

RESOLUTION NO. ____-2025

**RESOLUTION OF THE TOWNSHIP OF MULLICA
ADOPTING AN AFFORDABLE HOUSING SPENDING PLAN IN ACCORDANCE WITH
THE TOWNSHIP'S FOURTH ROUND AFFORDABLE HOUSING OBLIGATION**

WHEREAS, as part of the Township of Mullica's Fourth Round Affordable Housing obligation it is necessary to update and adopt an Affordable Housing Spending Plan in accordance with the applicable affordable housing administrative regulations; and

WHEREAS, these regulations require Spending Plan to include, but not be limited to the following:

1. A projection of revenues anticipated from imposing fees on development, based on pending, approved and anticipated developments and historic development activity;
2. A projection of revenues anticipated from other sources, including payments in lieu of constructing affordable units, funds from the sale of units with extinguished controls, proceeds from the sale of affordable units, rental income, payments from Affordable Housing Program loans, and interest accrued;
3. A description of the administrative mechanism that the municipality will use to collect and distribute revenues;
4. A description of the anticipated use of all affordable housing Trust Funds;
5. A plan to spend the Trust Fund balances in accordance with any implementation schedule within the Spending Plan and any approved settlement agreement;
6. The manner through which the municipality will address any expected or unexpected short fall if the anticipated revenues are not sufficient to implement the plan, and
7. The anticipated use of excess affordable housing Trust Funds, in the event more funds than anticipated are collected, or projected funds exceed the amount necessary for satisfying the municipal affordable housing obligation; and

WHEREAS, the Township has prepared an Affordable Housing Spending Plan consistent with the Township's Fourth Round Affordable Housing obligation which is attached hereto and incorporated by reference herein as Exhibit "A".

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Township Committee of the Township of Mullica, County of Camden, and State of New Jersey that for the reasons set forth in the Preamble hereinabove, it hereby approves the Township's Affordable Housing Spending Plan attached hereto as Exhibit "A".

BE IT FURTHER RESOLVED that this Affordable Housing Spending Plan shall not take effect until approved by the Court and/or the Court's approved Program's Adjudicator and, if required, the Fair Shar Housing Center.

BE IT FURTHER RESOLVED this Resolution shall take effect immediately upon adoption.

Adopted: June 30, 2025

Attest:

Monica Newton
Acting Township Clerk

DeAnna DeMarco, Mayor

CERTIFICATION

I, Monica Newton, Acting Township Clerk, do hereby certify that the above is a true and correct copy of a resolution duly adopted by the Mayor and Township Committee at its Meeting held on June 30, 2025.

Monica Newton
Acting Township Clerk

TOWNSHIP OF MULLICA

AFFORDABLE HOUSING TRUST FUND SPENDING PLAN

INTRODUCTION

The Township of Mullica (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 the Township of Mullica on December 15, 2008. The ordinance established the Township of Mullica 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 May 31, 2025, the Township of Mullica has a balance of \$28,705.44. 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, the Township of Mullica 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

Since there has been no non-residential development in Mullica Township since 2018 and less than 10 residential single-family dwelling units have been built in the Township since January 1, 2018, this historical rate of development makes it difficult to project the amount of anticipated revenues from either source at this time. Since the Township of Mullica is located entirely within the New Jersey Pinelands jurisdiction, and has no sewer or water infrastructure, this has limited the active interest in developing within the Township. However, the Mullica Township Committee will continue to contact and negotiate with parties expressing interest in development projects within the Township's residential and commercial/light industrial zoning areas to encourage development activity.

SOURCE OF FUNDS	Projected Revenues - Housing Trust Fund - 2025 Through 2035					
	6/1/25 Through 12/31/25	2026	2027	2028	2029	2030
(a) Development fees:						
1. Approved Development	\$5,000					
2. Development Pending Approval	\$5,000					
3. Projected Development	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000
(b) Payments in Lieu of Construction						
(c) Other Funds (Specify source(s))						
(d) Interest	\$20	\$20	\$20	\$20	\$20	\$20
Total	\$12,020	\$2,020	\$2,020	\$2,020	\$2,020	\$2,020

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	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000
(b) Payments in Lieu of Construction					
(c) Other Funds (Specify source(s))					
(d) Interest	\$20	\$20	\$20	\$20	\$20
Total	\$2,020	\$2,020	\$2,020	\$2,020	\$2,020

The Township of Mullica projects a total of \$32,000.00 in revenue to be collected between June 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 May 31, 2025, had in the Affordable Housing Trust Fund an amount of \$28,705.44. When added to the potential development fee collection amount of \$32,220.00, (including interest), a potential total development fee and interest revenue of \$60,925.44 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 the Township of Mullica:

(a) Collection of development fee revenues:

- (a) Collection of development fee revenues shall be consistent with the Township of Mullica'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)

Even though the Township’s Present Need obligation is 0, the Township will continue its participation in the County-wide ACIA housing rehabilitation program.

(b) 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.

Projected minimum affordability assistance requirement:

Actual development fees through 5/31/2025		\$28,639.55
Actual interest earned through 5/31/2025	+	\$65.89
Development fees projected 2025-2035	+	\$32,000.00
Interest projected 2025-2035	+	\$220.00
Less housing activity expenditures through 6/2/2008	-	\$0.00
Total	=	\$60,925.44
Calculate 30 percent	x .30 =	\$18,277.63
Less Affordability assistance expenditures through 5/31/25	-	\$0.00
PROJECTED MINIMUM Affordability Assistance Requirement 6/1/2025 through 12/31/2035	=	\$18,277.63
PROJECTED MINIMUM Very Low-Income Affordability Assistance Requirement 6/1/2025 through 12/31/2035	÷ 3 =	\$6,092.54

The Township of Mullica will dedicate \$18,277.63 from the affordable housing trust fund to render units more affordable, including \$6,092.54 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. The Township will continue to provide security deposit assistance and rental assistance programs to provide assistance to moderate-, low- and very-low-income residents.

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.

(c) 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.

The Township of Mullica projects that \$12,185.09 will be available from the affordable housing trust fund to be used for administrative purposes.

Actual dev fees and interest thru 5/31/2025		\$28,705.44
Projected dev fees and interest 2025 thru 2035	+	\$32,220.00
Total	=	\$60,925.44
Calculate 20 percent	x .20 =	\$12,185.09
Less admin expenditures thru 5/31/2025	-	\$0.00
PROJECTED MAXIMUM available for administrative expenses 6/1/2025 thru 12/31/2035	=	\$12,185.09

The Township of Mullica projects that \$12,185.09 will be available from the affordable housing trust fund to be used for administrative purposes. 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 Mullica.

Total Administrative Expenses Expenditure: \$12,185.09

(d) 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 a Final Round 4 Judgment of Compliance and Repose from a Court or a Compliance Certification from the Program and the Court.

5. EXPENDITURE SCHEDULE

The Township of Mullica 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
		<u>TOTAL</u>
Affordability Assistance		\$48,740.35
Total		\$48,740.35

6. EXCESS OR SHORTFALL OF FUNDS

Mullica Township will closely monitor the Housing Trust Fund balance and will only expend those funds that are available. Pursuant to the Housing Element and Fair Share Plan, the Township of Mullica, if necessary, will adopt a resolution of intent to bond for unanticipated shortfall in funding should that be required for implementing the Spending Plan.

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 the Township of Mullica's Affordable Housing Ordinance in accordance with applicable regulations.

SUMMARY

The Township of Mullica 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.

The Township of Mullica has a balance of \$28,705.44 as of May 31, 2025 and anticipates an additional \$32,220.00 in revenues before the end of the Fourth Round for a total of \$60,925.44. The municipality will dedicate \$48,740.35 for affordability assistance, and \$12,185.09 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.

SPENDING PLAN SUMMARY	
Balance as of May 31, 2025	+ \$ 28,705.44
PROJECTED REVENUE by 12/31/2035	
Development fees	+ \$ 32,000.00
Payments in lieu of construction	+ \$ 0.00
Other funds	+ \$ 0.00
Interest	+ \$ 220.00
TOTAL REVENUE	= \$ 60,925.44
EXPENDITURES	
Affordability Assistance	- \$ 48,740.35
Administrative Expenses	- \$ 12,185.09
TOTAL PROJECTED EXPENDITURES	= \$ 60,925.44
REMAINING BALANCE	= \$ 0.00