

FILED

February 25, 2026

Hon. Linda Grasso Jones, J.S.C.

PREPARED BY THE COURT:

**IN THE MATTER OF THE
DECLARATORY JUDGMENT
ACTION OF THE BOROUGH
OF RUMSON, MONMOUTH
COUNTY PURSUANT TO P.L.
2024, CHAPTER 2 (N.J.S.A.
52:27D-304.1, et seq.),**

Petitioner.

SUPERIOR COURT OF NEW JERSEY
LAW DIVISION – CIVIL PART
MONMOUTH COUNTY
DOCKET NO. MON-L-304-25

Civil Action

Mt. Laurel Program

**DECISION AND ORDER
APPROVING MUNICIPAL HOUSING
ELEMENT AND FAIR SHARE PLAN
("HEFSP") FOR THE FOURTH
ROUND HOUSING CYCLE**

THIS MATTER, having come before the court on referral from and recommendation issued by the Affordable Housing Dispute Resolution Program ("Program"), pursuant to the Complaint for Declaratory Judgment ("DJ Complaint") filed by the Petitioner, **BOROUGH OF RUMSON** ("Petitioner" or "Municipality"), pursuant to N.J.S.A. 52:27D-304.2, -304.3, and -304.1(f)(1)(c) of the New Jersey Fair Housing Act, N.J.S.A. 52:27D-301, et seq. (collectively, the "FHA"), and in accordance with Section II.A of Administrative Directive #14-24

(“Directive #14-24”) of the ”Program”, seeking a certification of compliance with the FHA;

AND THE COURT, having entered its Decision and Order Fixing Municipal Obligations for “present need” and “prospective need” for the Fourth Round Housing Cycle on April 1, 2025 for the Municipality – specifically, a “present need” obligation of 0 affordable housing units, and a “prospective need” obligation of 117 affordable housing units (collectively, the “Fourth Round Affordable Housing Obligation”);

AND IT APPEARING that, the Municipality adopted its proposed Housing Element and Fair Share Plan (“HEFSP”) for the implementation of its Fourth Round Affordable Obligation, which Plan contained the elements set forth in the “Addendum” attached to Directive #14-24 (as amended);

AND IT APPEARING that, a challenge to the Municipality’s HEFSP (“Challenge”) was timely and properly filed by Fair Share Housing Center (“FSHC” or “Challenger”) by and through its counsel, in accordance with the FHA and Section III.B of Directive #14-24, wherein the Challenger disputed, in whole or in part, certain compliance mechanisms and/or other aspects of the Municipality’s proposed HEFSP, as set forth in each Challenge;

AND IT APPEARING that, pursuant to the Program, the Administrative Office of the Courts (“AOC”) appointed and assigned the case to Program member,

the Hon. Menelaos Toskos, J.S.C. (Ret.) (“Program Member”) to manage the proceedings, host settlement conferences, and make recommendations to the court in accordance with the FHA and the AOC’s Directive #14-24, and that the Program Member appointed Francis J. Banisch, III PP/AICP, an independent affordable housing expert, as special adjudicator (“Special Adjudicator”) in this case to work with, make recommendations to and assist the Program, and who worked closely with the Program Member;

AND IT APPEARING that, on November 20, 2025, December 8, 2025 and December 17, 2025, settlement conferences were conducted on notice to all parties with the participation as needed of local officials, town planner, planners for FSHC, and attorneys for the Municipality and attorneys for the FSHC in accordance with the statutory framework and Directive #14-24, and with the goal of reaching a resolution;

AND IT APPEARING that, the parties engaged in extensive settlement negotiations before and during the settlement conferences, with the guidance and assistance of the Program Member and the Special Adjudicator;

AND IT APPEARING that, as a result of the settlement conferences conducted, the Municipality and the Challenger reached a resolution (“Settlement”); the Settlement was placed on the record on December 17, 2025; the Municipality

and FSHC having entered into a written Mediation Agreement consistent with the Settlement;

AND THE COURT, having received the Program Member's report dated February 22, 2026, posted to the eCourts jacket for this matter at Trans. ID: LCV2026234831, the findings, terms, and recommendations of which are incorporated by reference as though more fully set forth herein (the "Report");

AND THE COURT, having been advised that (i) the Special Adjudicator has recommended acceptance of the Settlement, (ii) the Program Member has recommended acceptance of the Settlement as reasonable and in furtherance of the interests of low- and moderate-income households in the Municipality (collectively, the "Recommendations"), and that (iii) the Program Member further recommends that the court adopt the findings and recommendations set forth in the Report and enter an Order implementing the terms of Settlement and thereby formally approve the Municipality's HEFSP as amended to implement the "present need" and "prospective need" obligations of the Municipality for the Fourth Round housing cycle;

AND THE COURT, having reviewed and considered the Program Member's Report and Recommendations and having found and determined that the proposed HEFSP as amended is fair and equitable, shall provide a "realistic opportunity" for the construction and/or delivery of housing affordable to those of the protected class

of low- and moderate-income households in the Municipality, and thereby in their best interests, and for good and sufficient cause having otherwise been shown:

IT IS, THEREFORE, on and as of this **25th day of February, 2026** **ADJUDGED AND ORDERED**, that the Program Member's Report and Recommendations for approval of the Settlement and the HEFSP of the Municipality as amended, be, and the same hereby is **ACCEPTED** and **ADOPTED** in its entirety; and to that end, more specifically, it is further

ORDERED AND ADJUDGED, as follows:

1. The HEFSP of the Municipality for the Fourth Round housing cycle previously filed in accordance with the requirements of the FHA and Directive #14-24, as amended in accordance with the settlement between the Municipality and FSHC, is **APPROVED** by the court; and

2. The Petitioner is hereby immediately authorized to proceed, without further delay, to notice and adopt the implementing ordinances and resolutions proposed to ensure implementation of its Fourth Round HEFSP, incorporating therein any changes from the Program and this court's Order, and on or before **MARCH 16, 2026**,¹ whereupon the court shall issue and enter its formal Certification of Compliance and repose from builder's remedy and/or exclusionary zoning litigation in the Fourth Round housing cycle and the period of 2025 to 2035.

¹ March 15, the due date provided in the statute, falls on a Sunday and the due date is thus March 16, 2026.

3. The Petitioner is granted continued immunity from exclusionary zoning litigation for the duration of the compliance process conditioned upon the Petitioner's compliance with this order and good faith implementation of the Amended HEFSP and good faith participation in the compliance process.

4. **Failure to meet the March 16 deadline shall preclude the court's issuance of a Certification of Compliance and Repose as required by the FHA and Directive #14-24 (as amended), and the thereby result in the Municipality losing immunity from exclusionary zoning litigation**

IT IS FURTHER ORDERED, that a copy of this Order shall be deemed served on the Petitioner, Petitioner's counsel, and counsel for all Challengers upon its posting by the court to the eCourts case jacket for this matter pursuant to R. 1:5-1(a) and R. 1:32-2A.

SO ORDERED:

/s/ Linda Grasso Jones, J.S.C.

HON. LINDA GRASSO JONES, J.S.C.

Designated Mt. Laurel Judge- Monmouth Vicinage

(X) Challenged.

SEE ATTACHED RIDER/STATEMENT OF REASONS

Rider/Statement of Reasons pursuant to R. 1:7-4(a):

Having reviewed and considered the Program Member's Report and Recommendations and the Special Adjudicator's Recommendation and Statement of Reasons, the court is satisfied that an arm's length Settlement was reached and entered into by and between the parties, the terms of the Settlement attained are fair and equitable, the proposed HEFSP as amended is fair and equitable, shall provide a "realistic opportunity" for the construction and/or delivery of housing affordable to those of the protected class of low- and moderate-income households in the Municipality, and thereby is in the best interests of the protected class of low- and moderate-income households in the Municipality. This Settlement disposes of all Challenges filed.

Accordingly, the court hereby adopts in full the Report and Recommendations of the Program Member and accepts the same for the detailed findings and reasons set forth therein. As a result, the Municipality retains all the protections of the above-referenced amendments to the FHA, continues to retain immunity from exclusionary zoning litigation, and the court retains jurisdiction for the Municipality's adoption of implementing ordinance in accordance with the statutory framework and AOC Directive #14-24, by or before March 16, 2026, and thereupon, the court's issuance of a Certification of Compliance.

SO ORDERED:

/s/ Linda Grasso Jones, J.S.C.

HON. LINDA GRASSO JONES, J.S.C.

Designated Mt. Laurel Judge- Monmouth Vicinage