

Township of Hamilton

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New Jersey's Largest
Municipality

NOTICE OF CHANGES TO AFFORDABLE HOUSING FEES

Effective February 2, 2009, the Township of Hamilton will implement several changes to the rates and formulas use in the collection of fees for its Affordable Housing Trust Fund.

These changes are the result of amendments to the Housing Trust Fund program adopted by the Township on December 15, 2008 in order to maintain consistency with recent changes to the laws & rules of the State of New Jersey. These amendments have been reviewed and approved by Superior Court on January 23, 2009.

The following is a summary of the most significant changes which are; the amount of the residential fees, the amount of the non-residential fees and the methodology used to calculate the equalized assessed value of a property.

• Residential Fees

- The Housing Fee will be increased to one and one half percent (1.5%) of the Equalized Assessed Value (EAV) of the land and improvements. Previously this fee was 1% of the estimated value of the improvements.
- For residential development, the Equalized Assessed Value will be estimated at the time of the building permit application based on the estimated construction cost. The final value will be established by the Assessor prior to issuance of the Certificate of Occupancy.
- One half (50%) of the estimated total fee will be collected at the time of issuance of the Construction Permit, with the balance of the fee (final fee) paid prior to the issuance of the Certificate of Occupancy.

• Non-residential fees

- Hamilton Township is collecting the State mandated non-residential development fee of two and one half percent (2.5%) of the Equalized Assessed Value of the land and improvements.
 - The Statewide Non-Residential Fee Act provides for certain exemptions from payment of this fee including, but not limited to, places of worship, certain educational facilities, parking lots & parking structures, etc.
- Non-residential fees are to be paid prior to issuance of a Certificate of Occupancy. An estimate of the EAV and the estimated fee will be provided to the developer within 90 days of the issuance of the first construction permit. The final EAV and fee will be provided within ten (10) working days of the request for final inspection.

• Calculation of Equalized Assessed Value

- Pursuant to both the Statewide Non-Residential Fee Act and the amended 3rd Round COAH Rules the Equalized Assessed Value (EAV) will be calculated using the following formula:

$$\text{EAV} = \text{Assessed Value of the Property} \div \text{the current Equalization Ratio for the Township}$$

For example, based on the Township's 2009 Equalization Ratio of 48%, a residential property with an assessed value of \$100,000 would have an Equalized Assessed Value of \$208,333.