Rodrick
 - b) Business Administrator
 - c) Township Council
 - d) Chief Financial Officer
 - e) Township Attorney

- f) Township Engineer
- g) Rainone Coughlin Minchello
Attn: Christopher Zingaro, Esq.
- h) Township Planner

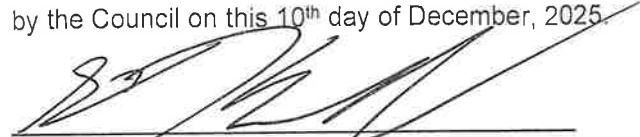
L-Dec 10, 2025-15

Approved as to Legal Form:



PETER S. PASCARELLA
ASSISTANT TOWNSHIP ATTORNEY

Certified as a true copy of the Resolution adopted
by the Council on this 10th day of December, 2025.



STEPHEN A. HENSEL
MUNICIPAL CLERK



MEDIATION AGREEMENT BEFORE THE AFFORDABLE HOUSING DISPUTE
RESOLUTION PROGRAM

In the Matter of the Application of the Township of Toms River, County of Ocean
Docket No. OCN-L-331-25

WHEREAS, the Township of Toms River (the “Township” or “Toms River”) 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 May 9, 2025 setting the Township’s Fourth Round fair share obligation and ordering the Township to file a Housing Element and Fair Share Plan (“HEFSP”) by June 30, 2025; and

WHEREAS, the Township having filed its Housing Element and Fair Share Plan on June 20, 2025 (“HEFSP”); and

WHEREAS, Fair Share Housing Center (“FSHC”) having filed a challenge pursuant to N.J.S.A. 52:27D-304.1(f)(2)(b) regarding the Township’s HEFSP on August 31, 2025, which was not processed by e-Courts and marked filed until September 2, 2025; and

WHEREAS, JD Jamestowne, LLC having filed a challenge pursuant to N.J.S.A. 52:27D-304.1(f)(2)(b) regarding the Township’s HEFSP on August 14, 2025; and

WHEREAS, 2008 Route 37 Associates, LLC, having filed a challenge pursuant to N.J.S.A. 52:27D-304.1(f)(2)(b) regarding the Township’s HEFSP on August 28, 2025; and

WHEREAS, Meridia Toms River 40 Urban Renewal, LLC, having filed a challenge pursuant to N.J.S.A. 52:27D-304.1(f)(2)(b) regarding the Township’s HEFSP on August 29, 2025; and

WHEREAS, the Township 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 Township for the Fourth Round;

WHEREAS, in the Third Round declaratory judgment action pending under Docket No. OCN-L-1867-15, the Township moved to confirm its previously settled Third Round obligation and to cap such obligation, while FSHC filed a cross-motion asserting amongst other claims that the Township is not entitled to such cap and, further, must recalculate its obligation to include an additional 1,095 units attributable to the years 1999-2015 (the “Gap Period”), and the parties now desire to resolve those competing motions (the “Pending Third Round Motions”) as part of this settlement, without any admission by either party as to the legal or factual legitimacy of the positions asserted; and

WHEREAS, the parties have agreed that, upon execution of this Settlement Agreement, they will jointly withdraw their respective motions in OCN-L-1867-15 without prejudice, with such withdrawal becoming with prejudice upon entry of a Compliance Certification by the County-level Mount Laurel judge; and

THEREFORE, the Township and FSHC agree:

Fair Share Obligations

1. Pursuant to the Order entered by the Court on May 9, 2025, the Township’s Fourth Round obligation covering 2025-2035, consists of a **Prospective Need of 649** and a Present Need or Rehabilitation Obligation of 526 (the rehabilitation of existing deficient housing units).

2. The Township's prior Third Round obligation, covering 1999-2025, was previously settled at 1,285 units. As part of this settlement, and solely to resolve the pending motions without making any admission as to the legal basis for FSHC's asserted calculations, the parties agree to treat an additional seventy (70) units (the "Supplemental Third Round Calculation") as part of the Township's Third Round obligation attributable to the Gap Period which the parties agree is properly deferred for compliance purposes as set forth in this Agreement. This acknowledgment is made for settlement purposes only and is not a concession of the legal or factual basis for FSHC's position.

Satisfaction of Fair Share Obligations

3. The Township will address its **Fourth Round Present Need** via the mechanisms set forth in the HEFSP, namely the partnership with Northern Ocean Habitat for Humanity to run the Township's CDBG rehab program.
4. The Township will address its **Fourth Round Prospective Need** of 649 via the mechanisms identified in the chart attached and incorporated hereto at **Exhibit A**.
5. The Township will address the Supplemental Third Round Calculation of seventy (70) units through the extension of deed-restricted affordability controls on the currently deed-restricted units at Presbyterian Homes (Senior Rental units at 923 Oak Avenue; Block 414, Lot 9.01) which shall serve as the primary compliance mechanism for crediting those 70 units. The Township shall retain full discretion to determine the timing, financial structure, and method of providing any consideration associated with the extensions, including the ability to negotiate, secure, and execute extensions with an effective date beginning during either the Fourth Round or the Fifth Round, provided that the extensions are for a minimum of thirty (30) years from the date that is thirty (30) years after the deed restriction was

originally recorded, and the extensions otherwise comply with the Fair Housing Act and UHAC. The Township reserves the right to credit any units above the seventy (70) units from the extension of controls on Presbyterian Homes to its Fifth Round (2035–2045) obligation in accordance with then-applicable law. If the Township determines, in its discretion, to utilize currently deed-restricted units at Dover Chase (Rental units at Block 164, Lot 3) in place of, or in combination with, a portion of the seventy (70) extensions at Presbyterian Homes, the Township shall be permitted to extend deed-restricted controls on up to twenty-two (22) units at Dover Chase as a substitute compliance mechanism for a corresponding portion of the seventy (70) units otherwise proposed to be satisfied at Presbyterian Homes. If any portion of the Township's Supplemental Third Round Calculation cannot be secured through extensions at Presbyterian Homes or Dover Chase, the Township shall be entitled to secure and count alternative extensions of deed-restricted affordability controls yielding an equivalent number of affordable housing credits or alternative mechanisms to provide a realistic opportunity for an equivalent number of units, subject to review and approval by FSHC.

6. The Township will address the remainder of its **Third Round Prospective Need**, totaling 1,285 units, via the mechanisms identified in the chart attached and incorporated hereto at **Exhibit B**. Said chart, along with the obligation and mechanisms the Township is using to satisfy its First and Second Round Prospective Need which the parties agree is sufficient, was previously set forth in the HEFSP at Page 28-30.
7. Specifically, the Parties note the following as to several of the mechanisms comprising the Township's Fourth Round mechanisms incorporated in the chart attached at **Exhibit**

A. The Township agrees to the following in connection with its Fourth Round Prospective Need obligation:

a. Hope's Crossing (Block 534.51, Lot 13)

The Township will receive 110 credits and 83.25 bonus credits from the existing Hope's Crossing development, as set forth on the Compliance Chart attached as Exhibit A. The newly restricted units shall be restricted to qualifying households earning no more than eighty percent (80%) of the regional median income and shall be rented pursuant to the Uniform Housing Affordability Controls ("UHAC") at no more than a moderate-income rent calculated at sixty percent (60%) of area median income (60% AMI). The Township shall provide an agreement with the owner of Hope's Crossing reflecting these requirements no later than March 15, 2026.

b. 2008 Route 37 (Block 796, Lot 3)

The Township will adopt zoning no later than March 15, 2026 necessary to permit a two-floor expansion atop the existing development owned by Program challenger, 2008 Route 37, LLC, in order to permit the construction of an inclusionary mixed-use building consisting of a total of twenty (20) residential units, including four (4) deed-restricted affordable housing units (3 two-bedrooms and 1 three-bedroom).

c. Rt. 70 Inclusionary Development

The Township will adopt zoning no later than March 15, 2026 necessary to provide a realistic opportunity for an inclusionary residential development on Rt. 70, as reflected on the Compliance Chart attached as Exhibit A, at the below-listed properties providing 134 affordable housing units produced through a mandatory 20% set-aside. The properties to comprise said development include: B. 136, L.

199-218; B. 137, L. 219-223, 225-226, 228-231; B. 138, L. 133-152; L. 182-196; B. 139, L. 153-157, 159-178; B. 140, L. 67-77; 80-86; 113-132; B. 141, L. 87-101, 103-112; B. 142, L. 1-20; 47-66; B. 143, L. 21-47; B. 135.02, L. 106.02, 108.01, 109.01, 109.02, 109.03, 109.04, 110.01, 110.04. The affordable units in the development shall be required to be constructed, deed-restricted, and affirmatively marketed in compliance with UHAC, including all requirements regarding income distribution, phasing, bedroom mix, affordability controls, and affirmative marketing.

- d. Jamestowne Village Inclusionary Housing Project (Block 610, Lots 1, 2, 3, 5, 11, 30, 31, and 33)

The Township will adopt zoning no later than March 15, 2026 necessary to permit the creation of forty-two (42) affordable units at the Jamestowne Village property owned by Program challenger, JD Jamestowne, LLC, including twenty-eight (28) affordable housing units within a new construction component, representing a twenty percent (20%) set-aside. In addition to these twenty-eight (28) new affordable units, fourteen (14) existing market-rate units within the current Jamestowne complex will be converted to affordable units, resulting in a total of forty-two (42) newly deed-restricted affordable units, consistent with the Compliance Chart attached as Exhibit A. The parties acknowledge their shared expectation that the conversion of the market-rate units will occur upon vacancy, with such units to be affirmatively marketed as affordable housing. The parties further confirm that nothing in this Agreement is intended to provide a basis for eviction in violation of the Anti-Eviction Act. The developer shall be required to

satisfy the following: (i) all fourteen (14) market-to-affordable units shall be occupied as UHAC-compliant affordable units prior to the issuance of the first certificate of occupancy for the new construction portion of the project; and (ii) both the new construction affordable units and the converted units, individually and independently, satisfy UHAC, including but not limited to bedroom distribution and income distribution.

e. Highland Plaza (Block 1104, Lot 4)

The Township will receive 110 credits and 55 bonus credits from the existing Highland Plaza development, as set forth on the Compliance Chart attached as Exhibit A. All 110 deed extensions will be for thirty (30) years and restricted to low- and very-low-income households. The Township shall provide an agreement with the owner of Highland Plaza reflecting these requirements no later than March 15, 2026.

Unit Type and Income Distribution Requirements

8. The Township and FSHC agree that the Township's HEFSP, as amended 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 Township shall maintain satisfaction with such requirements for the Fourth Round:

a. Age Restricted Cap. The Township 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 Township 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 Township'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 all applicable provisions of 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 Township, statutory requirements, and the Prior Round and Third Round regulations.

9. In all developments that produce new affordable housing construction, the Township 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, court order, judgment, or grant of substantive certification as to prior rounds of obligations modifying UHAC as to affordability controls or as to very low-income units shall remain in effect as to those prior rounds of obligations.
- c. The Township 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. This commitment shall not be construed to amend, modify, waive,

- diminish, or impair any term of any prior agreement, judgment, or grant of substantive certification governing prior rounds of affordable housing obligations, nor shall it be interpreted to concede any position relating to such prior rounds.
- d. The Township 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 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 Asbury Park/Neptune, Toms River, and Lakewood branches of the NAACP; and the Supportive Housing Association.

Pending Third Round Motions

10. Upon full execution of this Agreement, the Township and FSHC shall jointly withdraw, without prejudice, their respective motions pending in the Third Round declaratory judgment action under Docket No. OCN-L-1867-15. The period beginning on the date of execution of this Agreement and ending upon entry of a Compliance Certification by the County-level Mount Laurel judge shall be referred to as the "Interim Withdrawal Period." During the Interim Withdrawal Period, the Parties waive any defense based on laches, statute of limitations, or other timeliness objection that could otherwise bar the re-filing of the Pending Third Round Motions in the event the Compliance Certification is not entered.

The waiver in this paragraph shall apply solely to the Pending Third Round Motions and shall not be construed to revive or extend any other claim, challenge, or cause of action.

11. Upon entry of a Compliance Certification by the County-level Mount Laurel judge, the Parties shall submit a joint letter to the Court confirming that the Pending Third Round Motions are withdrawn with prejudice (the "With Prejudice Withdrawal.")
12. Pursuant to the withdrawal of its pending motion, FSHC agrees that it will not intervene in either matters pending at the trial court under Docket Nos. OCN-L-3326-24 or OCN-L-2065-24 (the "Litigation") while those matters remain pending before the trial court. FSHC reserves its rights upon the conclusion of the trial-court proceedings solely with respect to participation in any appeal, as it deems may be necessary to address issues of statewide concern that implicate the constitutional obligations articulated in the Mount Laurel doctrine, the Fair Housing Act, or duly promulgated regulations implementing and case law regarding either, and, in the event a decision issued in or settlement resolving the Litigation provides for any development being built on the subject site, which the Township in no way concedes, to ensuring that the previously agreed to affordable housing set-aside percentage and/or income and bedroom percentage distributions for the site are maintained. FSHC expressly waives any right to initiate or pursue separate litigation concerning whether the Township has any obligation to maintain zoning within the Water Street Redevelopment Area, except for its limited right to participate in support of any filed appeal arising from the Litigation as described above. This agreement does not otherwise modify, interpret, or alter any provision of the prior court-approved settlement concerning the Water Street Redevelopment Area, and no party shall be deemed to have conceded any interpretation of that settlement by entering into this agreement.

13. It is expressly acknowledged that, upon the With Prejudice Withdrawal, neither Party shall have the right to reinstate, refile, renew, reassert, or otherwise pursue their claims or relief sought in the Pending Third Round Motions, whether in the Third Round docket or in any other litigation, administrative proceeding, or forum, on the basis of any alleged non-compliance with this Agreement or any implementing action, other than the rights specifically reserved in paragraph 12. Any alleged non-compliance with this Agreement may be addressed solely through an enforcement motion or proceeding consistent with the terms of this Agreement and applicable law, and not through reinstatement of the claims asserted in the Pending Third Round Motions.
14. Upon fulfillment of all compliance items set forth in the Parties' Consent Order entered on March 5, 2025, the Parties shall jointly request that the Superior Court enter a final judgment of compliance and repose in Docket No. OCN-L-1867-15. This request shall confirm that the Township has satisfied its Third Round compliance obligations and that no further actions remain outstanding.

Process for Approval and Implementation

15. 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 Township 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 a Compliance Certification, conditioned on adoption of all implementing ordinances and resolutions. If an appeal is filed of the Court's grant or rejection of a Compliance Certification, the Parties agree to defend this Agreement and the HEFSP, as amended by this Agreement, on appeal, including in proceedings before the Superior Court, Appellate Division, or New Jersey Supreme Court, and to continue to implement the terms of the Compliance Certification if the Compliance Certification is approved before the trial court unless and until an appeal of the trial court's approval is successful at which point, the Parties reserve their right to rescind any action taken in anticipation of the trial court's approval and return to status quo ante. All Parties shall have an obligation to fulfill the intent and purpose of this Agreement.
- c. The Township shall adopt all implementing ordinances and resolutions no later than the statutory deadline of March 15, 2026, including but not limited to the outstanding items identified in paragraph 7, proposed forms of deed restrictions and supporting documentation for the extensions of controls referenced in Exhibit A, with all extensions of controls other than those referenced in paragraph 5 to be completed and recorded no later than December 31, 2026. No later than 48 hours after adoption or March 15, 2026, whichever is sooner, the Township shall file any adopted ordinances and resolutions on eCourts.
- d. In the event of a dispute as to whether any implementing actions remain outstanding, either Party may submit correspondence to the Court no later than

April 15, 2025 concerning the implementing actions alleged to be deficient along with the party's proposed approach for resolving them.

- 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.

16. The Township and FSHC agree that following conditions shall be satisfied:

- a. The Township 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 and consistent with this Agreement before March 15, 2026.
- b. The Township 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, if adopted by March 15, 2026, before March 15, 2026.

17. The Township shall comply with all monitoring requirements within N.J.S.A. 52:27D-301 et. seq., and provide notice to FSHC of any action filed pursuant to the midpoint realistic opportunity review pursuant to N.J.S.A. 52:27D-313.

18. This Agreement shall be subject to approval by formal action of the Township Council of the Township of Toms River before December 31, 2025. If such action is not taken, this Agreement is null and void, unless otherwise agreed to in writing by the parties, and both parties return to status quo ante on all issues, including but not limited to having the full right to reinstate all litigation pending in the Third Round declaratory judgment action under Docket No. OCN-L-1867-15 and FSHC's challenge to the Township's Fourth Round HEFSP.
19. 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.

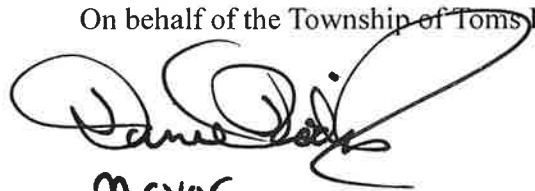
20. The Parties acknowledge that this Agreement shall fully resolve FSHC's pending challenge to the Township's HEFSP. FSHC agrees that it will not initiate, refile, support, endorse, assist, intervene in, or otherwise participate in any challenge or appeal concerning the Township's HEFSP, this Agreement, or any Compliance Certification issued by the County-level Mount Laurel judge, whether before the Program, any court, or any other forum, except for actions solely to enforce the express terms of this Agreement or the Township's HEFSP adopted pursuant to it and the rights specifically reserved in paragraph 12. FSHC likewise shall not support, endorse, intervene in, assist, or participate in any manner in any challenge or appeal initiated by a third party concerning the Township's HEFSP, this Agreement, or any Compliance Certification, except for enforcement actions as noted above and the rights specifically reserved in paragraph 12. Nothing in this paragraph shall be construed to expand, modify, or diminish the enforcement rights expressly preserved in this Agreement.
21. Except where otherwise set forth in this Settlement Agreement, nothing in this Agreement shall be construed to limit, modify, waive, diminish, or impair any right, protection, entitlement, defense, or procedural safeguard afforded to the Township under the Fair Housing Act as amended, including but not limited to N.J.S.A. 52:27D-301 et seq., the regulations promulgated thereunder, Administrative Directive #14-24, or any other applicable statute, regulation, or governing law, all of which are expressly preserved. Notwithstanding any outcome of the Litigation referenced in paragraph 12 or any other change in law,, the Township shall be obligated to adopt a Housing Element and Fair Share

Plan that conforms to the terms of this Agreement and to implement all compliance mechanisms included in this Agreement, including by adopting or leaving in place any site specific zoning adopted or relied upon in connection with the fair share plan adopted pursuant to this Agreement; and otherwise fulfilling fully the fair share obligations as established herein.

Fees and Costs

22. Neither Party shall seek, demand, or be entitled to recover from the other any attorneys' fees, costs, or expenses in any court or administrative proceeding arising from or relating to the Pending Third Round Motions or the Township's Fourth Round matter before the Affordable Housing Dispute Resolution Program, except for any enforcement proceedings concerning this Agreement for which the Parties reserve all rights. Each Party shall bear its own attorneys' fees, costs, and expenses incurred in connection with those proceedings.

On behalf of the Township of Toms River:



Mayor

Date: 12/10/25

On behalf of Fair Share Housing Center:



Adam M. Gordon, Esq.

Date: December 12, 2025

EXHIBIT A

Toms River Township Fourth Round Obligation = 649					
Mechanism	Units	Bonus	Total	Diff	Notes
Third Round Carry over	13	0	13		Credits moved over from 3rd round (1606 Lakewood Rd)
Extension of Controls					
Highland Plaza (rental - Seniors)***	110	55	165		Extension of Credits -- 20 years (change to 30 years), PILOT & Funds
Woods at Massachusetts (family-for-sale)	13	0	13		Extension of credits -- 30 years, monetary contribution
Villages of Bey Lea (rental - seniors)	48	24	72		Extension of Credits - Monetary contribution
North Pointe Hollow (family-for-sale)*	7	0	7		Extension of Credits, monetary contribution

Redevelopment					
Hooper-Caudina*	6	0	6		Modify Redevelopment Plan (inclusionary development)

Inclusionary Housing					
Jamestown	42	0	42		Zoning (30% inclusionary with PILOT Agreement)
2008 Route 37	4	0	4		Inclusionary
Rt. 70 parcel	134	0	134		Inclusionary (Zoning)

Market to Affordable					
Hope's Crossing (Rental - Family)	110	83.25	193.25		Market Rate to affordable conversion with 30 year deed restriction, PILOT and monetary contribution

125 actual units

Total	487	162.25	649.25		
Obligation					649
Balance	0.0				
Maximum bonus credits	162.25		25% of 649		
Balance of bonus credits	0				

GAP					
Dover Chase (rental)*	0	0	0		Extension of Credits, and monetary contribution
Presbyterian Homes (senior rentals)	70	0	70		Extension of Credits, and Monetary Contribution
Total	70	70	70		

*Hooper-Caudina housing if developed as Veteran preference supportive housing could get 6 additional bonus credits.

**Any North Pointe Hollow extension of credits exceeding 36 units required for 3rd round will be included in 4th round. There is a potential for a total of 15 total credits that could roll to the 4th round. 7 credits have been estimated, but could increase.

***Per Settlement Agreement, the Township reserves its discretion to utilize 22 extensions of existing deed restrictions at Dover Chase in place of 22 extensions of existing deed restrictions at Presbyterian Homes - See Settlement Agreement

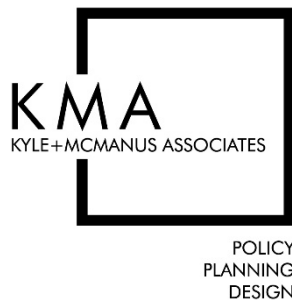
BONUS CREDIT INCENTIVES AND LIMITATIONS	
FOURTH ROUND BONUS CREDIT TYPES	
1.0 Bonus Credit Per Affordable Unit	0.5 Bonus Credit Per Affordable Unit
<ul style="list-style-type: none"> Special needs or permanent supportive housing Municipal contribution (land or funds for at least 3% of the cost) to a 100% affordable project. Market-to-affordable program for rental or ownership units. 	<ul style="list-style-type: none"> Partnership sponsorship with non-profit developer for affordable ownership units. Transit-oriented development within one-half mile of public transit stations. Age-restricted housing (capped at 10% of age-restricted housing in local plan). More three-bedroom units than required by State bedroom distribution rules. Redevelopment of former or current retail office or commercial sites. Extended affordability controls that preserve rental affordable housing. More housing affordable to very low-income households than the minimum 13% required.
<p>The choice among these incentives is up to municipalities, with two caveats:</p> <ol style="list-style-type: none"> The municipality may opt for only one bonus type per affordable housing unit. A maximum of twenty-five percent (25%) of the municipality's Prospective Need may be satisfied by these bonus credits. 	

Source: Developing Effective Plans in the Fourth Round, December 2024

EXHIBIT B

Toms River Township Third Round Obligation = 1,285				
Mechanism	Units	Bonus	Total	Notes
Extensions of Controls				
Winteringham Village	182		182	Family Rentals
Highland Plaza (seniors)	110		110	Senior Rentals
North Pointe Hollow	68		68	Family Sale
Woods at Massachusetts Avenue	2		2	Family Sale
100% Affordable Rentals				
Project Freedom	71	71	142	
Meadow Green (seniors)	79		79	
TR Senior Apartments (seniors)	101		101	
Michaels	49	49	98	Built
TAS/Krupnick (60 units)	0		0	FSHC agree req plan incl, no third round credit
Inclusionary Family For Sale				
Autumn Ridge (0 of 10)	0		0	All to prior round
Inclusionary Rentals				
Dover Summit	35	35	70	
Grabrielle Run	70	69	139	
Colfax Street	2	2	4	
Autumn Ridge	5	5	10	
Lotano	11	11	22	
Nobility Crest	50	50	100	
Kaplan/Camelot (4 of 26)	4		4	Built
Dover Shopping Center	30	30	60	Approved
1606 Lakewood	29		29	Built
Legion Court	4		4	Approved
JSM Route 166	27		27	Zoned
K. Hovnanian Bimini Dr.	28		28	Zoned
Residence Club at Cox Crow Crossing	9		9	Not in adopted HEFSP, built
Redevelopment				
Hooper-Caudina	10		10	Not in adopted HEFSP
TOTALS	976	322	1298	
Third Round Surplus			13	= 1,298 - 1,285

Maximum Rental Bonuses: $0.25 (1,285) = 322$, round up; 322 requested
 Maximum Seniors: $0.25 (1,285) = 321$, round down; 290 provided



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609-374-9939 (f)
klelie@kylemcmamus.com

To: Judge Julio Mendez
Affordable Housing Dispute Resolution Program

From: Kendra Lelie, PP, AICP, LLA
Special Adjudicator

Re: **In the Matter of the Application of the Township of Toms River**
Docket No.: OCN-331-25

Date: December 13, 2025

I have reviewed the fully executed Settlement Agreement (“Agreement”) between the Township of Toms River and Fair Share Housing Center filed with the Program on December 12, 2025 and find that the Agreement endorses the Township’s Housing Element and Fair Share Plan including all implementing ordinances and resolutions is in compliance with the Fair Housing Act and the Mount Laurel doctrine provided all conditions within the Settlement Agreement are met. I endorse the Program’s recommendation of the Agreement.

Attached please find a draft of the “Program Settlement Recommendation” for the Agreement between Fair Share Housing and the Township of Toms River for your consideration. Please do not hesitate to contact me with any questions you may have.

SPECIAL ADJUDICATOR REPORT

IMO the Application of the Township of Toms River
Docket No. OCN-L-331-25

December 20, 2025

Prepared for:

The Honorable Julio Mendez, J.S.C. (ret.)
Affordable Housing Dispute Resolution Program
Richard J. Hughes Justice Complex
P.O. Box 037
Trenton, NJ 08625

Prepared by:



Kendra Lelie, PP, AICP, LLA
Special Adjudicator
New Jersey Professional Planning License No. 5537

Kyle McManus Associates
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1.0 INTRODUCTION

This report has been prepared and submitted in my capacity as Special Adjudicator to assist the Affordable Housing Dispute Resolution Program (“Program”) In the Matter of the Application of the Township of Toms River, Docket No. OCN-L-331-25 before the Honorable Julio Mendez, J.S.C. (ret.).

The Township of Toms River (“Township”) filed their Fourth Round Housing Element and Fair Share Plan (“HESFP”) on June 20, 2025. The Township’s fair share obligations for the Prior Round, Third Round and Fourth Round are as follows:

- Present Need (Rehabilitation) Obligation: 526
- Prior Round Prospective Need Obligation: 1,735
- Third Round Prospective Need Obligation: 1,295 and a supplemental obligation of 70 units
- Fourth Round Prospective Need Obligation: 649

The following provides a summary of the Township’s participation in the Program. In addition to the formal settlement conferences listed below, there were several other discussions between the parties.

- January 30, 2025: Declaratory judgment filed by the Township
- May 9, 2025: Decision and Order on Fair Share Obligation issued by the Hon. Sean Gerner, J.S.C.
- June 18, 2025: Township adoption of the Housing Plan
- June 20, 2025: Township submission of the Housing Plan
- August 14, 2025: Objection to Township’s Housing Plan filed by JD Jamestowne, LLC
- August 28, 2025: Objection to Township’s Housing Plan filed by 2008 Route 37 Associates, LLC
- August 29, 2025: Objection to Township’s Housing Plan filed by Meridia Toms River 40 Urban Renewal, LLC
- September 2, 2025: Objection to Township’s Housing Plan filed by Fair Share Housing Center (“FSHC”)
- October 20, 2025: Settlement Conference between all parties
- December 9, 2025: Program Session

THE CONTEXT FOR REVIEW

This Report reviews the Settlement Agreement, the Township’s Housing Plan and supplemental submissions against the New Jersey Fair Housing Act (*N.J.S.A. 52:27D-301 et seq*) (“FHA”), the adopted rules by the Council on Affordable Housing (“COAH”) (*N.J.A.C. 5:93, N.J.A.C. 5:97*) and the Administrative Directives issued by the Program (#14-24, Addendum to #14-24).

The FHA, amended in 2024, set forth a new methodology for calculation of municipal affordable housing obligations, strategies and requirements for preparing a housing plan and satisfying the affordable housing obligations, and procedure for gaining approval of a housing plan and immunity from builder's remedy litigation, among a variety of other topics. As part of these amendments, the Program was created to oversee the newly created process. The goal for each municipality that enters the process is to obtain a compliance certification, which "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" (*N.J.S.A. 52:27D-304.q.*).

Before addressing the documents that have been submitted for the Program's consideration, I would like to acknowledge the parties' efforts in achieving settlement. Settlement of Mount Laurel litigation – so long as it meets the appropriate standards for judicial approval – is clearly preferable to the adjudication of a dispute.

Among the most prominent advantages to settlement is that it creates a more civil atmosphere for further interactions between the parties. Cooperative working relationships increase the likelihood that the Township, FSHC, developers and residents of the Township who are committed to affordable housing will be able to resolve differences without resorting to Court action. In this way settlements typically facilitate the local compliance process and thereby expedite the delivery and/or rehabilitation of affordable housing.

The Settlement Agreement can be evaluated according to guidelines established by the Court in two principal cases: Morris County Fair Housing Council v. Boonton Twp. 197 N.J. Super. 359, 369-71 (Law Div. 1984) and East/West Venture v. Borough of Fort Lee 286 N.J. Super. 311 (App. Div. 1996).

In its 1996 decision, the Appellate Court ruled that a settlement between a builder Plaintiff and municipal Defendant in a Mount Laurel case may be approved by the Trial Court after a hearing which establishes that the settlement "adequately protects the interest of lower-income persons on whose behalf the affordable units proposed by the settlement are to be built" 286 N.J. Super. 311, 329 (App. Div. 1996). The Appellate Court provided specific factors for Trial Courts to consider in making fairness determinations. These factors will be detailed in a subsequent section of this report.

2.0 THE TOWNSHIP AND FAIR SHARE HOUSING CENTER SETTLEMENT AGREEMENT

The Township and Fair Share Housing Center (FSHC) Settlement Agreement was executed by Dan Rodrick, Mayor, for the Township on December 10, 2025 and Adam Gordon for FSHC on December 12, 2025. The Agreement sets forth the extent of the Township's Prior Round, Third Round including the supplemental obligation and Fourth Round fair share obligations and describes the compliance plan components by which the Township will address those obligations. In addition, the Settlement Agreement identifies conditions that the Township will abide by to ensure the compliance plan components are implemented prior to March 15, 2026 including the adoption of an amended Third Round and Fourth Round Housing Element and Fair Share Plan and all implementing ordinances, resolutions, programs, documentation and manuals. Finally, the Township agrees to ensure compliance with the Uniform Housing Affordability

Controls, N.J.A.C 5:80-26.1, et seq. (“UHAC”), N.J.A.C 5:99, et seq (Spending Plan compliance) and additional affirmative marketing measures.

It is my understanding that all objecting parties withdraw their Fourth Round Housing Plan objections upon the full execution of the Township/FSHC Settlement Agreement which was completed on December 12, 2025 and FSHC will with the issuance of a final Compliance Certification by the County-level Mount Laurel judge, withdraw the Pending Third Round complaints and motions.

3.0 FAIRNESS ANALYSIS

The Township and FSHC Settlement Agreement may be analyzed through a fairness lens embodied in the East/West Venture case referenced above. Before doing so, it is worth noting, as the Court did in Morris County Fair Housing Council v. Boonton Twp. 197 N.J. Super, that “...it may be assumed that generally a public interest organization will only approve a settlement which it conceives to be in the best interest of the people it represents.” FSHC was heavily involved in all aspects of this case including the Township’s fair share allocation and the Township’s compliance plan. FSHC is a public interest advocacy organization in New Jersey devoted exclusively to promoting the production of housing affordable to low- and moderate-income households. Consequently, FSHC’s endorsement of the Settlement Agreement is a compelling indication that it believes the Agreement to be fair and reasonable.

Under the East/West Venture case the Court established criteria for evaluating the fairness of settlements between municipalities and builder plaintiffs in exclusionary zoning cases. By contrast, this settlement involves a municipality as plaintiff and a public interest organization, and builders as challengers. Consequently, the East/West Venture fairness criteria will be adapted to serve the current matter. Under East/West Venture the first step is to evaluate the number and rationale for the affordable housing units to be provided by the developer(s). However, the fairness of the Agreement may be viewed from both a Township-wide perspective as well as evaluating the proposal for development of inclusionary projects.

The Appellate Court established, in the East/West Venture case, the standard used in evaluating the fairness of a settlement in a Mount Laurel lawsuit. That standard is whether “the settlement adequately protects the interests of the lower-income persons on whose behalf the affordable units proposed by the settlement are to be built”. The determination of whether the standard is met is based on a five-part analysis, as follows:

1. **Consideration of the number of affordable units being constructed.** The Settlement Agreement acknowledges that the Township will implement mechanisms to satisfy the Prior Round, Third Round (including the supplemental obligation) and Fourth Round fair share obligation.
2. **The methodology by which the number of affordable units provided is derived.** The quantity of affordable housing units to be provided globally is derived from a methodology that is based on prior round methodologies and the methodology determined by the FHA and ordered by Judge Sean Gertner, J.S.C.

3. **Other contributions provided through the Agreement.** The Settlement Agreement carries a series of “housing compliance features” which advance the goal of meeting the housing needs of low- and moderate-income households, as follows:
 - a. The Township agrees to prepare and adopt an amended Housing Element and Fair Share Plan, an associated Spending Plan, and “all resolutions and ordinances required to be adopted as part of this Agreement” by March 15, 2025. .
 - b. At least half of all housing units addressing the Third and Fourth Round Prospective Need shall be affordable to low- and very low-income households, with 13% of the affordable housing units being reserved for very low-income households. The remainder of the affordable units shall be affordable to moderate-income households.
 - c. At least 25% of the Township’s Third Round and Fourth Round Prospective Need shall be met through rental units, at least half of which will be rental units available to families.
 - d. At least half of the units addressing the Third and Fourth Round Prospective Need in total must be available to families.
 - e. No more than 25% of the affordable units addressing the Township’s Prior Round and Third Round obligation shall be age-restricted and no more than 30% of the Township’s Fourth Round affordable housing units shall be age-restricted.
 - f. All affordable housing units created pursuant to the Settlement Agreement shall comply with UHAC rules.
 - g. The Township will provide the list of community and regional organizations that will receive notice of the availability of affordable housing units (in the Affirmative Marketing Plan) the following additional organizations: Fair Share Housing Center, the Asbury Park/Neptune, Toms River and Lakewood branches of the NAACP, the Latino Action Network and the Supportive Housing Association.
4. **Other components of the Agreement that contribute to the satisfaction of the constitutional obligation.** The process of obtaining the Program’s recommendation and the Court’s approval of the Township’s Third Round and Fourth Round Housing Element and Fair Share Plan, the scrutiny that document has received from FSHC, and the conditions contained in the Settlement Agreement ensure the Township will satisfy its constitutional obligation.
5. **Other factors that may be relevant to the fairness of the settlement.** This Settlement Agreement ensures that the interests of lower income households will be advanced through the Program’s recommendation and the Superior Court’s ultimate approval of the Township’s amended HEFSP.

4.0 CONCLUSION

It should be noted that the Settlement Agreement encompasses both an agreement on the magnitude of the Township's fair share obligations, as well as a Fair Share Plan through which the parties anticipate the Township will meet its obligation.

The Settlement Agreement cites the actions which the parties must take to qualify for final Court approval. The most important documents will be the Township's responsibility: the Third and Fourth Round Housing Element and Fair Share Plan which includes a Spending Plan for any affordable housing trust funds. The Housing Element must be duly adopted by the Planning Board and endorsed by the Township Committee and the zoning amendments to implement the Fair Share Plan must be adopted by the Township prior to March 15, 2026.

I find that the Settlement Agreement endorses the Township's Housing Element and Fair Share Plan including all implementing ordinances and resolutions is in compliance with the Fair Housing Act and the Mount Laurel doctrine provided all conditions within the Settlement Agreement are met. I endorse the Program's recommendation of the Agreement.

Attached is a draft of the "Program Settlement Recommendation" for the Agreement between Fair Share Housing Center and the Township of Toms River for your consideration.

APPENDIX

Draft Program Settlement Recommendation

PREPARED BY THE AFFORDABLE HOUSING PROGRAM:

In the Matter of The Township of Toms River	Superior Court of New Jersey Law Division, Civil Part Docket No. OCN-L-331-25 Program Settlement Recommendation - Housing Element and Fair Share Plan
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THIS MATTER, having come before the Affordable Housing Dispute Resolution Program (Program), pursuant to the Complaint for Declaratory Judgment filed in this matter on January 30, 2025 (DJ Complaint) by the Petitioner, the Township of Toms River (“Township” or “Toms River”), pursuant to the New Jersey Fair Housing Act, N.J.S.A. 52:27D-301, et. seq. (FHA), and in accordance with Administrative Directive #14-24 and its Addenda, seeking a certification of compliance with the FHA;

AND IT APPEARS that on May 9, 2025, the Hon. Sean Gertner entered an Order as follows:

- (a) Establishing the Municipality’s Fourth Round “present need” at 526;
- (b) Establishing the Municipality’s Fourth Round “prospective need” at 649 ;

(c) Directing the Municipality to prepare and adopt a Housing Element and Fair Share Plan on or before June 30, 2025; and

(d) Granting the Municipality immunity from exclusionary zoning litigation; and

AND IT APPEARS that the Municipality timely adopted and filed the Municipality's Proposed Fourth Round Housing Element and Fair Share Plan (HEFSP);

AND IT APPEARS that a challenge(s) to the Municipality's Fourth Round Housing Element and Fair Share Plan was timely filed by interested party(ies):

- JD Jamestowne, LLC;
- 2008 Route 37 Associates, LLC;
- Meridia Toms River 40 Urban Renewal, LLC; and
- Fair Share Housing Center;

AND the Program having appointed Special Adjudicator Kendra Lelie, PP, AICP;

AND the Program Member having conducted a settlement conference(s) on October 20, 2025 and December 9, 2025 at which time all parties reached a settlement. The settlement terms were placed on the record and include, but are not limited to the following:

(a) The Municipality's Present Need (Rehabilitation) Obligation is

526;

- (b) The Municipality’s Prospective Need Obligation (2025-2035) is 649 ;
- (c) The Municipality’s First and Second Rounds Prospective Need Obligation is 1,735;
- (d) The Municipality’s Third Round Prospective Need Obligation (1999-2025) is 1,295 and a supplemental obligation of seventy (70) units;
- (e) The Municipality shall satisfy its Prior Round and Fourth Round Obligations as follows:

Prior Round Obligations

Toms River Township Prior Round Obligation = 1,735					
Mechanism	Units	Bonus	Total	Difference	Notes
Prior Cycle Credits					
Credits without controls	176		176		
Highland Plaza (seniors)	110		110		
Winteringham Village	182		182	-1	Super unit removed. One bedroom removed.
Alternative Living	21		21	-1	Narrative 21, plan chart 22, loss of one unit
Regional Contribution Agreement					
Lakewood Township	72		72		
100% Affordable Family For-Sale					
Habitat for Humanity	1		1		
103 Walnut Street	12		12		
100% Affordable Rentals					
Alternative Living	42	33	75		COAH previous approved
Alternative Living	30	10	40	-27	Doc 30 bedrooms, 10 without 30-year controls
Hope’s Crossing	125	125	250		
Toms River Crescent	119	119	238	-2	Super’s unit/bedroom removed
Presbyterian Homes (Seniors)	84		84	-1	Super’s unit removed. Bedroom removed.
Inclusionary Family For-Sale					
Autumn Ridge	10		10	+1	Moved from Third Round

Toms River Township Prior Round Obligation = 1,735					
Mechanism	Units	Bonus	Total	Difference	Notes
North Pointe Hollow	89		89		
Walnut Grove	3		3		
Woods at Mass. Avenue	14		14		
Inclusionary Rentals					
Dover Chase	22	22	44		
Walnut Hollow	6	6	12		
Leone	2	2	4		
Fairways at Bey Lea	106	63	169	-3	Only 63 w/ 30-yr ctrls
Kaplan/Camelot (22 of 26)	22	10; cap	32	+32	Moved from Third Round
Villages at Bey Lea (srs)	48		48		
Assisted Living (Seniors)					
Brentwood	12		12		
Magnolia Gardens	12		12		
Residence at Toms River	14		14		
Brandywine	11		11		
TOTALS	1,345	390	1,735	-2	Township meets 1,735 obligation

Toms River Township Third Round Obligation = 1,285				
Mechanism	Units	Bonus	Total	Notes
Extensions of Controls				
Winteringham Village	182		182	Family Rentals
Highland Plaza (seniors)	110		110	Senior Rentals
North Pointe Hollow	68		68	Family Sale
Woods at Massachusetts Avenue	2		2	Family Sale
100% Affordable Rentals				
Project Freedom	71	71	142	
Meadow Green (seniors)	79		79	
TR Senior Apartments (seniors)	101		101	
Michaels	49	49	98	Built
TAS/Krupnick (60 units)	0		0	FSHC agree req plan incl, no third round credit
Inclusionary Family For Sale				
Autumn Ridge (0 of 10)	0		0	All to prior round
Inclusionary Rentals				
Dover Summit	35	35	70	
Grabrielle Run	70	69	139	
Colfax Street	2	2	4	
Autumn Ridge	5	5	10	
Lotano	11	11	22	
Nobility Crest	50	50	100	
Kaplan/Camelot (4 of 26)	4		4	Built
Dover Shopping Center	30	30	60	Approved
1606 Lakewood	29		29	Built
Legion Court	4		4	Approved
JSM Route 166	27		27	Zoned
K. Hovnanian Birmini Dr.	28		28	Zoned
Residence Club at Cox Crow Crossing	9		9	Not in adopted HEFSP, built
Redevelopment				
Hooper-Caudina	10		10	Not in adopted HEFSP
TOTALS	976	322	1298	
Third Round Surplus			13	= 1,298 - 1,285

Maximum Rental Bonuses: $0.25 (1,285) = 322$, round up; 322 requested
 Maximum Seniors: $0.25 (1,285) = 321$, round down; 290 provided

GAP

Dover Chase (rental)*	0	0	0	Extension of Credits, and monetary contribution
Presbyterian Homes (senior rentals)	70	0	70	Extension of Credits, and Monetary Contribution
Total	70	70	70	

Fourth Round Obligation

Toms River Township Fourth Round Obligation = 649					
Mechanism	Units	Bonus	Total	Diff	Notes
Third Round Carry over	13	0	13		Credits moved over from 3rd round (1606 Lakewood Rd)
Extension of Controls					
Highland Plaza (rental - Seniors)***	110	55	165		Extension of Credits – 20 years (change to 30 years), PILOT & Funds
Woods at Massachusetts (family-for-sale)	13	0	13		Extension of credits – 30 years, monetary contribution
Villages of Bey Lea (rental – seniors)	48	24	72		Extension of Credits - Monetary contribution
North Pointe Hollow (family-for-sale)*	7	0	7		Extension of Credits, monetary contribution
Redevelopment					
Hooper-Caudina*	6	0	6		Modify Redevelopment Plan (inclusionary development)
Inclusionary Housing					
Jamestown	42	0	42		Zoning (30% inclusionary with PILOT Agreement)
2008 Route 37	4	0	4		Inclusionary
Rt. 70 parcel	134	0	134		Inclusionary (Zoning)
Market to Affordable					
Hope's Crossing (Rental - Family)	110	83.25	193.25		Market Rate to affordable conversion with 30 year deed restriction, PILOT and monetary contribution
Total	487	162.25	649.25		
Obligation					649
Balance	0.0				
Maximum bonus credits	162.25		25% of 649		
Balance of bonus credits	0				

125 actual units

AND the parties have executed a written settlement agreement or consent order memorializing the settlement terms and filed it with the Program and attached hereto as Exhibit A;

AND the Municipality having represented it intends to adopt an Amended HEFSP in accordance with the terms of the settlement;

AND the Program Member having determined that the terms of the settlement are fair, reasonable and adequately protects the interests of low and moderate-income residents of the Municipality;

AND the Program Member having determined that the terms of the settlement are constitutionally compliant and provide a fair and reasonable opportunity for the Municipality to meet its obligations under the FHA and Mount Laurel doctrine;

AND for all those reasons, as well as those set forth in the attached Statement of Reasons, the Program Member hereby recommends an ORDER directing that:

(a) The settlement terms as set forth above are approved; and

(b) In accordance with N.J.S.A. §52:27D-304.1(f)(2)(c), on or before March 15, 2026, the Municipality shall adopt and file its Amended HEFSP that contains the terms of the settlement as well as the implementing ordinances and resolutions proposed within the Amended HEFSP; and

- (c) Thereafter, the court shall schedule a Fairness and/or Compliance Hearing to consider approval of the Municipality's Amended HEFSP and the issuance of a Certification of Compliance and Repose; and
- (d) Grant the Municipality continued immunity from exclusionary zoning litigation for the duration of the compliance process conditioned upon the Municipality's compliance with its order and good faith implementation of the Amended HEFSP and good faith participation in the compliance process.

Respectfully Submitted by the Program:

By:

/s/
Hon. _____, J.S.C. Ret.

Dated: _____

Appendix A

Settlement Agreement between the Township of Toms River and Fair
Share Housing Center



RAINONE
COUGHLIN
MINCHELLO
ATTORNEYS AT LAW

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Please Respond to Iselin Office

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Sarah Fitzpatrick
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CZingaro@NJRCMLAW.com

December 12, 2025

Via E-Courts

Hon. Julio L. Mendez (ret.)
Program Member
Affordable Housing Dispute Resolution Program
Richard J. Hughes Justice Complex
P.O. Box 037
Trenton, New Jersey 08625

**Re: In the Matter of the Application of the Township of Toms River
OCN-L-331-25
Declaratory Judgment Filing Pursuant to Directive No. 14-24**

Dear Judge Mendez:

This office represents the Township of Toms River (the "Township") in the above-referenced matter. On December 8, 2025, the Township filed to the Program docket a Settlement Agreement between Fair Share Housing Center and the Township. On December 9, 2025, the parties to this Program matter appeared before Your Honor. Several scrivener errors were noted on the record at that time. Attached, please find a copy of the fully executed Settlement Agreement and a Resolution adopted by the Township Council on December 10, 2025 ratifying same.

The undersigned thanks Your Honor and the Special Adjudicator for your attention to this matter.

RAINONE COUGHLIN MINCHELLO

December 12, 2025

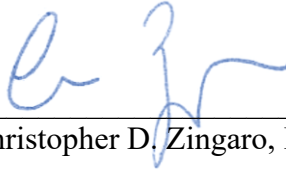
Page 2

Respectfully submitted,

RAINONE COUGHLIN MINCHELLO, LLC

Attorneys for the Township of Toms River

By: _____


Christopher D. Zingaro, Esq.

Encl. (2)

cc: Special Adjudicator Kendra Lelie, PP, *via e-mail*
All Parties, *via e-Courts*

9.

RESOLUTION OF THE TOWNSHIP COUNCIL OF THE TOWNSHIP OF TOMS RIVER, OCEAN COUNTY, NEW JERSEY, RATIFYING THE EXECUTION OF A SETTLEMENT AGREEMENT TO RESOLVE THE CHALLENGE SUBMITTED BY FAIR SHARE HOUSING CENTER IN OPPOSITION TO THE TOWNSHIP OF TOMS RIVER'S FOURTH ROUND HOUSING ELEMENT AND FAIR SHARE PLAN UNDER DOCKET NO. OCN-L-331-25

DECEMBER 10, 2025

WHEREAS, on March 20, 2024, Governor Murphy signed into law P.L. 2024, c.2, which amends the New Jersey Fair Housing Act, P.L. 1985, c.222, N.J.S.A. 52:27D-301, et seq. (the "**Amended FHA**"); and

WHEREAS, pursuant to the Amended FHA, municipalities were authorized to participate in the Affordable Housing Dispute Resolution Program (the "**Program**"), which serves as a forum to determine each municipality's share of the regional need for low- and moderate-income housing for the ten (10) year period beginning July 1, 2025 (the "**Fourth Round**"), and to review a Housing Element and Fair Share Plan setting forth how the municipality will satisfy that obligation; and

WHEREAS, on January 30, 2025, the Township Council of the Township of Toms River (the "**Township Council**") adopted a resolution to participate in the Program, which afforded the Township automatic, continued immunity from all inclusionary lawsuits, including "builder's remedy" lawsuits; and

WHEREAS, on May 9, 2025, the Court entered an Order establishing the Township's fair share obligation for the Fourth Round (2025-2035); and

WHEREAS, on June 20, 2025, the Township submitted its Fourth Round Housing Element and Fair Share Plan (the "**HEFSP**") to the Program pursuant to the Amended FHA's requirements and timelines; and

WHEREAS, prior to the statutory deadline to file challenges, Fair Share Housing Center ("**FSHC**") filed a challenge opposing the HEFSP; and

WHEREAS, the Township and FSHC have negotiated a Settlement Agreement, attached hereto at Exhibit A, to resolve the challenge and permit the Township to seek the Program's review of its HEFSP prior to the statutory deadline of December 31, 2025, so that it can receive a Compliance Certification and immunity from exclusionary zoning litigation for the Fourth Round (2025-2035); and

WHEREAS, the Amended FHA authorizes municipalities to extend affordability controls on existing deed restricted affordable housing as a cost-effective way to secure housing opportunities for low- and moderate-income households, including seniors and working families, and that absent such extensions, these units are likely to lose their deed restrictions upon expiration and convert to market rate housing, thereby undermining long-term affordability in the community; and

WHEREAS, the Settlement Agreement recognizes the Township's use of such extensions as an important mechanism to achieving Fourth Round compliance; and

WHEREAS, the Township wishes to ratify the Memorandums of Agreement attached hereto at Exhibits B – D, subject to any non-substantive revisions as reviewed and approved by the Township's legal counsel, and to authorize the Mayor and Township Clerk to execute any and all documents necessary to effectuate their terms, subject to the review of legal counsel; and

WHEREAS, the MOAs memorialize the terms for the extension of existing deed restrictions on low- and moderate-income units for the following projects: (i) Villages at Bay Lea (Family Rental Units) – In return for an extension of affordability controls for 30 years, the payment of \$2,400,000 from the Affordable Housing Trust Fund to extend affordability controls for 30 years; (ii) Hope's Crossing (Senior Rental Units) – In return for an extension of affordability controls for 30 years, the forgiveness of outstanding municipal loans and extension of existing long-term tax exemption agreement, subject to the Township Council's approval of any required formal extension application; (iii) Highland Plaza (Senior Rental Units) – In return for an extension of affordability controls for 30 years, the payment of \$1,320,000 from the Affordable Housing Trust Fund over ten (10) years in annual installments of \$132,000/year and the extension of an existing long-term tax exemption agreement, subject to the Township Council's approval of any required formal extension application; and (iv) Dover Chase (Family Rental Units) – The Township has reserved a discretionary right as part of the Settlement Agreement to extend 22 existing deed controls, if needed, for a period of 30 years in exchange for a payment of \$1,500,000; and

WHEREAS, to secure the extension of controls for the Hope's Crossing senior rental units for a 30-year period, the Township has further committed to the payment of \$556,000 from the Affordable Housing Trust Fund, which change the Township Council authorizes be made and reflected in the Hope's Crossing Memorandum of Agreement to secure the extension of controls; and

WHEREAS, the Settlement Agreement also resolves two motions currently pending before the Court under Docket No. OCN-L-1867-15 related to the Township's previous request to cap its fair share obligation for the Third Round (1999-2025) and FSHC's cross-motion seeking, in part, to deny that cap and recalculate the Township's Third Round obligation to include an additional 1,095 units; and

WHEREAS, the Township wishes to ratify the execution of the Settlement Agreement to resolve Docket No. OCN-L-331-25 and the pending motions under Docket No. OCN-L-1867-15, and to authorize the Mayor and Township Clerk to execute any and all documents necessary to effectuate its terms, subject to the review of legal counsel.


NOW, THEREFORE, BE IT RESOLVED by the Township Council of the Township of Toms River (the “Township Council”) as follows:

1. The foregoing recitals are hereby incorporated by reference as if fully set forth herein.
2. The Township Council hereby ratifies the Settlement Agreement attached hereto at Exhibit A to resolve the pending Affordable Housing Dispute Resolution matter filed under Docket No. OCN-L-331-25 concerning the Township’s Fourth Round affordable housing obligations (2025-2035), as well as the pending motions under Docket No. OCN-L-1867-15 related to the Township’s Third Round obligations (1999-2025), and to authorize the Mayor and Township Clerk to execute any and all documents necessary to effectuate its terms, subject to the review of legal counsel.
3. The Township Council hereby authorizes the Mayor and Township Clerk to execute the Memorandums of Agreement attached hereto at Exhibits B – D, subject to any non-substantive revisions as reviewed and approved by the Township’s legal counsel, and to take all actions necessary to effectuate their terms, including the preparation and processing of any deed restriction documents and/or affordable housing submissions required to secure Fourth Round credits for the extended controls, subject to the Township Council’s approval of any required applications for extensions of existing long-term tax exemption agreements for Hopes Crossing and Highland Plaza, respectively.
4. This Resolution shall take effect immediately.
5. A certified copy of this resolution shall be provided by the Office of the Township Clerk to each of the following:
 - a) Mayor Daniel T. Rodrick
 - b) Business Administrator
 - c) Township Council
 - d) Chief Financial Officer
 - e) Township Attorney

- f) Township Engineer
- g) Rainone Coughlin Minchello
Attn: Christopher Zingaro, Esq.
- h) Township Planner

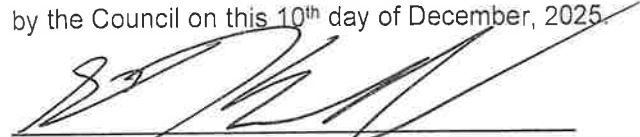
L-Dec 10, 2025-15

Approved as to Legal Form:



PETER S. PASCARELLA
ASSISTANT TOWNSHIP ATTORNEY

Certified as a true copy of the Resolution adopted
by the Council on this 10th day of December, 2025.



STEPHEN A. HENSEL
MUNICIPAL CLERK



MEDIATION AGREEMENT BEFORE THE AFFORDABLE HOUSING DISPUTE
RESOLUTION PROGRAM

In the Matter of the Application of the Township of Toms River, County of Ocean
Docket No. OCN-L-331-25

WHEREAS, the Township of Toms River (the “Township” or “Toms River”) 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 May 9, 2025 setting the Township’s Fourth Round fair share obligation and ordering the Township to file a Housing Element and Fair Share Plan (“HEFSP”) by June 30, 2025; and

WHEREAS, the Township having filed its Housing Element and Fair Share Plan on June 20, 2025 (“HEFSP”); and

WHEREAS, Fair Share Housing Center (“FSHC”) having filed a challenge pursuant to N.J.S.A. 52:27D-304.1(f)(2)(b) regarding the Township’s HEFSP on August 31, 2025, which was not processed by e-Courts and marked filed until September 2, 2025; and

WHEREAS, JD Jamestowne, LLC having filed a challenge pursuant to N.J.S.A. 52:27D-304.1(f)(2)(b) regarding the Township’s HEFSP on August 14, 2025; and

WHEREAS, 2008 Route 37 Associates, LLC, having filed a challenge pursuant to N.J.S.A. 52:27D-304.1(f)(2)(b) regarding the Township’s HEFSP on August 28, 2025; and

WHEREAS, Meridia Toms River 40 Urban Renewal, LLC, having filed a challenge pursuant to N.J.S.A. 52:27D-304.1(f)(2)(b) regarding the Township’s HEFSP on August 29, 2025; and

WHEREAS, the Township 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 Township for the Fourth Round;

WHEREAS, in the Third Round declaratory judgment action pending under Docket No. OCN-L-1867-15, the Township moved to confirm its previously settled Third Round obligation and to cap such obligation, while FSHC filed a cross-motion asserting amongst other claims that the Township is not entitled to such cap and, further, must recalculate its obligation to include an additional 1,095 units attributable to the years 1999-2015 (the “Gap Period”), and the parties now desire to resolve those competing motions (the “Pending Third Round Motions”) as part of this settlement, without any admission by either party as to the legal or factual legitimacy of the positions asserted; and

WHEREAS, the parties have agreed that, upon execution of this Settlement Agreement, they will jointly withdraw their respective motions in OCN-L-1867-15 without prejudice, with such withdrawal becoming with prejudice upon entry of a Compliance Certification by the County-level Mount Laurel judge; and

THEREFORE, the Township and FSHC agree:

Fair Share Obligations

1. Pursuant to the Order entered by the Court on May 9, 2025, the Township’s Fourth Round obligation covering 2025-2035, consists of a **Prospective Need of 649** and a Present Need or Rehabilitation Obligation of 526 (the rehabilitation of existing deficient housing units).

2. The Township's prior Third Round obligation, covering 1999-2025, was previously settled at 1,285 units. As part of this settlement, and solely to resolve the pending motions without making any admission as to the legal basis for FSHC's asserted calculations, the parties agree to treat an additional seventy (70) units (the "Supplemental Third Round Calculation") as part of the Township's Third Round obligation attributable to the Gap Period which the parties agree is properly deferred for compliance purposes as set forth in this Agreement. This acknowledgment is made for settlement purposes only and is not a concession of the legal or factual basis for FSHC's position.

Satisfaction of Fair Share Obligations

3. The Township will address its **Fourth Round Present Need** via the mechanisms set forth in the HEFSP, namely the partnership with Northern Ocean Habitat for Humanity to run the Township's CDBG rehab program.
4. The Township will address its **Fourth Round Prospective Need** of 649 via the mechanisms identified in the chart attached and incorporated hereto at **Exhibit A**.
5. The Township will address the Supplemental Third Round Calculation of seventy (70) units through the extension of deed-restricted affordability controls on the currently deed-restricted units at Presbyterian Homes (Senior Rental units at 923 Oak Avenue; Block 414, Lot 9.01) which shall serve as the primary compliance mechanism for crediting those 70 units. The Township shall retain full discretion to determine the timing, financial structure, and method of providing any consideration associated with the extensions, including the ability to negotiate, secure, and execute extensions with an effective date beginning during either the Fourth Round or the Fifth Round, provided that the extensions are for a minimum of thirty (30) years from the date that is thirty (30) years after the deed restriction was

originally recorded, and the extensions otherwise comply with the Fair Housing Act and UHAC. The Township reserves the right to credit any units above the seventy (70) units from the extension of controls on Presbyterian Homes to its Fifth Round (2035–2045) obligation in accordance with then-applicable law. If the Township determines, in its discretion, to utilize currently deed-restricted units at Dover Chase (Rental units at Block 164, Lot 3) in place of, or in combination with, a portion of the seventy (70) extensions at Presbyterian Homes, the Township shall be permitted to extend deed-restricted controls on up to twenty-two (22) units at Dover Chase as a substitute compliance mechanism for a corresponding portion of the seventy (70) units otherwise proposed to be satisfied at Presbyterian Homes. If any portion of the Township's Supplemental Third Round Calculation cannot be secured through extensions at Presbyterian Homes or Dover Chase, the Township shall be entitled to secure and count alternative extensions of deed-restricted affordability controls yielding an equivalent number of affordable housing credits or alternative mechanisms to provide a realistic opportunity for an equivalent number of units, subject to review and approval by FSHC.

6. The Township will address the remainder of its **Third Round Prospective Need**, totaling 1,285 units, via the mechanisms identified in the chart attached and incorporated hereto at **Exhibit B**. Said chart, along with the obligation and mechanisms the Township is using to satisfy its First and Second Round Prospective Need which the parties agree is sufficient, was previously set forth in the HEFSP at Page 28-30.
7. Specifically, the Parties note the following as to several of the mechanisms comprising the Township's Fourth Round mechanisms incorporated in the chart attached at **Exhibit**

A. The Township agrees to the following in connection with its Fourth Round Prospective Need obligation:

a. Hope's Crossing (Block 534.51, Lot 13)

The Township will receive 110 credits and 83.25 bonus credits from the existing Hope's Crossing development, as set forth on the Compliance Chart attached as Exhibit A. The newly restricted units shall be restricted to qualifying households earning no more than eighty percent (80%) of the regional median income and shall be rented pursuant to the Uniform Housing Affordability Controls ("UHAC") at no more than a moderate-income rent calculated at sixty percent (60%) of area median income (60% AMI). The Township shall provide an agreement with the owner of Hope's Crossing reflecting these requirements no later than March 15, 2026.

b. 2008 Route 37 (Block 796, Lot 3)

The Township will adopt zoning no later than March 15, 2026 necessary to permit a two-floor expansion atop the existing development owned by Program challenger, 2008 Route 37, LLC, in order to permit the construction of an inclusionary mixed-use building consisting of a total of twenty (20) residential units, including four (4) deed-restricted affordable housing units (3 two-bedrooms and 1 three-bedroom).

c. Rt. 70 Inclusionary Development

The Township will adopt zoning no later than March 15, 2026 necessary to provide a realistic opportunity for an inclusionary residential development on Rt. 70, as reflected on the Compliance Chart attached as Exhibit A, at the below-listed properties providing 134 affordable housing units produced through a mandatory 20% set-aside. The properties to comprise said development include: B. 136, L.

199-218; B. 137, L. 219-223, 225-226, 228-231; B. 138, L. 133-152; L. 182-196; B. 139, L. 153-157, 159-178; B. 140, L. 67-77; 80-86; 113-132; B. 141, L. 87-101, 103-112; B. 142, L. 1-20; 47-66; B. 143, L. 21-47; B. 135.02, L. 106.02, 108.01, 109.01, 109.02, 109.03, 109.04, 110.01, 110.04. The affordable units in the development shall be required to be constructed, deed-restricted, and affirmatively marketed in compliance with UHAC, including all requirements regarding income distribution, phasing, bedroom mix, affordability controls, and affirmative marketing.

- d. Jamestowne Village Inclusionary Housing Project (Block 610, Lots 1, 2, 3, 5, 11, 30, 31, and 33)

The Township will adopt zoning no later than March 15, 2026 necessary to permit the creation of forty-two (42) affordable units at the Jamestowne Village property owned by Program challenger, JD Jamestowne, LLC, including twenty-eight (28) affordable housing units within a new construction component, representing a twenty percent (20%) set-aside. In addition to these twenty-eight (28) new affordable units, fourteen (14) existing market-rate units within the current Jamestowne complex will be converted to affordable units, resulting in a total of forty-two (42) newly deed-restricted affordable units, consistent with the Compliance Chart attached as Exhibit A. The parties acknowledge their shared expectation that the conversion of the market-rate units will occur upon vacancy, with such units to be affirmatively marketed as affordable housing. The parties further confirm that nothing in this Agreement is intended to provide a basis for eviction in violation of the Anti-Eviction Act. The developer shall be required to

satisfy the following: (i) all fourteen (14) market-to-affordable units shall be occupied as UHAC-compliant affordable units prior to the issuance of the first certificate of occupancy for the new construction portion of the project; and (ii) both the new construction affordable units and the converted units, individually and independently, satisfy UHAC, including but not limited to bedroom distribution and income distribution.

e. Highland Plaza (Block 1104, Lot 4)

The Township will receive 110 credits and 55 bonus credits from the existing Highland Plaza development, as set forth on the Compliance Chart attached as Exhibit A. All 110 deed extensions will be for thirty (30) years and restricted to low- and very-low-income households. The Township shall provide an agreement with the owner of Highland Plaza reflecting these requirements no later than March 15, 2026.

Unit Type and Income Distribution Requirements

8. The Township and FSHC agree that the Township's HEFSP, as amended 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 Township shall maintain satisfaction with such requirements for the Fourth Round:

a. Age Restricted Cap. The Township 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 Township 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 Township'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 all applicable provisions of 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 Township, statutory requirements, and the Prior Round and Third Round regulations.

9. In all developments that produce new affordable housing construction, the Township 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, court order, judgment, or grant of substantive certification as to prior rounds of obligations modifying UHAC as to affordability controls or as to very low-income units shall remain in effect as to those prior rounds of obligations.
- c. The Township 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. This commitment shall not be construed to amend, modify, waive,

- diminish, or impair any term of any prior agreement, judgment, or grant of substantive certification governing prior rounds of affordable housing obligations, nor shall it be interpreted to concede any position relating to such prior rounds.
- d. The Township 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 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 Asbury Park/Neptune, Toms River, and Lakewood branches of the NAACP; and the Supportive Housing Association.

Pending Third Round Motions

10. Upon full execution of this Agreement, the Township and FSHC shall jointly withdraw, without prejudice, their respective motions pending in the Third Round declaratory judgment action under Docket No. OCN-L-1867-15. The period beginning on the date of execution of this Agreement and ending upon entry of a Compliance Certification by the County-level Mount Laurel judge shall be referred to as the "Interim Withdrawal Period." During the Interim Withdrawal Period, the Parties waive any defense based on laches, statute of limitations, or other timeliness objection that could otherwise bar the re-filing of the Pending Third Round Motions in the event the Compliance Certification is not entered.

The waiver in this paragraph shall apply solely to the Pending Third Round Motions and shall not be construed to revive or extend any other claim, challenge, or cause of action.

11. Upon entry of a Compliance Certification by the County-level Mount Laurel judge, the Parties shall submit a joint letter to the Court confirming that the Pending Third Round Motions are withdrawn with prejudice (the "With Prejudice Withdrawal.")
12. Pursuant to the withdrawal of its pending motion, FSHC agrees that it will not intervene in either matters pending at the trial court under Docket Nos. OCN-L-3326-24 or OCN-L-2065-24 (the "Litigation") while those matters remain pending before the trial court. FSHC reserves its rights upon the conclusion of the trial-court proceedings solely with respect to participation in any appeal, as it deems may be necessary to address issues of statewide concern that implicate the constitutional obligations articulated in the Mount Laurel doctrine, the Fair Housing Act, or duly promulgated regulations implementing and case law regarding either, and, in the event a decision issued in or settlement resolving the Litigation provides for any development being built on the subject site, which the Township in no way concedes, to ensuring that the previously agreed to affordable housing set-aside percentage and/or income and bedroom percentage distributions for the site are maintained. FSHC expressly waives any right to initiate or pursue separate litigation concerning whether the Township has any obligation to maintain zoning within the Water Street Redevelopment Area, except for its limited right to participate in support of any filed appeal arising from the Litigation as described above. This agreement does not otherwise modify, interpret, or alter any provision of the prior court-approved settlement concerning the Water Street Redevelopment Area, and no party shall be deemed to have conceded any interpretation of that settlement by entering into this agreement.

13. It is expressly acknowledged that, upon the With Prejudice Withdrawal, neither Party shall have the right to reinstate, refile, renew, reassert, or otherwise pursue their claims or relief sought in the Pending Third Round Motions, whether in the Third Round docket or in any other litigation, administrative proceeding, or forum, on the basis of any alleged non-compliance with this Agreement or any implementing action, other than the rights specifically reserved in paragraph 12. Any alleged non-compliance with this Agreement may be addressed solely through an enforcement motion or proceeding consistent with the terms of this Agreement and applicable law, and not through reinstatement of the claims asserted in the Pending Third Round Motions.
14. Upon fulfillment of all compliance items set forth in the Parties' Consent Order entered on March 5, 2025, the Parties shall jointly request that the Superior Court enter a final judgment of compliance and repose in Docket No. OCN-L-1867-15. This request shall confirm that the Township has satisfied its Third Round compliance obligations and that no further actions remain outstanding.

Process for Approval and Implementation

15. 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 Township 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 a Compliance Certification, conditioned on adoption of all implementing ordinances and resolutions. If an appeal is filed of the Court's grant or rejection of a Compliance Certification, the Parties agree to defend this Agreement and the HEFSP, as amended by this Agreement, on appeal, including in proceedings before the Superior Court, Appellate Division, or New Jersey Supreme Court, and to continue to implement the terms of the Compliance Certification if the Compliance Certification is approved before the trial court unless and until an appeal of the trial court's approval is successful at which point, the Parties reserve their right to rescind any action taken in anticipation of the trial court's approval and return to status quo ante. All Parties shall have an obligation to fulfill the intent and purpose of this Agreement.
- c. The Township shall adopt all implementing ordinances and resolutions no later than the statutory deadline of March 15, 2026, including but not limited to the outstanding items identified in paragraph 7, proposed forms of deed restrictions and supporting documentation for the extensions of controls referenced in Exhibit A, with all extensions of controls other than those referenced in paragraph 5 to be completed and recorded no later than December 31, 2026. No later than 48 hours after adoption or March 15, 2026, whichever is sooner, the Township shall file any adopted ordinances and resolutions on eCourts.
- d. In the event of a dispute as to whether any implementing actions remain outstanding, either Party may submit correspondence to the Court no later than

April 15, 2025 concerning the implementing actions alleged to be deficient along with the party's proposed approach for resolving them.

- 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.

16. The Township and FSHC agree that following conditions shall be satisfied:

- a. The Township 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 and consistent with this Agreement before March 15, 2026.
- b. The Township 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, if adopted by March 15, 2026, before March 15, 2026.

17. The Township shall comply with all monitoring requirements within N.J.S.A. 52:27D-301 et. seq., and provide notice to FSHC of any action filed pursuant to the midpoint realistic opportunity review pursuant to N.J.S.A. 52:27D-313.

18. This Agreement shall be subject to approval by formal action of the Township Council of the Township of Toms River before December 31, 2025. If such action is not taken, this Agreement is null and void, unless otherwise agreed to in writing by the parties, and both parties return to status quo ante on all issues, including but not limited to having the full right to reinstate all litigation pending in the Third Round declaratory judgment action under Docket No. OCN-L-1867-15 and FSHC's challenge to the Township's Fourth Round HEFSP.
19. 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.

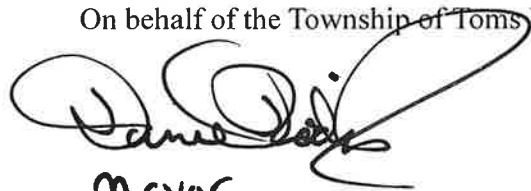
20. The Parties acknowledge that this Agreement shall fully resolve FSHC's pending challenge to the Township's HEFSP. FSHC agrees that it will not initiate, refile, support, endorse, assist, intervene in, or otherwise participate in any challenge or appeal concerning the Township's HEFSP, this Agreement, or any Compliance Certification issued by the County-level Mount Laurel judge, whether before the Program, any court, or any other forum, except for actions solely to enforce the express terms of this Agreement or the Township's HEFSP adopted pursuant to it and the rights specifically reserved in paragraph 12. FSHC likewise shall not support, endorse, intervene in, assist, or participate in any manner in any challenge or appeal initiated by a third party concerning the Township's HEFSP, this Agreement, or any Compliance Certification, except for enforcement actions as noted above and the rights specifically reserved in paragraph 12. Nothing in this paragraph shall be construed to expand, modify, or diminish the enforcement rights expressly preserved in this Agreement.
21. Except where otherwise set forth in this Settlement Agreement, nothing in this Agreement shall be construed to limit, modify, waive, diminish, or impair any right, protection, entitlement, defense, or procedural safeguard afforded to the Township under the Fair Housing Act as amended, including but not limited to N.J.S.A. 52:27D-301 et seq., the regulations promulgated thereunder, Administrative Directive #14-24, or any other applicable statute, regulation, or governing law, all of which are expressly preserved. Notwithstanding any outcome of the Litigation referenced in paragraph 12 or any other change in law,, the Township shall be obligated to adopt a Housing Element and Fair Share

Plan that conforms to the terms of this Agreement and to implement all compliance mechanisms included in this Agreement, including by adopting or leaving in place any site specific zoning adopted or relied upon in connection with the fair share plan adopted pursuant to this Agreement; and otherwise fulfilling fully the fair share obligations as established herein.

Fees and Costs

22. Neither Party shall seek, demand, or be entitled to recover from the other any attorneys' fees, costs, or expenses in any court or administrative proceeding arising from or relating to the Pending Third Round Motions or the Township's Fourth Round matter before the Affordable Housing Dispute Resolution Program, except for any enforcement proceedings concerning this Agreement for which the Parties reserve all rights. Each Party shall bear its own attorneys' fees, costs, and expenses incurred in connection with those proceedings.

On behalf of the Township of Toms River:



Mayor

Date: 12/10/25

On behalf of Fair Share Housing Center:



Adam M. Gordon, Esq.

Date: December 12, 2025

EXHIBIT A

Toms River Township Fourth Round Obligation = 649					
Mechanism	Units	Bonus	Total	Diff	Notes
Third Round Carry over	13	0	13		Credits moved over from 3rd round (1606 Lakewood Rd)
Extension of Controls					
Highland Plaza (rental - Seniors)***	110	55	165		Extension of Credits -- 20 years (change to 30 years), PILOT & Funds
Woods at Massachusetts (family-for-sale)	13	0	13		Extension of credits -- 30 years, monetary contribution
Villages of Bey Lea (rental - seniors)	48	24	72		Extension of Credits - Monetary contribution
North Pointe Hollow (family-for-sale)*	7	0	7		Extension of Credits, monetary contribution

Redevelopment					
Hooper-Caudina*	6	0	6		Modify Redevelopment Plan (inclusionary development)

Inclusionary Housing					
Jamestown	42	0	42		Zoning (30% inclusionary with PILOT Agreement)
2008 Route 37	4	0	4		Inclusionary
Rt. 70 parcel	134	0	134		Inclusionary (Zoning)

Market to Affordable					
Hope's Crossing (Rental - Family)	110	83.25	193.25		Market Rate to affordable conversion with 30 year deed restriction, PILOT and monetary contribution

125 actual units

Total	487	162.25	649.25		
Obligation					649
Balance	0.0				
Maximum bonus credits	162.25		25% of 649		
Balance of bonus credits	0				

GAP					
Dover Chase (rental)*	0	0	0		Extension of Credits, and monetary contribution
Presbyterian Homes (senior rentals)	70	0	70		Extension of Credits, and Monetary Contribution
Total	70	70	70		

*Hooper-Caudina housing if developed as Veteran preference supportive housing could get 6 additional bonus credits.

**Any North Pointe Hollow extension of credits exceeding 36 units required for 3rd round will be included in 4th round. There is a potential for a total of 15 total credits that could roll to the 4th round. 7 credits have been estimated, but could increase.

***Per Settlement Agreement, the Township reserves its discretion to utilize 22 extensions of existing deed restrictions at Dover Chase in place of 22 extensions of existing deed restrictions at Presbyterian Homes - See Settlement Agreement

BONUS CREDIT INCENTIVES AND LIMITATIONS	
FOURTH ROUND BONUS CREDIT TYPES	
1.0 Bonus Credit Per Affordable Unit	0.5 Bonus Credit Per Affordable Unit
<ul style="list-style-type: none"> Special needs or permanent supportive housing Municipal contribution (land or funds for at least 3% of the cost) to a 100% affordable project. Market-to-affordable program for rental or ownership units. 	<ul style="list-style-type: none"> Partnership sponsorship with non-profit developer for affordable ownership units. Transit-oriented development within one-half mile of public transit stations. Age-restricted housing (capped at 10% of age-restricted housing in local plan). More three-bedroom units than required by State bedroom distribution rules. Redevelopment of former or current retail office or commercial sites. Extended affordability controls that preserve rental affordable housing. More housing affordable to very low-income households than the minimum 13% required.
<p>The choice among these incentives is up to municipalities, with two caveats:</p> <ol style="list-style-type: none"> The municipality may opt for only one bonus type per affordable housing unit. A maximum of twenty-five percent (25%) of the municipality's Prospective Need may be satisfied by these bonus credits. 	

Source: Developing Effective Plans in the Fourth Round, December 2024

EXHIBIT B

Toms River Township Third Round Obligation = 1,285				
Mechanism	Units	Bonus	Total	Notes
Extensions of Controls				
Winteringham Village	182		182	Family Rentals
Highland Plaza (seniors)	110		110	Senior Rentals
North Pointe Hollow	68		68	Family Sale
Woods at Massachusetts Avenue	2		2	Family Sale
100% Affordable Rentals				
Project Freedom	71	71	142	
Meadow Green (seniors)	79		79	
TR Senior Apartments (seniors)	101		101	
Michaels	49	49	98	Built
TAS/Krupnick (60 units)	0		0	FSHC agree req plan incl, no third round credit
Inclusionary Family For Sale				
Autumn Ridge (0 of 10)	0		0	All to prior round
Inclusionary Rentals				
Dover Summit	35	35	70	
Grabrielle Run	70	69	139	
Colfax Street	2	2	4	
Autumn Ridge	5	5	10	
Lotano	11	11	22	
Nobility Crest	50	50	100	
Kaplan/Camelot (4 of 26)	4		4	Built
Dover Shopping Center	30	30	60	Approved
1606 Lakewood	29		29	Built
Legion Court	4		4	Approved
JSM Route 166	27		27	Zoned
K. Hovnanian Bimini Dr.	28		28	Zoned
Residence Club at Cox Crow Crossing	9		9	Not in adopted HEFSP, built
Redevelopment				
Hooper-Caudina	10		10	Not in adopted HEFSP
TOTALS	976	322	1298	
Third Round Surplus			13	= 1,298 - 1,285

Maximum Rental Bonuses: $0.25 (1,285) = 322$, round up; 322 requested
 Maximum Seniors: $0.25 (1,285) = 321$, round down; 290 provided

PREPARED BY THE AFFORDABLE HOUSING PROGRAM:

<p>In the Matter of the Township of Toms River</p>	<p>Superior Court of New Jersey Law Division, Civil Part</p> <p>Docket No. OCN-L-331-25</p>
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Statement of Reasons

This Statement of Reasons addresses the challenge to the Township of Toms River Fourth Round Housing Element and Fair Share Plan (“HEFSP”), in accordance with N.J.S.A. 52:27D-304.1(f)(2)(b), the directives of the Affordable Housing Dispute Resolution Program, and the legal standards established by the Mount Laurel doctrine and the Fair Housing Act. The recommendation analysis incorporates the history, evolving jurisprudence, and administrative framework governing municipal affordable housing compliance in New Jersey.

This matter came before the Affordable Housing Dispute Resolution Program (“the Program”) pursuant to the Complaint for Declaratory Judgment filed on January 30, 2025, by the Township of Toms River (“Township” or “Toms River”) under the New Jersey Fair Housing Act, N.J.S.A. 52:27D-301, et seq. (FHA), and in accordance with Administrative Directive #14-24 and its Addenda. The Township sought certification of compliance with the FHA.

On May 9, 2025, the Honorable Sean D. Gertner issued an Order: (a) establishing the Township's Fourth Round "present need" at 526 units; (b) establishing the "prospective need" at 649 units; (c) directing the Township to prepare and adopt a Housing Element and Fair Share Plan (HEFSP) by June 30, 2025; and (d) granting the Township immunity from exclusionary zoning litigation. The Township subsequently and timely adopted and filed its Proposed Fourth Round Housing Element and Fair Share Plan (HEFSP).

Challenges to the Township's Fourth Round HEFSP were timely filed by several interested parties: JD Jamestowne, LLC (JD Jamestowne); 2008 Route 37 Associates, LLC (2008 Route 37); Meridia Toms River 40 Urban Renewal, LLC (Meridia); and Fair Share Housing Center (FSHC). The Program appointed Special Adjudicator Kendra Lelie, PP, AICP. The Program Member conducted settlement conferences on October 20, 2025, and December 9, 2025, during which Meridia agreed to withdraw its Challenge without prejudice, and all other interested parties reach a settlement. The terms of the settlement, which were placed on the record, include but are not limited to: (a) the Township's Present Need (Rehabilitation) Obligation of 526 units; (b) the Township's Prospective Need Obligation (2025-2035) of 649 units; (c) the Township's First and Second Rounds Prospective Need Obligation of 1,735 units; (d) the Township's Third Round Prospective Need Obligation (1999-2025) of 1,285 units, plus a supplemental obligation of 70 units;

and (e) the understanding that the Township shall satisfy its Prior Round and Fourth Round obligations as detailed in the settlement.

The Township and FSHC executed a written settlement agreement memorializing the settlement terms which has been filed it with the Program, uploaded into eCourts and is attached as Exhibit A to the Program Settlement Recommendation. The Township and JD Jamestowne and 2008 Route 37 will enter into a written settlement agreement memorializing the settlement terms and file it with the Program. The Township has further represented its intent to adopt an Amended HEFSP in compliance with the settlement. The Township has also adopted a resolution by governing body agreeing to the terms of the settlement and authorizing the approval of the settlement. The resolution is also uploaded into e-courts. After a careful review, the Program Member has determined that the settlement terms are fair, reasonable, and adequately protect the interests of low- and moderate-income residents. Furthermore, the settlement is constitutionally compliant and provides a fair and reasonable opportunity for the Township to fulfill its FHA and Mount Laurel doctrine obligations.

For these reasons, as well as those set forth in this Statement of Reasons, the Program Member recommends an Order directing that: (a) the settlement terms are approved; (b) pursuant to N.J.S.A. §52:27D-304.1(f)(2)(c), the Township shall adopt and file its Amended HEFSP, including implementing ordinances and resolutions,

on or before March 15, 2026; (c) a Fairness and/or Compliance Hearing shall then be scheduled by the court to consider final approval of the Amended HEFSP and issuance of a Certification of Compliance and Repose; and (d) the Township shall be granted continued immunity from exclusionary zoning litigation for the duration of the compliance process, provided it complies with the Order, implements the Amended HEFSP in good faith, and participates in the compliance process in good faith.

New Jersey's Fair Housing Act (FHA) was amended, in part, due to a recognition of the need to "establish definitive deadlines for municipal action and any challenges to those actions" to ensure timely municipal compliance with their constitutional and statutory housing obligations. See N.J.S.A. §52:27D-302 (m).

The Mount Laurel doctrine arises from a series of seminal New Jersey Supreme Court decisions, beginning with Southern Burlington County NAACP v. Township of Mount Laurel, 67 N.J. 151 (1975) ("Mount Laurel I"), and clarified and expanded in Southern Burlington County NAACP v. Township of Mount Laurel, 92 N.J. 158 (1983) ("Mount Laurel II"). These cases established the constitutional obligation that municipalities in New Jersey must provide a realistic opportunity for the development of affordable housing for low- and moderate-income households. The core holding prohibits exclusionary zoning practices and requires affirmative municipal action to provide a reasonable opportunity for the construction of such

housing. Later cases, including Mount Laurel III and IV, as well as key Appellate Division decisions, have further articulated the standards by which compliance is measured and the process for judicial and administrative review.

The doctrine's core principle is that "satisfaction of the Mount Laurel obligation shall be determined solely on an objective basis: if the municipality has in fact provided a realistic opportunity for the construction of its fair share of low- and moderate-income housing, it has met the Mount Laurel obligation to satisfy the conditional requirement; if it has not, then it has failed to satisfy it." Mount Laurel II, 92 N.J. at 220-22. Good faith efforts are insufficient—the municipality must provide "the substantial equivalent of the fair share." Id. at 216.

The FHA set forth a streamlined procedure whereby municipalities can secure a compliance certification. That process states that after adoption and filing of a municipality's housing element and fair share plan (HEFSP), an interested party may file a response, or challenge, alleging with particularity that the municipality's HEFSP is not in compliance with the FHA or the Mount Laurel doctrine. N.J.S.A. §52:27D-304.1(f)(2)(b).

The FHA declared that the State's "preference for the resolution of existing and future disputes involving exclusionary zoning is the mediation and review process set forth in this act and not litigation, and that it is the intention of this act to provide various alternatives to the use of the builder's remedy as a method of

achieving fair share housing.” N.J.S.A. §52:27D-303. In other words, the legislative framework is to get all parties to the table in an accelerated timeline to engage in discussions with the objective of achieving a resolution.

To that end, the FHA established the unique affordable housing program within the judiciary to facilitate settlement between a municipality and any interested parties that filed a challenge to the municipality’s HEFSP and give the municipality until December 31, 2025, to commit to revise its HEFSP or provide an explanation for why it will not make all or some of the requested changes. N.J.S.A. §52:27D-304.1(f)(2)(b). If a settlement cannot be reached, to resolve a challenge, the Program is to apply an objective assessment standard to determine whether the Municipality’s HEFSP complies with the FHA and Mount Laurel doctrine. Ibid. Upon resolution of a challenge, the Program shall issue a compliance certification conditioned upon the municipality’s “commitment, as necessary, to revise its fair share plan and housing element in accordance with the resolution of the challenge.” Ibid. The Program may also recommend terminating immunity if it finds that the municipality is not in constitutional compliance at any point in the process. Ibid.

The Judiciary issued a directive outlining the process for the implementation of the Program. The new streamlined process allows municipalities to submit their plans for certification. If disputes arise about the feasibility of these plans, mediation

and county-level housing judges will resolve issues to ensure compliance with affordable housing goals.

The Administrative Directive promulgated procedures implementing the Affordable Housing Alternate Dispute Resolution Program ("Program") created by the FHA. The Directive established guidelines for the resolution of such matters, including the appointment of members, qualified experts, and staff. On May 17, 2024, a notice to the Bar announced the Administrative Director's appointment of members of the Affordable Housing Dispute Resolution Program, consisting of retired judges, including a chairperson. The program member is one of seven appointed by the Judiciary.

Pursuant to N.J.S.A. §52:27D-310 and associated regulations, a compliant HEFSP must include:

Calculation of present and prospective fair share obligations;

Consideration of lands most appropriate for affordable housing, including land offered by willing developers (N.J.S.A. §52:27D-310(f));

Analysis of consistency with the State Development and Redevelopment Plan and (if applicable) the Highlands Plan (N.J.S.A. 52:27D-310(h)-(i));

Detailed site suitability analyses for all inclusionary or 100% affordable housing sites;

Identification and justification of rejected sites proposed by third parties;

All draft implementing ordinances and resolutions (see also Directive #14-24 and Addenda).

The Plan must demonstrate a “realistic opportunity” for the required housing production, not merely procedural compliance or reliance on overly restrictive, hypothetical, or exclusionary zoning. See In re Fair Lawn Borough, 406 N.J. Super. 433, 441-42 (App. Div. 2009) (“COAH’s regulations recognize that some towns may not have enough currently developable land to meet their fair share requirements, although they may have vacant land that is capable of future development for that purpose. A municipality may receive a ‘vacant land’ adjustment, conditioned on adopting zoning geared at allowing the eventual development of affordable housing on those properties.”). The town must establish mechanisms that will incentivize future development such as higher density resulting in actual affordable housing units and agree to enact mandatory set aside ordinances.

As part of the Program, the AOC appointed an independent special adjudicator to assist the Program. The special adjudicator worked closely with the Program providing expert and objective recommendations to the Program, and most importantly actively assisted in the mediation of each case. The Program member finds the appointed adjudicator in this case credible, objective and knowledgeable regarding all issues of affordable housing, and particularly as it relates to the Township. Her recommendations and reports to the Program dated December 13,

2025 and December 20, 2025 (attached collectively as Exhibit B to the Program Settlement Recommendation) are given substantial weight in arriving at the recommendation to the county Mount Laurel Judge.

This Program member is of the opinion that the Program has been immensely successful. Of the 564 municipalities in New Jersey, a record 423 municipalities timely filed a HESFP with the Program. That represents about 150 more municipalities than have previously participated in the Mount Laurel process. At the same time, over 700 challenges were also timely filed objecting to the plans. In the Toms River township case, four such challenges were filed. Addressing all these cases in the accelerated process is a huge undertaking. Impressively, the Program has mediated each case to determine that the proposed HEFSP filed by each municipality is compliant, and presided over on the sessions to place settlements on the record or to hear oral arguments on matters that are not resolved.

The Judiciary identified all the complex cases and contested cases and referred 232 cases to the Program members. What used to take years of litigations and delays, often spanning the entire ten-year cycle, under the new streamlined process framework requires completion within a 120-day period from September 1 to December 31, 2025. This Program member has been assigned 36 cases requiring immense amounts of work, organization and cooperation from all parties.

The overall results firmly demonstrate the Program's effectiveness as skillfully implemented by the Judiciary. This is precisely what the Legislature intended in the new law. The FHA marks a new era of efficiency, cost savings, transparency and collaboration in affordable housing planning across New Jersey avoiding never ending litigation and most importantly resulting in real affordable housing units built for real people. In this Program member's view, the extraordinary advocacy and work of FSHC is a crucial component of the success of the Program process.

Despite the Legislature's preference for settlement, it is still incumbent upon the Program to determine whether the municipality's proposed amended HEFSP enables the municipality to satisfy its fair share obligation and is compliant with the FHA and the Mount Laurel doctrine. See N.J.S.A. §52:27D-304.1(f)(2)(b). The Program is mindful of the fact that the municipality is permitted to use a variety of means and techniques to provide for its fair share of affordable housing as set forth in N.J.S.A. §52:27D-311 and that courts should employ flexibility in assessing a municipality's HEFSP for compliance with the FHA and Mount Laurel doctrine. In re Adoption of N.J.A.C. 5:96 & 5:97, 221 N.J. 1, 29-33 (2015).

Having reviewed in detail all the submissions of the parties (including the original HEFSP and the proposed Amended HEFSP), the written recommendation of the Special Adjudicator and having presided over the settlement conference (s),

this Program member is satisfied that the Township's proposed Amended HEFSP provides a realistic opportunity for the construction of its fair share of low and moderate income housing and thus is compliant with the FHA and in accordance with S. Burlington Cnty. NAACP v. Mount Laurel, 92 N.J. 158, 220-22 (1983). This Program member is also satisfied that the terms of the settlement are fair, reasonable and adequately protect the interests of low and moderate-income residents of the municipality. Matter of Twp. Of Bordentown, 471 N.J. Super. 196, 218 (App. Div. 2022).

Because of the 20-year history of never-ending affordable housing litigation involving Toms River Township, the Ocean County Judge appointed Hon. Mark A. Troncone, J.S.C. (ret.) to mediate several pending cases involving prior affordable housing rounds. The Program has worked closely with Judge Troncone and acknowledges his remarkable contribution to achieving a resolution.

Importantly, the comprehensive settlement was reached with FSHC and resolves all prior round disputes and all the challenges filed by three developers. The terms of the settlement, which were placed on the record, include but are not limited to: (a) the Township's Present Need (Rehabilitation) Obligation of 526 units; (b) the Township's Prospective Need Obligation (2025-2035) of 649 units; (c) the Township's First and Second Rounds Prospective Need Obligation of 1,735 units; (d) the Township's Third Round Prospective Need Obligation (1999-2025) of 1,285

units, plus a supplemental obligation of 70 units; and (e) the understanding that the Township shall satisfy its Prior Round and Fourth Round obligations as detailed in the settlement.

Toms River township has further represented its intent to adopt an Amended HEFSP in compliance with the settlement. The Township has also adopted a resolution by its governing body agreeing to the terms of the settlement and authorizing the approval of the settlement.

After review, the Program Member has determined that the settlement terms are fair, reasonable, and adequately protect the interests of low- and moderate-income residents. Furthermore, the settlement is constitutionally compliant and provides a fair and reasonable opportunity for the Township to fulfill its FHA and Mount Laurel doctrine obligations.

For these reasons, the Program Member recommends an Order directing that: (a) the settlement terms are approved; (b) pursuant to N.J.S.A. §52:27D-304.1(f)(2)(c), the Township shall adopt and file its Amended HEFSP, including implementing ordinances and resolutions, on or before March 15, 2026; (c) a Fairness and/or Compliance Hearing shall then be scheduled by the court to consider final approval of the Amended HEFSP and issuance of a Certification of Compliance and Repose; and (d) the Township shall be granted continued immunity from exclusionary zoning litigation for the duration of the compliance process, provided

it complies with the Order, implements the Amended HEFSP in good faith, and participates in the compliance process in good faith.

Respectfully Submitted by the Program:

By:

/s/ Hon. Julio L. Mendez

Hon. Julio L. Mendez, J.S.C. (Ret.)

Dated: January 5, 2026