



BOROUGH OF HIGHLANDS
COUNTY OF MONMOUTH

RESOLUTION 26-082

ENDORISING THE AMENDED ROUND 4 HOUSING ELEMENT AND FAIR SHARE PLAN ADOPTED BY THE LAND USE BOARD

WHEREAS, in January 2025, the Borough of Highlands ("Borough" or "Highlands") filed a Declaratory Judgment Action pursuant to the New Jersey Fair Housing Act, N.J.S.A. 52:27D-301 et seq.as amended ("FHA II"); and

WHEREAS, in June of 2025, the Borough filed with the Affordable Housing Dispute resolution program (hereinafter "the Program") a Housing Element and Fair Share Plan adopted by its Land Use Board that it subsequently endorsed (hereinafter "2025 Plan"); and

WHEREAS, Fair Share Housing Center, Inc (FSHC) filed a letter raising issues with the Borough's Plan; and

WHEREAS, the Program Judge gave the Borough and FSHC an opportunity to enter into a Consent Order to address the concerns of FSHC; and

WHEREAS, the Borough and FSHC were able to resolve their concerns and signed a Consent Order in February of 2026; and

WHEREAS, in an effort to implement the Consent Order with FSHC, the Borough's affordable housing planner prepared an Amendment to the 2025 Plan and the Highlands Borough Land Use Board adopted that Amendment in March of 2026, which is attached hereto (hereinafter "Amendment"); and

WHEREAS, the next step in the process of seeking to comply with the Consent Order is for the Borough to endorse the Amendment; and

WHEREAS, the Borough Council has reviewed the Amendment and desires to formally endorse the same in order to advance the Borough's efforts to perfect its rights to a certificate of compliance.

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

1. The Borough Council hereby endorses the Amendment attached hereto.

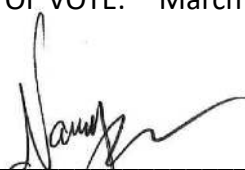
2. The Borough authorizes its professionals to provide such supplemental information, clarifications, or certifications as they deem appropriate in their efforts to secure approval of the amended Housing Element and Fair Share Plan from the county level judge.
3. The Borough authorizes its professionals to make any non-substantive or de minimis revisions or clarifications necessary to effectuate the intent of this Resolution and facilitate judicial review of the Amended Plan.
4. The Borough Clerk is directed immediately to transmit copies of this Resolution, together with the adopted Amendment, to Affordable Housing Counsel so that counsel, in accordance with FHA II, can file the Amendment within 48 hours from adoption.
5. This Resolution shall take effect immediately upon adoption.

Motion to Approve R 26-082:

	INTRODUCED	SECOND	AYE	NAY	ABSTAIN	ABSENT
CERVANTES						X
CHELAK			X			
MELNYK			X			
OLSZEWSKI		X	X			
BROULLON	X		X			

This is a Certified True copy of the Original Resolution on file in the Municipal Clerk's Office.

DATE OF VOTE: March 12, 2026



 Nancy Tran, Municipal Clerk
 Borough of Highlands

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.

Third Round Unmet Need	
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.

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

○ *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.

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

○ *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.

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

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

○ *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.

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

Fourth Round Obligation	
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

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