Town of Hammonton Resolution #107-2025

RESOLUTION OF THE TOWN OF HAMMONTON ADOPTING A FOURTH ROUND AFFORDABLE HOUSING TRUST FUND SPENDING PLAN

WHEREAS, the Town of Hammonton (hereinafter the "Town" or "Hammonton") has an approved Development Fee Ordinance that was adopted on June 17, 2002 via Ordinance No. 28-2002, amended August 26, 2002 via Ordinance No. 32-2002, amended August 23, 2004 via Ordinance No. 21-2004, amended August 27, 2018 via Ordinance No. 31-2018, and amended November 19, 2018 via Ordinance No. 45-2018; and

WHEREAS, the Town's current Affordable Housing Trust Fund Spending Plan was approved by the Court in the Third Round; 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 Court's issued Directive #14-24 (hereinafter "AOC Directive #14-24"), governing how municipalities file their compliance documents with the Affordable Housing Dispute Resolution Program ("the Program"); and

WHEREAS, the Town 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 Town's Affordable Housing Trust Fund and describes the anticipated expenditure of funds.

NOW THEREFORE BE IT RESOLVED on this 30th day of June 2025, by Council of the Town of Hammonton, as follows:

- · 1. All of the Whereas Clauses are incorporated into the operative clauses of this Resolution as if set forth in full herein.
- 2. Town Council hereby approves and adopts the Fourth Round Spending Plan that is attached hereto as Exhibit "A".
 - 3. Town Council hereby authorizes and directs the Town Solicitor to file this Resolution with the Court, along with the Fourth Round Spending Plan and any additional documents the professionals deem necessary or desirable.
- 4. Town Council respectfully requests the Court review and approve the Town's Fourth Round Spending Plan.

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5. The Town reserves the right to further amend the Fourth Round Spending Plan, should that be necessary.

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6. This Resolution shall take effect immediately, according to law.

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Adopted: June 30, 2025

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THE TOWN OF HAMMONTON

By:

Stephen DiDonato, Mayor

Attest:

Frank Zuber, Municipal Clerk

Roll Call:

Aye: Firgione, Gribbin, Oliva, R. Rodio. S. Rodio

Nay: | Abstain:

Absent: Marino

EXHIBIT A

Town of Hammonton Atlantic County

Spending Plan June 30, 2025

Approved by the Governing Body on June 30, 2025 By Resolution No. ----

> Town of Hammonton 100 Central Avenue Hammonton, NJ 08037

> > Prepared By:

Tiffany A. Cuviello, PP, LLC

ommunity Development

L Planning

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Town of Hammonton Atlantic County

Spending Plan June 2025

MAYOR AND COUNCIL

Mayor Steve DiDonato
Deputy Mayor Tom Gribbin
Sam Rodio
Jonathan Oliva
Steven Furgione
Anthony Marino
Renee Rodio

Frank Zuber, Municipal Clerk

JOINT LAND USE BOARD

Bill Olivo – Chairman
Ralph Capaccio – Vice Chairman
Jonathan Oliva, Councilperson
Edward Wuillermin
James Matro
Michael Hozik
Michael Messina
Ray Scipione
Jonathan Baske
Chris Kalani
Philip Barbagallo
Jerome Barberio

Shelly DiChurch, Secretary

Prepared By:

Tiffany A. Morrissey, AICP, PP#5533

The original of this document was signed and sealed in accordance with NJAC 13:41-1.3.b

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INTRODUCTION

This 2025 spending plan addresses the Fourth-Round Housing Element and Fair

Share Plan (HEFSP) mechanisms and components and accounts for the funds already

deposited, and to be deposited through 2035, into the Town's Mount Laurel Trust Fund; and

(2) demonstrates the manner in which the Town intends to expend the funds to advance the

interests of the region's low- and moderate-income households.

In accordance with the 2024 amendments to the Fair Housing Act, municipalities are

permitted to rely on the previously adopted rules and regulations for Spending Plans and

Development Fees. This plan is prepared in accordance with the provisions of the amended

Fair Housing Act under N.J.S.A. 52:27D-329.2 and the previously effective regulations at

N.J.A.C. 5:93-1 et. Seq., Substantive Rules of the New Jersey Council on Affordable Housing.

In 2018, the Town of Hammonton prepared, adopted, and endorsed an Affordable

Housing Plan ("2018 Plan") to address its Affordable Housing Obligation. The 2018

Affordable Housing Plan included the Mount Laurel compliance techniques through which

the Town will satisfy its Prior Round and Third-Round obligation. The Town obtained a

Judgment of Compliance and Repose, which approved the Town's 2018 HEFSP and 2018

Spending Plan, on August 31, 2018, after a duly noticed Compliance Hearing held on June 1,

2018. This Plan amends the approved 2018 Spending Plan to provide for projections

through 2035.

Town of Hammonton Spending Plan June 2025 Page 2

Prepared by: Tiffany A. Cuviello, PP, LLC

SPENDING PLAN

A development fee ordinance creating a dedicated revenue source for affordable housing was adopted by the municipality under Ordinance 28-2002 under Ordinance 28-2002 and amended the same on August 26, 2002 by Ordinance 32-2002. The ordinance establishes the Town of Hammonton's affordable housing trust fund for which this Spending Plan is prepared.

Pursuant to N.J.S.A. 52:27D-329.2 and N.J.A.C. 5:93-5.1(c), if a municipality intends to collect development fees, it shall prepare a plan to spend development fees that includes the following:

- A projection of revenues anticipated from imposing fees on development, based on historic development activity;
- A description of the administrative mechanism that the municipality will use to collect and distribute revenues;
- A description of the anticipated use of all development fees;
- A schedule for the creation or rehabilitation of housing units (if required);
- If the municipality envisions being responsible for public sector or non-profit construction of housing, a pro-forma statement of the anticipated costs and revenues associated with the development; and
- The manner through which the municipality will address any expected or unexpected shortfall if the anticipated.

Revenues for Certification Period

To calculate a projection of revenue anticipated during the period relevant to the

Town's Fourth Round HEFSP (2025-2035), the Town of Hammonton considered the

following:

(a) Development fees:

1. Projects which have had development fees imposed upon them at the time of

development approvals;

2. All projects currently before the planning and zoning boards for development

approvals that may apply for certificates of occupancy; and

3. Future development that is likely to occur based on historical rates of

development and/or projected development in accordance with COAH

projections.

4. Revenues from the 2.5 non-residential, for all commercial development

(b) Other funding sources: No other funds have been or are anticipated to be collected.

(c) Projected interest: Interest on the projected revenue in the municipal affordable

housing trust fund based upon the average amount earned on prior years. This is

subject to change as interest rates change and the account balance will fluctuate with

approved spending.

	PROJECTED REVENUES-HOUSING TRUST FUND										
		2025 THROUGH 2035									
SOURCE OF	\$192,443.10 Starting Balance										
FUNDS		(June 2025)									
	7/2025 12/2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
(a)Projected Development fees:	20,000	50,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000
(b) Payments in Lieu of Construction	0	300,000	300,000	0	0	0	0	0	0	0	0
(c) Other Funds	0	0	0	0	0	0	0	0	0	0	0
(d) Interest – estimated	600	2,000	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200
Totals	20,600	352,000	332,200	32,200	32,200	32,200	32,200	32,200	32,200	32,200	32,200
TOTAL PROJECTION STARTING		\$ \$962,400.00									
TOTAL PROJECTION STARTING BALANCE AND PROJECTIONS			φ1,13 4 ,	073.10							

The above projected revenues are based upon projected residential and commercial development growth rates from prior years. Over the past several years the Town has not collected any significant non-residential development fees. The Town recently approved a small business expansion which is projected in 2027. The balance of fees collected are from residential developments, and average around \$30,000 per year. Based upon the above it is estimated that any new development fees will be moderate with a total projection of \$340,000. The Town is also expected to receive a payment in-lieu in accordance with a settlement agreement in the amount of \$600,000 to be used for the creation of new units through a market to affordable program and/or group home funding.

All interest earned on the account shall accrue to the account to be used only for the purposes of affordable housing. The projected interest through 2035 is \$22,400, when added to the estimated deposits the Town will realize an estimated \$962,400 in additional deposits (including interest).

Administrative Mechanism To Collect And Distribute Funds

The following procedural sequence for the collection and distribution of development

fee revenues shall be followed by the Town of Hammonton:

(a) Collection of development fee revenues:

Collection of development fee revenues shall be consistent with the Town's

development fee ordinance for residential developments in accordance with the rules

and regulations at N.I.A.C. 5:93-8.1 et. seq. and for non-residential development

consistent with <u>N.J.S.A.</u> 52:27D-329 et. seq. and <u>N.J.S.A.</u> 40:55D-8.1 through 8.7.

(b) Distribution of development fee revenues:

The Town of Hammonton's Municipal Housing Liaison shall recommend to the

governing body the expenditure of development fee revenues as set forth in this

Spending Plan. The governing body shall then review the request and, assuming for

consistency with the Spending Plan, shall authorize the expenditure by resolution.

The release of funds requires the adoption of the governing body resolution in

accordance with the Town's approved amended spending plan. Once a request is

approved by resolution, the Chief Financial Officer shall release the requested

revenue from the Affordable Housing Trust Fund for the specific use approved in the

governing body's resolution referenced immediately above.

Anticipated Use Of Affordable Housing Funds

Regulations permit the use of revenues generated by a Development Fee Ordinance

for activities that address the municipal fair share obligation including, but not limited to,

rehabilitation, new construction, improvement to land, roads, and infrastructure for

affordable housing, assistance to render units more affordable, and administrative costs of

housing plan implementation.

(a) New construction programs and projects (N.J.A.C. 5:93-8.16)

The Town of Hammonton will dedicate an estimated \$519,482 to the creation of new market to affordable units and/or funding for new group homes and in addressing their rehabilitation requirements. The Town of Hammonton has implemented a market to affordable program under their 2018 HEFSP, which would subsidize existing units to make them affordable to low-income households. Additional funding may be provided through the Affordability Assistance program to designate these units for very low-income households. This is consistent with the 2018 Spending Plan as submitted in accordance with the Town's 2018 Final JOR.

New Construction Expenditure Estimates through 2035					
Development fees collected through June 2025		\$402,579.38			
Less Required Affordability Assistance	-	\$120,773.81			
Less Administrative Expenditures	-	\$80,515.88			
Available New Construction Funds June 2025	=	\$201,289.69			
Development fees projected 7/2025-2035 Less Estimated Required Affordability Assistance		\$962,400.00 \$288,720.00			
Less Estimated Administrative Expenditures		\$192,480.00			
Estimated Available Additional New Construction		\$481,200.00			
Funds 7/2025-2035					
Total Existing and Estimated New Construction Funds Available	=	\$682,489.69			
Less New Construction Expenditures	-	\$163,007.53			
Available Current Funds for Administrative		\$38,282.16			
Expenditures		0.510, 100, 11			
Available Projected Funds for Administrative		\$519,482.16			
Expenditures (Current and Projected)					

(b) Affordability Assistance N.J.S.A. 52:27D-392.2.c.(3) and N.J.A.C. 5:93-8.16

The Town shall provide affordability assistance in accordance with the rules and requirements of the Fair Housing Act. In accordance with the projections for new development the Town of Hammonton has prepared a table projecting the minimum affordability assistance requirement. The following table includes current funds and estimates of future funds with the required expenditures:

May 2025 – Current Fund Estimates for Expenditures				
Development fees collected through June 2025		\$402,579.38		
MINIMUM Affordability Assistance Requirement through 6/31/2025	x 0.30=	\$120,773.81		
PROJECTED MINIMUM Very Low-Income Affordability Assistance Requirement through 6/31/2025	1/3 rd of Requirement	\$40,257.94		

Estimates through 2035				
Development fees collected through June 2025		\$402,579.38		
Development fees projected 7/2025-2035		\$962,400.00		
Subtotal	=	\$1,364,979.38		
PROJECTED MINIMUM Affordability Assistance	x 0.30=	\$409,493.81		
Requirement through 12/31/2035		. ,		
PROJECTED MINIMUM Very Low-Income	$1/3^{\rm rd}$ of			
Affordability Assistance Requirement through	1/3 rd of Requirement	\$136,497.94		
12/31/2035	Requirement			

The Town of Hammonton will dedicate a minimum of 30% of the total collected fees from the Affordable Housing Trust Fund to render units more affordable, including a minimum of 1/3rd of the required 30% to render units more affordable to households earning 30 percent or less of median income by region. Affordability assistance programs will include down-payment assistance, rental assistance, and the conversion of low-income units to very low-income units and other programs. These funds will go to existing affordable housing units and future affordable housing units. Specifically, the funds can assist families in any future affordable housing units created pursuant to the Town's Fair Share Plan.

(c) Administrative Expenses N.J.S.A. 52:27D-392.2.c.(5) and N.J.A.C. 5:93-8.16

The Town of Hammonton is permitted to expend a maximum of 20% of the collected revenues from the Affordable Housing Trust Fund to be used for administrative purposes. The amount will be utilized for administrative purposes such as salaries and benefits for municipal employees or consultant fees necessary to develop or implement municipal housing programs such as rehabilitation, accessory apartments, new construction, housing elements and/or affirmative marketing programs. Administrative funds may be used to income qualify households and monitor implementation. Development fees may be used to defray the costs of staff or consultants that are preparing or implementing a Fair Share Plan.

June 2025 – Current Fund Estimates for Expenditures					
Development fees collected through June 2025		\$402,579.38			
Available for Administrative Expense through 6/31/2025	x 0.20 =	\$80,515.88			

Estimates through 2035					
Development fees collected through June 2025		\$402,579.38			
Development fees projected 7/2025-2035		\$962,400.00			
Subtotal	=	\$1,364,979.38			
Available for Administrative Expense through 12/31/2035	x 0.20 =	\$272,995.88			
Less Administrative Expenditures	-	\$47,128.75			
Available Current Funds for Administrative Expenditures		\$33,387.13			
Available Projected Funds for Administrative Expenditures (Current and Projected)		\$225,867.13			

Expenditure Schedule

The Town of Hammonton intends to use Affordable Housing Trust Fund revenues for the creation of new affordable housing units through a market to affordable program and/or to address the Town's rehabilitation requirement if necessary. The following summarizes the use of the funds as required:

June 2025 – Current Fund Expenditures				
Development fees collected		\$402,579.38		
through June 2025				
Expenditures				
New Construction Projects	-	\$163,007.53		
Affordability Assistance	-	\$0		
Administrative Expense	-	\$47,128.75		
Total Expenditures	=	\$210,136.28		
Remaining Balance June 2025	=	\$192,443.10		

Estimates through 2035					
Account Balance June 2025		\$192,443.10			
Projected Revenue		\$962,400.00			
Subtotal		\$1,154,843.10			
Expenditures					
New Construction Projects	_	\$519,482.16			
Affordability Assistance					
Unit Assistance	-	\$272,995.87			
Very Low Income Assistance		\$136,497.94			
Administrative Expense					
Projected Expenses	-	\$225,867.13			
Total Projected Expenditures	=	\$1,154,843.10			
Remaining Balance	=	\$0			

Administrative Expenses: The Town of Hammonton will expend funds for administrative expenses through December 31, 2035, for the purposes of salaries and benefits of the municipal employees involved in the implementation and administration of the Town's Affordable Housing program, Housing Element and Fair Share Plan, and affirmative marketing program. Funds will also be used for consultants and any other permitted program under N.I.A.C. 5:93-8.16(e).

Affordability Assistance: The Town of Hammonton intends to spend funds for affordability assistance in accordance with N.J.A.C. 5:93-8.16(c). One-third of the balance will be utilized for the affordability assistance to very low-income households.

Housing Programs: The Town of Hammonton intends to utilize \$378,589 of the projected Housing Trust Fund balance for the creation of new affordable housing units through a market to affordable program, new group home funding and/or to address the Town's rehabilitation requirement if necessary.

FOUR YEAR SPENDING PLAN:

In accordance with N.J.S.A. 52:27D-329.2.d development fees collected are required to be committed for expenditure within four years of the date of collection. As of June 2025, the Affordable Housing Trust Fund had a balance of \$192,443.10. This money must be committed for use within four years of collection. The Town commits to utilize funds as follows:

AHTF Balance June, 2025		\$192,443.10
Less Estimated Allowable	1	\$33,387.13
Administrative Expenses		
Less Required Affordability	-	\$120,773.81
Assistance		
AHTF Balance	-	\$38,282.16
Market to Affordable	-	\$38,282.16
Rehabilitation		
AVAILABLE BALANCE	=	\$0

SUMMARY

The Town of Hammonton intends to spend affordable housing trust fund revenues as approved by the court pursuant to the Fair Housing Act and consistent with the housing programs outlined in the Housing Element and Fair Share Plan.