

**This report details the substantive revisions which amend the Fourth Round Housing Element and Fair Share Plan (HEFSP) for the Borough of Highlands, dated May 2025 and adopted by the Land Use Board on June 12, 2025. All page numbers listed correspond to the adopted HEFSP document.**

- Added additional pieces of documentation to Appendix G for the Shadowlawn Redevelopment Area: the fully executed Redevelopment Agreement and Financial Agreements for the site, dated November 7, 2025, and February 3, 2026, respectively.
- Amended the narrative for the Ptak Towers site (pages 36-37).
  - Clarified the proposed affordable units as 94, and not 95 age-restricted units
  - The following sentences were added to the description of this site:
    - “The development was first occupied on April 30, 1986, and includes 94 age-restricted rental units, plus one (1) additional unit for a live-in maintenance employee. Of the 94 age-restricted units, 78 are very-low-income units, 14 are low-income units, and one (1) is a moderate-income unit. Of these 94 units, five (5) units are applied toward the Borough’s Prior Round obligation, since not more than 25% of the need may be met through age-restricted units.”
- Amended the “approvable” criteria narrative for the Shadowlawn Redevelopment Plan Area to include the dates when resolutions were approved to authorize the site’s redevelopment and financial agreements (page 39).
- Amended the narrative for the Borough’s existing Mandatory Set-Aside Ordinance to read: “All affordable units developed through the MSO are subject to UHAC regulations, as amended. The Borough has updated its Affordable Housing Ordinance based on the most recent UHAC regulations and the new Fourth Round Rules (N.J.A.C. 5:99), effective as of December 15, 2025, which require all new multi-family residential developments of five (5) units or more to provide a 20% set aside for both for-sale and rental developments. This amended Ordinance is anticipated to be adopted by March 15, 2026” (page 39).
- Amended the narrative for the Borough’s Development Fee Ordinance to read: “The Borough has updated its Affordable Housing Ordinance based on the most recent UHAC regulations and the new Fourth Round Rules (N.J.A.C. 5:99), effective as of December 15, 2025. This amended Ordinance is anticipated to be adopted by March 15, 2026” (page 40).
- The “Third Round Unmet Need” summary chart on page 40 has been revised to eliminate bonus credits from the Third Round Unmet Need.

<b>Third Round Unmet Need</b>	
Ptak Towers	15 units
Shadowlawn Redevelopment Plan	44 units
Mandatory Set-Aside Ordinance	TBD

- Amended the requirement for the affordable unit set aside required in the Amended Central Business District (CBD) Redevelopment Plan Area, based on the recently adopted N.J.A.C. 5:99 and UHAC regulations, to read: “The Redevelopment Plan requires that: the mandatory set-aside requirements, outlined in Section 26-2 of the Borough of Highlands Affordable Housing Ordinance, as amended, to be in effect throughout the entire CBD Redevelopment Area for any multifamily residential development of five (5) dwelling units or more, including the residential portion of a mixed-use project” (page 42).
- Amended the “approvable” criteria narrative for the CBD Redevelopment Plan Area to clarify a 20% affordable set-aside requirement for both for-sale and rental units (page 42).
- Amended the discussion of additional affordable housing resolutions, based the recently adopted N.J.A.C. 5:99 and UHAC regulations to read: “The Borough prepared updates to several affordable housing-related resolutions and ordinances including its Affordable Ordinance (Chapter 26 of the Borough Code), Affirmative Marketing Plan, Development Fee Ordinance, and Mandatory Set-Aside Ordinance to comply with the Fair Housing Act and UHAC, as most recently amended, which are anticipated to be adopted by March 15, 2026. Additionally, the Borough will adopt resolutions appointing its Administrative Agent and Municipal Housing Liaison for 2026 by March 15, 2026” (pages 42-43).
- Added a new subsection to the “Addressing the Fourth Round Unmet Need” section, entitled “Addressing Additional Fourth Round Requirements,” and including the following new text and charts (pages 43 onward):
  - As outlined in the “Current Standards” section of this Plan, the Borough must comply with the established minimum requirements for rental units, units for families with children, the low-income requirement, and the very-low-income requirement. Further, the age-restricted housing cap must not be exceeded. These standards are outlined below.

*Age-Restricted Housing*

- A municipality may not satisfy more than 30% of the affordable units, exclusive of bonus credits, to address its prospective need affordable housing obligation through the creation

of age-restricted housing. A maximum of 9 age-restricted units (i.e., 30% of 30) can be credited.

<b>Fourth Round Unmet Need: Age-Restricted Housing</b>	
<i>Existing Units:</i> Ptak Towers	9 units
<b>Total Units</b>	<b>9</b>

- *Families with Children*
  - A minimum of 50% of a municipality’s actual affordable housing units, exclusive of bonus credits, must be made available to families with children. A minimum of 11 family units (i.e., 50% of 21) must be created.

<b>Fourth Round Unmet Need: Families with Children</b>	
<i>Proposed Units:</i> TBD	TBD
<b>Total Units</b>	<b>TBD</b>

- *Rental Units*
  - A minimum of 25% of a municipality’s actual affordable housing units, exclusive of bonus credits, shall be satisfied through rental units. Further, at least half of that number must be available to families with children.

<b>Fourth Round Unmet Need: Rental Requirement</b>		
Rental Units	<i>Existing Units:</i> Ptak Towers	9 units
Family Rental Units	<i>Proposed Units:</i> TBD	TBD
<b>Total Rental Units</b>		<b>TBD</b>
• <i>Total Family Rental Units</i>		TBD

- *Low-Income Requirement*
  - At least 50% of the housing units made available for occupancy shall be reserved for low-income households earning 50% or less of the median income pursuant to the Fair Share Housing Act, N.J.S.A. 52:27D-301, et seq.

<b>Fourth Round Unmet Need: Low-Income Requirement</b>		
Low-Income Units	<i>Existing Units:</i> Ptak Towers	9 units
	<i>Proposed Units: TBD</i>	TBD
<b>Total Low-Income Units</b>		<b>TBD</b>

- *Very-Low Income Requirement*
  - At least 13% of the housing units made available for occupancy by low-income and moderate-income houses shall be reserved for very-low-income households earning 30% or less of the median income pursuant to the Fair Share Housing Act, N.J.S.A. 52:27D-301, et seq.

<b>Fourth Round Unmet Need: Very-Low-Income Requirement</b>		
Very-Low-Income Units	<i>Existing Units:</i> Ptak Towers	9 units
Very-Low-Income Family Units	<i>Proposed Units: TBD</i>	TBD
<b>Total Very-Low-Income Units</b>		<b>TBD</b>
• <i>Total Very-Low-Income Family Units</i>		TBD

- Revised the narrative in the “Consistency with State Planning Requirements” section to reflect the adoption of the new State Development and Redevelopment Plan on December 17, 2025, reading: “New Jersey adopted the latest SDPR on December 17, 2025. Mapping revisions will be completed later in 2026, which will determine the land designations assigned to the Borough of Highlands. Objectives for Metropolitan Planning Areas (PA1), the primary land designations assigned to the Borough in the previously adopted 2001 State Plan are outlined below...” (page 43).
- The “Fourth Round Summary” chart on page 43 and “Summary of Fair Share Compliance” chart on page 45 were both revised to eliminate bonus credits from the Fourth Round Unmet Need.

<b>Fourth Round Obligation</b>	
RDP	0
Unmet Need	30
Ptak Towers	9 units
CBD Redevelopment Area	TBD
Mandatory Set-Aside Ordinance	TBD
Development Fee Ordinance	TBD

**SUMMARY OF FAIR SHARE COMPLIANCE**

<b><i>Present Need Total</i></b>	<b>0</b>
<b>Prior Round Obligation (1987-1999)</b>	<b>20</b>
Ptak Towers	5
Rental Bonus Credits	5
Monmouth Highlands Apartments	10
<i>Prior Round Total</i>	20
<b>Third Round Obligation - RDP</b>	<b>10</b>
Ptak Towers	2
Rental Bonus Credits	2
Monmouth Highlands Apartments	6
<i>Third Round Obligation - RDP</i>	10
<b>Third Round Obligation – Unmet Need</b>	<b>62</b>
Ptak Towers	15
Shadowlawn Redevelopment Plan	44
Mandatory Set-Aside Ordinance	TBD
<b>Fourth Round Obligation - RDP</b>	<b>0</b>
<b>Fourth Round Obligation – Unmet Need</b>	<b>30</b>
Ptak Towers	9
CBD Redevelopment Area	TBD
Development Fee Ordinance	TBD
Mandatory Set-Aside Ordinance	TBD