ORDINANCE 2026-01

ORDINANCE APPROVING AND AUTHORIZING EXTENSION OF AFFORDABLE HOUSING CONTROLS FOR 34 OWNER-OCCUPIED UNITS, PAYMENT OF $40,000 TO EACH OWNER EXTENDING, AND CONTINUATION OF 50% RECAPTURE LIEN

WHEREAS, Colts Neck Township (the "Township") has a long history of providing and securing affordable housing within the Township in accordance with its Constitutional obligation, and moreover, the Township remains dedicated to providing low- and moderate- income housing to individuals, families, and households; and

WHEREAS, the minimum affordable housing control period ("Control Period") for sixty-six (66) owner-occupied affordable housing units ("Affordable Units") at the Grande at Colts Neck, A Condominium has expired, but the units have not yet been released by the Township pursuant to the Uniform Housing Affordability Controls, which are found in the New Jersey Administrative Code at Title 5, chapter 80, subchapter 26 (N.J.A.C. 5:80-26.1, *et seq)* (the "UHAC Rules") and otherwise remain subject to their affordable housing controls; and

WHEREAS, in accordance with the UHAC Rules, the Affordable Units, as well as all affordable housing units in the Township, have recapture liens which require the affordable unit owners to pay the Township a certain amount upon the first non-exempt market sale of a unit after affordable housing controls have expired and the affordable unit owner has provided the Township with notice of an intent to sell the unit; and

WHEREAS, the owners of thirty-four (34) of the Affordable Units (the "Extension Units") have expressed an intent to extend affordable housing controls on their units for another thirty (30) years in exchange for payment of $40,000.00 per unit; and

WHEREAS, in accordance with the UHAC Rules, the Township has the right to extend the Control Period for affordable housing units for an additional term of thirty (30) years provided a new deed restriction is executed effectuating the extension, payment of at least $20,000 is made to owners of each unit, and the recapture liens on each unit remain in effect; and

WHEREAS, certain of the Affordable Units, as well as other affordable housing units in the Township, may currently have recapture liens in place requiring owners to pay the Township 50% of the difference between the unit's non-restricted fair market value and its maximum restricted sale price ("50% Recapture Lien"); and

WHEREAS, the most recent version of the UHAC Rules, adopted on November 6, 2025, require recapture liens of a higher amount, namely an amount equal to the "price differential" minus the "equity share" amount ("Equity Share Recapture Lien"), but also authorizes municipalities to set lower amounts for recapture liens so long as such amount is less than Equity Share Recapture Lien amount; and

WHEREAS, in compliance with the UHAC Rules, the Township desires to maintain a 50% Recapture Lien on any existing affordable housing units in the Township if and only to the extent such units are currently subject to a 50% Recapture Lien. However, if such units currently subject to a 50% Recapture Lien are subsequently sold to new eligible affordable housing buyers, such subsequent unit owner must execute an Equity Share Recapture Lien. In addition, for all affordable housing units in the Township not currently subject to a 50% Recapture Lien, Equity Share Recapture Liens are required; and

WHEREAS, the Township intends to fund the $40,000 payments to the unit owners through Bond Ordinance #2025-19 of the Township, finally adopted on September 10, 2025, authorizing the issuance of bonds or notes of the Township to fund the extension of affordability controls within the Township; and

WHEREAS, the Township Committee deems it to be in the best interest of the Township to pass an Ordinance authorizing the Township to execute new thirty (30) year deed restrictions on the Extension Units, pay such unit owners $40,000.00 per unit for executing a new thirty (30) year deed restriction, and establish applicable recapture amounts for affordable housing units in the Township.

NOW THEREFORE, BE IT ORDAINED by the Township Committee, of Colts Neck Township, New Jersey as follows:

1. The Township Mayor, Township Administrator, Township Clerk and/or Township Affordable Housing Administrator are hereby authorized to execute an appropriate form of deed restriction extending affordability controls on the Extension Units.

2. The Township Mayor, Township Administrator, Township Clerk and/or Township Affordable Housing Administrator are hereby authorized to pay owners of Extension Units $40,000.00 per unit to extend affordable housing controls.

3. The Township Mayor, Township Administrator, Township Clerk and/or Township Affordable Housing Administrator are hereby authorized to take the necessary action where the Control Period on existing owner-occupied affordable housing units are extended to (a) maintain a 50% Recapture Lien for affordable housing units in the Township with an existing 50% Recapture Lien currently in effect, (b) prepare and effectuate an Equity Share Recapture Lien for affordable units currently subject to a 50% Recapture Lien that are subsequently sold to new eligible affordable housing buyers, and (c) prepare and effectuate Equity Share Recapture Liens for affordable housing units in the Township not currently subject to a 50% Recapture Lien.

4. This ordinance shall take effect upon final passage and publication in accordance with the laws of the State of New Jersey.

I hereby certify the Ordinance foregoing to be a true copy of an Ordinance introduced by the Township Committee of Colts Neck Township on the 11th day of February 2026. A public hearing will be held on February 25, 2026, 7:00 p.m. Town Hall, 1 Veterans Way.

Michael Viola, Mayor

Kathleen Capristo, Municipal Clerk

RECORD OF VOTE										
	First Reading					Second Reading				
	February 11, 2026					February 26, 2026				
	M	S	Yes	No	NV	Ab	M	S	Yes	No	NV	Ab
Mayor Viola												
Deputy Mayor Buzzetta												
Rizzuto												
Torchia Buss												
Tobia												

M - Moved S - Seconded X - indicates vote NV - Not Voting Ab - Absent