

# Egg Harbor Township

## Resolution No. 295

2025

### Resolution approving a Fourth Round Affordable Housing Trust Fund Spending Plan and Requesting Program and Court Approval of the Spending Plan

**WHEREAS**, the Township of Egg Harbor (hereinafter "Township" or "Egg Harbor") has an approved Development Fee Ordinance that was adopted on March 14, 2007, which established standards for the collection, maintenance, and expenditure of development fees; and

**WHEREAS**, the Township's previous Affordable Housing Trust Fund Spending Plan was approved by the Court on August 31, 2018; and

**WHEREAS**, on March 20, 2024, Governor Murphy signed into law P.L. 2024, c.2, which amended the 1985 New Jersey Fair Housing Act (hereinafter the "Amended FHA") which governs how municipalities will comply with their affordable housing obligations for the Fourth Round (2025-2035); and

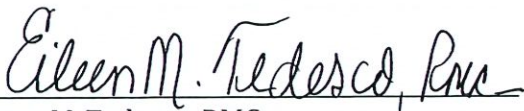
**WHEREAS**, the Administrative Office of the Courts issued Directive #14-24 ("AOC Directive #14-24"), governing how municipalities file their compliance documents with the Affordable Housing Dispute Resolution Program ("the Program"); and

**WHEREAS**, the Township has prepared a Fourth Round Spending Plan consistent with the Amended FHA, AOC Directive #14-24, and applicable regulations, which projects anticipated revenues to the Township's Affordable Housing Trust Fund and describes the anticipated expenditures of funds.

**NOW, THEREFORE, BE IT RESOLVED** by the Township Committee of the Township of Egg Harbor, County of Atlantic, State of New Jersey, as follows:

1. The Township Committee of the Township of Egg Harbor hereby approves the Fourth Round Spending Plan that is attached hereto as Exhibit A, and requests that the Program and the Court review and approve the Township's Fourth Round Spending Plan.
2. This Resolution shall take effect immediately upon adoption, according to law.

Dated: June 18, 2025

  
Eileen M. Tedesco, RMC  
Township Clerk

Attachment – Exhibit A Fourth Round Spending Plan

I certify that this is a true copy of a Resolution adopted by the Township Committee of Egg Harbor Township, Atlantic County, NJ

  
Janice F. Hughes, PMC, Deputy Township Clerk

# **Egg Harbor Township**

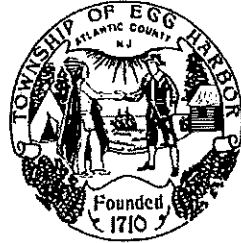
**Resolution No.**

**2025**

**Resolution approving a Fourth Round Affordable Housing Trust Fund Spending Plan  
and Requesting Program and Court Approval of the Spending Plan**

**EXHIBIT A  
FOURTH ROUND SPENDING PLAN**

**TOWNSHIP OF EGG HARBOR**  
ATLANTIC COUNTY, NEW JERSEY



**Spending Plan**

**MAYOR**  
Laura Pfrommer

**TOWNSHIP COMMITTEE**

Ray Ellis, Jr., Deputy Mayor  
Paul Hodson  
William Pauls  
Paul Rosenberg

**Planning Board**

Manuel Aponte, Chairperson  
Victoria Schiffler, Vice-Chairperson  
Mayor Laura Pfrommer  
Committeeman Paul Hodson  
Carl Peterson  
Charles Eykyn  
James Galvin  
Riaz Rajput  
Marita Sullivan, Alternate No. 1  
Basant (Bobby) Gupta, Alternate No. 2

**June 2025**

*Prepared By:*  
Polistina & Associates  
6684 Washington Avenue  
Egg Harbor Township, New Jersey 08234  
Phone: (609) 646-2950  
Fax: (609) 646-2949

Jennifer L. Heller, PP, AICP  
Township Planner  
New Jersey License No. 6486

## **TOWNSHIP OF EGG HARBOR**

### **AFFORDABLE HOUSING TRUST FUND SPENDING PLAN**

#### **INTRODUCTION**

Egg Harbor Township (hereinafter the "Township"), Atlantic County, has prepared a Housing Element and Fair Share Plan that addresses its regional fair share of the affordable housing need in accordance with the Municipal Land Use Law (N.J.S.A. 40:55D-1 et seq.), the Amended Fair Housing Act (FHA-2) (N.J.S.A. 52:27D-301) and the proposed new Fair Housing Act Rules promulgated by the New Jersey Department of Community Affairs (DCA) (N.J.A.C. 5:99). A Development Fee Ordinance creating a dedicated revenue source for affordable housing was approved by the Superior Court, and adopted by Egg Harbor Township on March 14, 2008. The ordinance established the Township of Egg Harbor Affordable Housing Trust Fund for which this Spending Plan has been prepared. This Spending Plan has been prepared in accordance with the amended Fair Housing Act.

As of April 30, 2025, Egg Harbor Township has a balance of \$2,363,951.51. All development fees, payments in lieu of constructing affordable units on site, funds from the sale of units with extinguished controls, and interest generated by the fees are deposited in a separate interest-bearing affordable housing trust fund in Ocean First Bank for the purposes of affordable housing. These funds shall be spent in accordance with N.J.A.C. 5:93-8.16 as described in the sections that follow.

#### **1. REVENUES FOR CERTIFICATION PERIOD**

To calculate a projection of revenue anticipated during the period of certification, Egg Harbor Township considered the following:

(a) Development fees:

1. Residential and nonresidential projects which have had development fees imposed upon them at the time of preliminary or final development approvals;
2. Projects which have been approved by the Planning and Zoning Boards and have received all land use approvals and are currently under construction;
3. All projects currently before the planning and zoning boards for development approvals that may apply for building permits and certificates of occupancy; and
4. Future development that is likely to occur based on discussions with developers, historical rates of development and / or projected development in accordance with the Amended FHA projections.

## (b) Payment in lieu (PIL):

No payment in lieu (PIL) funds have been collected. Currently, there are also no actual or committed payments in lieu (PIL) of construction from developers.

## (c) Other funding sources:

Funds from other sources, including, but not limited to, the sale of units with extinguished controls, repayment of affordable housing program loans, rental income, proceeds from the sale of affordable units. No other funds have been or are anticipated to be collected.

## (d) Projected interest:

Interest on the projected revenue in the Township's Affordable Housing Trust Fund based upon the average amount earned in prior years.

## 2. REVENUE PROJECTION

SOURCE OF FUNDS	Projected Revenues - Housing Trust Fund - 2025 Through 2035					
	5/1/25 Through 12/31/25	2026	2027	2028	2029	2030
(a) Development fees:						
1. Approved Development	\$100,000	\$50,000				
2. Development Pending Approval	\$50,000	\$50,000				
3. Projected Development	\$50,000	\$100,000	\$200,000	\$200,000	\$200,000	\$200,000
(b) Payments in Lieu of Construction						
(c) Other Funds (Specify source(s))						
(d) Interest	\$25,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000
Total	\$225,000	\$215,000	\$215,000	\$215,000	\$215,000	\$215,000

SOURCE OF FUNDS	Projected Revenues – Affordable Housing Trust Fund 2025 Through 2035				
	2031	2032	2033	2034	2035
(a) Development fees:					
1. Approved Development					
2. Development Pending Approval					
3. Projected Development	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000
(b) Payments in Lieu of Construction					
(c) Other Funds (Specify source(s))					
(d) Interest	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000
Total	\$215,000	\$215,000	\$215,000	\$215,000	\$215,000

Egg Harbor Township projects a total of \$2,375,000.00 in revenue to be collected between May 1, 2025 and December 31, 2035. All interest earned on the account shall accrue to the account to be used for the purposes of affordable housing.

The Township, as of April 30, 2025, had in the Affordable Housing Trust Fund an amount of \$2,363,951.51. When added to the potential development fee collection amount of \$2,375,000.00, (including interest), a potential total development fee and interest revenue of \$4,738,951.51 results.

### 3. ADMINISTRATIVE MECHANISM TO COLLECT AND DISTRIBUTE FUNDS

The following procedural sequence for the collection and distribution of development fee revenues shall be followed by Egg Harbor Township:

#### (a) Collection of development fee revenues:

Collection of development fee revenues shall be consistent with Egg Harbor Township's Development Fee Ordinance for both residential and non-residential developments in accordance with the Municipal Land Use Law (N.J.S.A. 40:55D-1 et seq.), the Amended Fair Housing Act (FHA-2) (N.J.S.A. 52:27D-301) and the proposed new Fair Housing Act Rules promulgated by the New Jersey Department of Community Affairs (DCA) (N.J.A.C. 5:99).

Pursuant to a development approval by the board having jurisdiction, the land use administrator will notify the construction official of the approval. At the time of construction permit application, the construction official will notify the tax assessor and request an initial calculation of the equalized assessed value (EAV) of the proposed development and the resulting fee to be posted. One-half of the fee will be due at the time of issuance of the first building permit. For non-residential development only, the developer will provide a copy of Form N - RDF "State of New Jersey Non-Residential



Development Certification/Exemption.” The tax assessor will use this form to verify exemptions and to prepare estimated and final assessments.

At the time of request for the final inspection, the construction official will notify the tax assessor and request confirmation of, or modification of, the initial (EAV) as the case may be. The final (EAV) will be provided to the developer of the request for final inspection. Payment of the fee will then become a condition of issuance of the certificate of occupancy.

(b) Distribution of development fee revenues:

Distribution of development fees revenues shall be determined by the Township Administrator in accordance with the Township’s 2025 Fourth Round Housing Element and Fair Share Plan.

#### 4. DESCRIPTION OF ANTICIPATED USE OF AFFORDABLE HOUSING FUNDS

(a) **Rehabilitation programs and projects (N.J.A.C. 5:93-5.2)**

Egg Harbor Township will dedicate \$800,000.00 to the Atlantic County Improvement Authority Rehabilitation Program and/or any Township run rehabilitation programs. See detailed descriptions in Township’s 2025 Housing Element and Fair Share Plan.

**Rehabilitation Program: \$800,000.00**

(b) **New Construction**

Egg Harbor Township has identified several housing projects in the Housing Element and Fair Share Plan. The funds from the Trust Fund may be utilized to implement any one of those projects, or in the event a new project is identified which provides affordable housing opportunities for use in meeting the Township’s housing obligation. The Trust Fund may be used for the projects included in the Housing Element and Fair Share Plan, with priority given to 100% affordable projects.

The Township will dedicate \$1,550,000.00 to the construction of new affordable housing units. In accordance with the Developer’s Agreement executed between the Township of Egg Harbor and Egg Harbor Family 3, the Township will allocate \$1,350,000.00 for the construction of the 75-unit 100% affordable development.

(c) **Supportive and Special Needs Housing (N.J.A.C. 5:93-5.8)**

Egg Harbor Township will dedicate \$200,000.00 to assist with affordability with supportive and special needs housing.

(d) **Inclusionary Development Infrastructure Upgrades**

Egg Harbor Township will dedicate \$500,000.00 for various water and sewer infrastructure upgrades which are anticipated in conjunction with the inclusionary development in the RG-4 and RG-5 zones.

**(e) Affordability Assistance (N.J.A.C. 5:99-2.5)**

Pursuant to N.J.A.C. 5:99-2.5, the Township is required to set aside a portion of all development fees collected and interest earned for the purpose of providing affordability assistance to low- and moderate-income households in affordable units included in the Township's fair share plan. Affordability assistance means the use of funds to render housing units more affordable to low- and moderate-income households and includes, but is not limited to, down payment assistance, security deposit assistance, low interest loans, rental assistance, assistance with homeowner's association or condominium fees and special assessments, common maintenance expenses, and assistance with emergency repairs and rehabilitation to bring deed-restricted units up to code, pursuant to N.J.A.C. 5:99-2.5. This may also include offering a subsidy to developers of inclusionary or 100% affordable housing developments or buying down the cost of low- or moderate-income units in the Township's fair share plan to make them affordable to very low-income households, including special needs and supportive housing opportunities, and units in the mobile home parks.

Projected minimum affordability assistance requirement:

Actual development fees through 4/30/2025		\$2,297,481.25
Actual interest earned through 4/30/2025	+	\$172,103.97
Development fees projected 2025-2035	+	\$2,200,000.00
Interest projected 2025-2035	+	\$175,000.00
Less housing activity expenditures through 6/2/2008	-	\$0.00
<b>Total</b>	<b>=</b>	<b>\$4,844,585.22</b>
Calculate 30 percent	x .30 =	\$1,453,375.57
Less Affordability assistance expenditures through 4/30/25	-	\$0.00
<b>PROJECTED MINIMUM Affordability Assistance Requirement 1/1/2025 through 12/31/2035</b>	<b>=</b>	<b>\$1,453,375.57</b>
<b>PROJECTED MINIMUM Very Low-Income Affordability Assistance Requirement 1/1/2025 through 12/31/2035</b>	<b>÷ 3 =</b>	<b>\$484,458.52</b>

Egg Harbor Township will dedicate \$1,453,375.57 from the affordable housing trust fund to render units more affordable, including \$484,458.52 to render units more affordable to households earning 30 percent or less of median income by region, as follows:

Providing for the conversion of low- and moderate-income units to very-low-income units, down payment assistance, emergency repair assistance, emergency/hardship mortgage payment assistance and rental assistance.



As per N.J.A.C. 5:99-2.5, the Township reserves the right to utilize a portion of its Affordability Assistance funding for other affordable housing purposes. Such expenditures will not include Administrative Expenses.

**(f) Administrative Expenses (N.J.A.C. 5:99-2.4(a))**

Per N.J.A.C. 5:99-2.4(a), no more than 20 percent of all affordable housing trust funds, exclusive of those collected prior to July 17, 2008, to fund an RCA, shall be expended on administration.

Egg Harbor Township projects that \$435,000.00 will be available from the affordable housing trust fund to be used for administrative purposes.

Actual dev fees and interest thru 4/30/2025		\$2,469,585.22
Projected dev fees and interest 2025 thru 2035	+	\$2,375,000.00
<b>Total</b>	<b>=</b>	<b>\$4,844,585.22</b>
Calculate 20 percent	x .20 =	\$968,917.04
Less admin expenditures thru 4/30/2025	-	\$95,097.71
<b>PROJECTED MAXIMUM available for administrative expenses 5/1/2025 thru 12/31/2035</b>	<b>=</b>	<b>\$873,825.33</b>

The Township of Egg Harbor projects that \$435,000.00 will be available from the affordable housing trust fund to be used for administrative purposes. The project maximum available for administrative expenses is \$873,825.33, and the Township anticipates spending less than the maximum allowed. Projected administrative expenditures, subject to the 20 percent cap, are as follows:

- 1) Consulting and legal fees for the preparation of housing element/fair share plans and other supporting documents,
- 2) Fees for other consulting activities as may be found necessary as the Township implements its Housing Element and Fair Share Plan, and
- 3) Fees for the administration of affordability assistance programs by qualified entities retained by the Township of Egg Harbor.

**Total Administrative Expenses Expenditure: \$435,000.00**

**(g) Emerging Compliance Mechanisms (N.J.A.C. 5:99-4.1)**

In the event that the Township has additional funds remaining in the Trust Fund after expending the funds identified in the Expenditure Schedule set forth below, the Township may dedicate remaining available funds towards emerging compliance mechanisms that have yet to be identified. This may include providing funding assistance to a new 100% affordable project, market to affordable programs, or any other use authorized in N.J.A.C. 5:99-2.3 for a project that will provide at least a 20% affordable housing set-aside.

The Township will identify and prioritize these projects/programs in the future and as funding becomes available through collection of development fees, and such projects will be proactively pursued as funding becomes available. Court approval of this Spending Plan shall constitute the required approval for such expenditure.

Regarding the Township's dedication of trust fund monies to future emerging affordable housing opportunities, to ensure that these funds are committed in a timely manner, the Township will provide an annual update on the allocation of these funds and commit to expending these funds pursuant to N.J.S.A. 52:27D-329.2 and -329.3. The four-year deadline to commit and expend collected fees for emerging compliance mechanisms shall commence upon the entry of an Final Round 4 Judgment of Compliance and Repose from a Court or a Compliance Certification from the Program and the Court.

## 5. EXPENDITURE SCHEDULE

Egg Harbor Township intends to use Affordable Housing Trust Fund revenues for the creation and / or rehabilitation of housing units. Where applicable, the creation / rehabilitation funding schedule below parallels the implementation schedule set forth in the Township's Housing 2025 Element and Fair Share Plan and is summarized as follows.

PROJECTS/PROGRAMS	Number of Units Projected	PROJECTED EXPENDITURE SCHEDULE 2025-2035
		<b>TOTAL</b>
Rehabilitation	80	\$800,000.00
New Construction		
1. Michaels / EHT Family 3	75	\$1,350,000.00
2. Other new construction projects		\$200,000.00
Affordability Assistance		
1. Homes for All – Ridge Avenue (\$25,000.00)	1	\$1,453,951.51
2. Supportive and Special Needs Housing (\$200,000.00)	4	
3. Mobile Home Parks		
Infrastructure Upgrades		\$500,000.00
<b>Total</b>		<b>\$4,303,951.51</b>

## **6. EXCESS OR SHORTFALL OF FUNDS**

In the event that a shortfall of anticipated revenues occurs, the Township of Egg Harbor will address the shortfall through bonding, which is highly unlikely to occur given the amount of money already in the Affordable Housing Trust Fund.

In the event of excess funds, any remaining funds above the amount necessary to satisfy the municipal affordable housing obligation will be used to fund additional affordable housing programs in the Township.

## **7. BARRIER FREE ESCROW**

Collection and distribution of barrier free funds shall be consistent with Egg Harbor Township's Affordable Housing Ordinance in accordance with applicable regulations.

### Summary

Egg Harbor Township intends to spend affordable housing trust fund revenues pursuant to N.J.A.C. 5:99 and consistent with the housing programs outlined in the Township's 2025 Fourth Round Housing Element and Fair Share Plan.

Egg Harbor Township has a balance of \$2,363,951.51 as of April 30, 2025, and anticipates an additional \$2,375,000.00 in revenues before the expiration of substantive certification for a total of \$4,844,585.22. The municipality will dedicate \$800,000.00 towards rehabilitations, \$1,550,000.00 towards new construction of affordable units, \$200,000.00 to render group homes affordable, \$500,000.00 for infrastructure upgrades expected with inclusionary development, \$1,253,951.51 for affordability assistance, and \$435,000.00 to cover administrative costs. Any shortfall of funds will be offset by bonding. The municipality will dedicate any excess funds toward additional affordable housing programs in the Township.

<b>SPENDING PLAN SUMMARY</b>	
Balance as of April 30, 2025	+ \$ 2,363,951.51
<b>PROJECTED REVENUE by 12/31/2035</b>	
Development fees	+ \$ 2,200,000.00
Payments in lieu of construction	+ \$ 0.00
Other funds	+ \$ 0.00
Interest	+ \$ 175,000.00
<b>TOTAL REVENUE</b>	<b>= \$ 4,738,951.52</b>
<b>EXPENDITURES</b>	
Rehabilitation Program	- \$ 800,000.00
New Construction	- \$ 1,550,000.00
Infrastructure Upgrades	- \$ 500,000.00
Supportive and Special Needs Housing	- \$ 200,000.00
Affordability Assistance	- \$ 1,253,951.51
Administration	- \$ 435,000.00
<b>TOTAL PROJECTED EXPENDITURES</b>	<b>= \$ 4,738,951.51</b>
<b>REMAINING BALANCE</b>	<b>= \$ 0.00</b>