

Council Member	Intro	Second	Yes	No	Abstain	Absent	Recused
Von Rudenburg		X	X				
Deputy Mayor Canestrino	X		X				
Battaglia						X	
Carroll			X				
Mayor Labrosse			X				

CITY OF HACKENSACK

RESOLUTION NO. 313-25

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HACKENSACK APPROVING A FOURTH ROUND AFFORDABLE HOUSING TRUST FUND SPENDING PLAN AND REQUESTING PROGRAM AND COURT APPROVAL OF THE SPENDING PLAN

WHEREAS, the City of Hackensack (hereinafter “City” or “Hackensack”) has an approved Development Fee Ordinance that was adopted on May 17, 2011, which established standards for the collection, maintenance, and expenditure of development fees; and

WHEREAS, the City’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 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 City 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 City’s Affordable Housing Trust Fund and describes the anticipated expenditures of funds;

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Hackensack, County of Bergen, State of New Jersey, as follows:

1. The City Council of the City of Hackensack 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 City's Fourth Round Spending Plan.
2. This Resolution shall take effect immediately upon adoption, according to law.

**CERTIFIED TO BE A TRUE COPY OF THE RESOLUTION PASSED AT
THE CITY COUNCIL MEETING OF THE CITY OF HACKENSACK
HELD JUNE 24, 2025**



DEBORAH KARLSSON, CITY CLERK

CITY OF HACKENSACK FOURTH ROUND AFFORDABLE HOUSING TRUST FUND SPENDING PLAN

I. INTRODUCTION

The City of Hackensack's affordable housing trust fund was first established through the adoption of the City's Development Fee Ordinance by Ord. No. 11-2011 on May 17, 2011, which formally created a dedicated revenue source for affordable housing in the City. The City established an interest-bearing housing trust fund account in December 2013, and entered into an Escrow Agreement between the City, COAH, and TD Bank which was signed on January 6, 2014.

As part of the Third Round, a Spending Plan was prepared to be adopted as part of the City's Third Round Housing Element and Fair Share Plan (HEFSP) detailing how the City of Hackensack intended to spend its affordable housing trust fund revenues pursuant to N.J.S.A 52:27D-329.2 and in alignment with the housing programs outlined in the HEFSP. During the course of the Third Round, the City prepared an initial HEFSP and corresponding Spending Plan, which was adopted by the Planning Board on February 9, 2022. On April 22, 2022, the Court entered a Conditional Judgment of Compliance and Repose (JOR), which approved the City's Third Round HEFSP, Spending Plan, and amendments to its Development Fee Ordinance. The Third Round HEFSP and Spending Plan were later amended to include municipally-sponsored affordable housing projects that were not reflected in the prior HEFSP and Settlement Agreement. On October 2, 2024, the Court entered an amended Conditional JOR, which approved the amended HEFSP, including the amended Spending Plan, subject to the satisfaction of the JOR conditions. The Special Adjudicator reviewed and approved the Spending Plan, which was adopted on December 10, 2024.

Using the approved amended Spending Plan from the Third Round as a basis, the City has prepared this Spending Plan for the Fourth Round period in accordance with the Municipal Land Use Law (N.J.S.A. 40:55D-1 et seq.) and the Fair Housing Act (N.J.S.A. 52:27D-301). This Spending Plan is submitted to the Superior Court of New Jersey for approval as an appendix to the City's Fourth Round Housing Element and Fair Share Plan.

Per the City's affordable housing trust fund bank statement ending in March 31, 2025, the City had a balance of \$6,644,917.16 in its affordable housing trust fund. 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 at TD Bank, located at 111 River Street, in Hackensack, for the purposes of affordable housing. These funds shall be spent in accordance with N.J.S.A. 52:27D-329.2 as described in the sections that follow.

1. REVENUES FOR CERTIFICATION PERIOD

To calculate a projection of revenue anticipated through the Fourth Round period (July 1, 2025 - June 30, 2035), the City has 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 had fees imposed upon them per Redevelopment Agreements.
3. Future development that is likely to occur based on historical rates of development.

(b) Payment in lieu (PIL):

The City received a \$1,000,000 PIL in 2014 for the Avalon Bay project. Currently, there are no committed payments in lieu of construction from any developer, although such payments may be collected in the future.

(c) Other funding sources:

The funds listed as "Other Income" in Table 1 of this Spending Plan include reimbursements from overpayments of administrative expenses and/or reconciliations of errors within the trust fund account ledger.

(d) Projected interest:

Interest on the projected revenue in the municipal affordable housing trust fund based on an annual percentage yield (APY) of 3%, compounding monthly.¹

2. REVENUE PROJECTION

One of the primary sources of revenue for the City's affordable housing trust fund is through development fees. Development fees are issued as a percentage of the equalized assessed value for residential and non-residential development, with this percentage differing based on the type of development. The collected payments of residential and non-residential development fees are then deposited into the City's affordable housing trust fund and are to be used and expensed in accordance with N.J.S.A. 52:27D-329.2.

Per § 45A-26 of the Hackensack City Code, residential development fees are issued as follows:

"(1) Within all zoning district(s), residential developers, except for developers of the types of development specifically exempted below, shall pay a fee of 1.5% of the equalized assessed value for residential development, provided no increased density is permitted."

¹ It is understood the current APY in the TD Bank account is greater than 3%; however, given the anticipated fluctuations in the interest rate over the next ten years, this report maintains a 3% APY, which will result in a more conservative projected interest earned income through June 2035.

(2) *When an increase in residential density pursuant to N.J.S.A. 40:55D-70d(5) (known as a "d" variance) has been permitted, developers shall be required to pay a development fee of 6% of the equalized assessed value for each additional unit that may be realized."*

Per § 45A-27 of the Hackensack City Code, non-residential development fees are issued as follows:

"(1) Within all zoning districts, nonresidential developers, except for developers of the types of development specifically exempted, shall pay a fee equal to 2.5% of the equalized assessed value of the land and improvements, for all new nonresidential construction on an unimproved lot or lots.

(2) Nonresidential developers, except for developers of the types of development specifically exempted, shall also pay a fee equal to 2.5% of the increase in equalized assessed value resulting from any additions to existing structures to be used for nonresidential purposes.

(3) Development fees shall be imposed and collected when an existing structure is demolished and replaced. The development fee of 2.5% shall be calculated on the difference between the equalized assessed value of the preexisting land and improvement and the equalized assessed value of the newly improved structure, i.e., land and improvement, at the time final certificate of occupancy is issued. If the calculation required under this section results in a negative number, the nonresidential development fee shall be zero."

The City of Hackensack's permitting history and the rate of development are overwhelmingly comprised of larger, multi-family developments. For example, per the New Jersey Department of Community Affairs (DCA) Construction Code Reporter, which compiles monthly building permit and demolition activity data for every county and municipality in the State, the City issued permits for 2,319 new housing units over the five-year period of 2018-2022. Of these 2,319 new housing units, 2,293 housing units (or 98.9%) were granted permits for multi-family housing. Anecdotally, these developments have largely contributed fees to the City's affordable housing trust fund through Redevelopment Agreements rather than a set residential development fee. Since many of these payments are structured based on the progress of construction of the project, similar to the provisions outlined for development fees in the City's Ordinance, there are a number of pending payments that the City anticipates. However, under all current Redevelopment Agreements that do not include an affordable set-aside, fees are collected at the 1.5% residential development fee rate.

Given that this Spending Plan has been prepared at the start of the ten-year Fourth Round period, and assuming the variability of development trends over the next decade, the projection of revenue in the City's affordable housing trust fund during the Fourth Round is simplified by combining the income from residential development fees, non-residential development fees, and fees from Redevelopment Agreements over the last five years to calculate an annual development fee income average. This annual development fee income average is then redistributed over the forthcoming ten-year Fourth Round period.

Per the City's Affordable Housing Monitoring System (AHMS), which is used to report the City's trust fund transactions to the DCA, over the five-year period of March 31, 2020 to March 31, 2025, the City collected approximately \$5,499,594 in residential development fees, non-residential development fees, and fees from Redevelopment Agreements.² Therefore, on average, the City collected approximately \$1,099,918 per year, or approximately \$91,660 per month, from development fees and fees from Redevelopment Agreements. Based on a conservative assumption that development occurs at a similar rate over the next decade, a total of \$10,999,180 in revenue from development fees and fees from Redevelopment Agreements is expected to be collected from July 1, 2025 to June 30, 2035.

Additionally, based on an annual percentage yield of 3%, a projected account balance of approximately \$6,969,861 at the end of the Third Round (June 30, 2025), and average monthly deposits of \$91,660 from development fees/Redevelopment Agreement fee contributions, the City may project approximately \$4,179,649 in revenue collected from interest over the Fourth Round.

Therefore, for the period of July 1, 2025 through June 30, 2035, the City of Hackensack estimates to collect a total revenue of \$10,999,180 from development fees and Redevelopment Agreement fees, as well as approximately \$4,179,649 in account interest on existing funds (assuming a 3% APY). These revenue sources sum to a total of approximately \$15,178,831 in potential affordable housing trust fund account revenue during the Fourth Round.

As a result of these Fourth Round projections, by June 30, 2035, the City projects its total account revenue to equal approximately \$22,778,139, which is calculated by summing approximately \$7,274,364 in account revenue through March 31, 2025, \$324,944 in estimated account revenue from March 31, 2025 to the end of the Third Round period on June 30, 2025, and \$15,178,831 in potential account revenue estimated for the Fourth Round period of July 1, 2025 through June 30, 2035. It shall be emphasized that the amount of \$22,78,139 in total revenue by the end of the Fourth Round, inclusive of \$15,178,831 collected during the Fourth Round period, is an estimation only for the purposes of the Spending Plan and does not commit the City to collecting this amount by June 30, 2035.

Furthermore, all revenue from the affordable housing trust fund collected during the Third Round period shall be allocated as provided in the adopted Third Round Spending Plan. This Fourth Round Spending Plan therefore only provides an allocation of funds projected to be collected during the Fourth Round (\$15,178,831), as the remaining revenue within the affordable housing trust fund has been set aside to be spent as outlined in the adopted Third Round Spending Plan. Should any change in circumstances necessitate the allocation of funds as detailed in the Third Round Spending Plan to be modified, the City reserves the right to amend the Fourth Round Spending Plan to address any adjustments to the apportionment of existing trust fund monies.

² As of March 31, 2025, the City reported a total of \$6,575,242.30 in its affordable housing trust fund via the AHMS, which consisted of approximately \$7,274,363.71 in income (inclusive of \$5,918,369 in development fees/Redevelopment Agreement fees) and \$699,121.41 in expenditures.

Spending Plan

TABLE 1: PROJECTED REVENUES AFFORDABILITY HOUSING TRUST FUND JULY 1, 2025 – JUNE 30, 2035
HACKENSACK, BERGEN COUNTY, NEW JERSEY

TABLE 1: PROJECTED REVENUES AFFORDABILITY HOUSING TRUST FUND JULY 1, 2025 – JUNE 30, 2035 HACKENSACK, BERGEN COUNTY, NEW JERSEY														
SOURCE OF FUNDS	REVENUES PRIOR TO START OF FOURTH ROUND	PROJECTED REVENUES – AFFORDABLE HOUSING TRUST FUND – JULY 1, 2025 THROUGH JUNE 30, 2035												
	REVENUES AS OF MARCH 31, 2025	PROJECTED REVENUES MAR 31, 2025 – JUNE 30, 2025	JULY 1 2025 – DEC 31 2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	JUNE 30, 2035	FOURTH ROUND TOTAL REVENUE
1) Income from Residential Development Fees, Non-Residential Development Fees, and Redevelopment Agreement Fees	\$5,918,369	\$274,980	\$549,960	\$1,099,918	\$1,099,918	\$1,099,918	\$1,099,918	\$1,099,918	\$1,099,918	\$1,099,918	\$1,099,918	\$1,099,918	\$549,960	\$10,999,180
2) Payments in Lieu of Construction	\$1,000,000	—	—	—	—	—	—	—	—	—	—	—	—	—
3) Other Income (a)	\$10,734	—	—	—	—	—	—	—	—	—	—	—	—	—
4) Interest on Existing	\$345,261	\$49,964	\$107,177	\$243,853	\$284,166	\$325,689	\$368,457	\$412,508	\$457,881	\$504,615	\$552,751	\$602,331	\$320,221	\$4,179,649 (d)
Total	\$7,274,364 (b)	\$324,944 (c)	\$657,137	\$1,343,771	\$1,384,084	\$1,425,607	\$1,468,375	\$1,512,426	\$1,557,799	\$1,604,533	\$1,652,669	\$1,702,249	\$870,181	\$15,178,831
(a) "Other Income" includes reimbursements from overpayments of administrative expenses and/or reconciliations of errors within the trust fund account ledger.														
(b) As of March 31, 2025, the City reported a total of \$6,575,242.30 in its affordable housing trust fund via the AHMS, which consisted of approximately \$7,274,363.71 in income and \$699,121.41 in expenditures.														
(c) Projected revenues over the period of March 31, 2025 to June 30, 2025 is calculated based on a starting account balance of \$6,644,917.16 as of March 31, 2025 per the TD bank statement, average monthly deposits of approximately \$91,660 based on projected development fee/Redevelopment Agreement fee contributions, and an APY of 3.0% (compounded monthly).														
(d) Interest over the ten-year Fourth Round period is calculated based on a projected account balance of approximately \$6,969,861 at the end of the Third Round (June 30, 2025), average monthly deposits of approximately \$91,660 based on projected development fee/Redevelopment Agreement fee contributions, and an APY of 3.0% (compounded monthly).														

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 City of Hackensack:

(a) Collection of Development Fee revenues:

Collection of development fee revenues shall be consistent with the City of Hackensack's Development Fee Ordinance for both residential and non-residential developments in accordance with P.L. 2024, c.2 and P.L.2008, c.46, sections 8 (C. 52:27D-329.2) and 32-38 (C. 40:55D-8.1 through 8.7).

Pursuant to a development approval by the Board having jurisdiction, the City Clerk 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 be provided a copy of Form N – RDF "State of New Jersey Non-Residential Development Certification/Exemption". This form will be used by the tax assessor 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 within ten (10) days 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:

A general description of the distribution of revenues is provided below:

The Hackensack Municipal Housing Liaison (MHL) forwards a requisition of affordability assistance and administrative costs (routine expenditures) and costs for municipally sponsored 100% affordable housing development (significant expenditures) to the Finance Department recommending the expenditure of development fee revenues as set forth in this Spending Plan. The Finance Department reviews the request for consistency with the Spending Plan.

Once a request is approved by the Finance Department, the request is presented to the City Council for approval. After receiving City Council approval, the City of Hackensack Administrator releases the requested revenue from the trust fund for the specific use.

4. DESCRIPTION OF ANTICIPATED USE OF AFFORDABLE HOUSING FUNDS

(a) Fourth Round Projects

i. Rehabilitation Projects (NJ Rev Stat § 52:27D-329.2)

The City will continue to participate in the Bergen County Community Development Block Grant (CDBG) Program Home Improvement Program until the remaining rehabilitation obligation has been fully satisfied. The City further reserves the right to allocate funds for any hard costs associated with the maintenance of credibility for any surplus units from the City's Prior Round obligation used towards the City's Fourth Round Rehabilitation obligation. Additionally, the City will dedicate funds towards supplementing hard costs for the rehabilitation of a portion of the 593-unit Fourth Round Present Need Obligation to be rehabilitated through the County Program, in the case that the County requests or requires municipal funding or assistance. If no new construction projects move forward in Round 4, the entire allocated amount is used to meet the balance of the City's Present Need obligation of 422 units (593-171 credits = 422), which would allocate \$17,984 per unit toward rehabilitation. The City is not establishing its own rehabilitation program at this time. In the case that the County program is ever abandoned or loses its funding, the City shall amend the Spending Plan to fund a municipal rehabilitation program to be created and administered by an experienced Administrative Agent of the City's choosing. Alternatively, in the event that the County program sufficiently addresses the City's rehabilitation obligation, the City reserves the right to amend the Spending Plan to allocate funds to other affordable housing activities. A contribution of \$1,000,000 towards the 30-unit age-restricted development with a residency preference proposed by the Hackensack Housing Authority at the 60 Kansas Street property has been allocated as part of the Rehabilitation expenditures of the approved Third Round Spending Plan, and these funds therefore have not been allocated as part of the projected revenue available to be expended during the Fourth Round period.

ii. Costs Associated with the New Construction of Affordable Units (N.J.S.A. 52:27D-329.2)

The City will dedicate funding towards the new construction of affordable units during the Fourth Round period for projects set forth in the City's 2025 HEFSP or projects proposed while the Fourth Round progresses. Funds for the construction of new affordable units will be allocated on a project-by-project basis as a project realistically moves forward. Additional funding towards the project(s) will likely be sought through and be the subject of a 9-percent NJHMFA tax credit application or other funding source.

Total Fourth Round Projects Expenditure:

\$7,589,415

(b) Affordability Assistance (N.J.S.A. 52:27D-329.2)

The City of Hackensack is required to spend a minimum of 30 percent of development fee revenue to render units more affordable and at least one-third of that amount must be dedicated to very-low income households or to create very-low income units (i.e. households earning less than 30 percent of the regional median income). The actual affordability assistance minimums are calculated on an ongoing basis based on actual revenues.

TABLE 2: PROJECTED MINIMUM AFFORDABILITY ASSISTANCE REQUIREMENTS HACKENSACK, BERGEN COUNTY, NEW JERSEY		
Development fees and fees from Redevelopment Agreements projected through the Fourth Round (7/1/2025 - 6/30/2035)		\$10,999,180
Interest projected through the Fourth Round (7/1/2025 - 6/30/2035)	+	\$4,179,649
Total	=	\$15,178,831
PROJECTED MINIMUM FOURTH ROUND AFFORDABILITY ASSISTANCE REQUIREMENT (7/1/2025 - 6/30/2035)	x 0.30 =	\$4,553,650
PROJECTED MINIMUM FOURTH ROUND VERY LOW-INCOME AFFORDABILITY ASSISTANCE REQUIREMENT (7/1/2025 - 6/30/2035)	÷ 3 =	\$1,517,884

The City will dedicate at least \$4,553,650 from its municipal affordable housing trust fund to render units more affordable. Of this amount, \$1,517,884 will be utilized to encourage private sector provision of very low-income units through the offering of a subsidy for the development of said units. The City reserves the right to use even more of its affordability assistance funds to help subsidize low and/or very low-income units. In addition, the City will utilize such funds for any emergency repairs of older affordable units in the City, should that be necessary.

The City will dedicate Affordability Assistance funding from the affordable housing trust fund to render the units constructed in municipally sponsored 100% affordable projects to be more affordable; to provide a first month's rent and program for rental units; and to provide a down payment assistance program for for-sale units, as follows.

- i. Creation of very low-income units in municipally sponsored 100% affordable projects;
- ii. Supportive/Special Needs Assistance Direct Subsidy to create new units within the City with a 30-year deed restriction requirement;
- iii. Additional affordability assistance:
 - a. Rental Units:
 - i. One or two month's rent assistance program;
 - ii. Reimbursement for qualified moving expenses, up to \$1,000;
 - b. For-Sale Units:

- i. Down payment assistance up to \$15,000 per unit;
- ii. Emergency Repairs.

An Affordability Assistance Manual was approved by the Special Adjudicator and adopted by the City on December 10, 2024. The Administrative Agent will review the approved manual and revise it to reflect the amounts specified in this Fourth Round Spending Plan.

Total Affordability Assistance Expenditures: \$4,553,650

(c) **Administrative Expenses (N.J.S.A. 52:27D-329.2)**

The City of Hackensack may use development fee revenue for related administrative costs up to a 20 percent limitation pending funding availability after programmatic and statutory affordability assistance expenditures. The actual administrative expense maximum is calculated on an ongoing basis based on actual revenues.

TABLE 3: PROJECTED MAXIMUM ADMINISTRATIVE EXPENSE REQUIREMENTS HACKENSACK, BERGEN COUNTY, NEW JERSEY		
Development fees and fees from Redevelopment Agreements projected through the Fourth Round (7/1/2025 - 6/30/2035)		\$10,999,180
Interest projected through the Fourth Round (7/1/2025 - 6/30/2035)	+	\$4,179,649
Total	=	\$15,178,831
PROJECTED FOURTH ROUND MAXIMUM ADMINISTRATIVE EXPENDITURES (7/1/2025 - 6/30/2035)	x 0.20 =	\$3,035,766

The City projects that no more than \$3,035,766 will be available from the affordable housing trust fund to be used for administrative purposes during the Fourth Round (July 1, 2025 – June 30, 2035). However, administrative expenses are limited to 20% of what is actually collected; therefore, the projected 20% cap of \$3,035,766 may only be expended in a total amount equaling 20% or less of the total revenue from development fees, Redevelopment Agreement fees, and interest at the time of expense.

Projected administrative expenditures, subject to the 20 percent cap, are as follows:

- 1) Personnel wages, salaries, and benefits for administering affordable housing activities;
- 2) Consulting fees for the preparation of Housing Element/Fair Share Plans, assisting other affordable housing activities including, but not limited to, professional planner and professional engineer consultant fees;
- 3) Fees for other consulting activity as may be found necessary supportive of affordable housing provision, including office supplies;

- 4) Legal fees; and
- 3) Fees for the administration of Affordability Assistance programs by qualified entities retained by the City of Hackensack.

Total Administrative Expenditure: \$3,035,766

5. EXPENDITURE SCHEDULE

Upon approval by the Court, the City acknowledges that the expenditures of funds contemplated herein shall constitute the “commitment” for expenditure required pursuant to N.J.S.A. 52:27D-329.2, with the ten-year time period contemplated therein commencing in accordance with the provisions of In re Tp. Of Monroe, 442 N.J. Super. 565 (Law Div. 2015) (aff’d 442 N.J. Super. 563).

Where applicable, the funding schedule below parallels the proposed strategies presented thus far by the City, and is summarized as follows.

Spending Plan

TABLE 4: PROJECTED EXPENDITURE SCHEDULE AFFORDABLE HOUSING TRUST FUND JULY 1, 2025 – JUNE 30, 2035
HACKENSACK, BERGEN COUNTY, NEW JERSEY

PROGRAM	NUMBER OF UNITS PROJECTED	PROJECTED EXPENDITURE SCHEDULE – AFFORDABLE HOUSING TRUST FUND – JULY 1, 2025 THROUGH JUNE 30, 2035											
		JULY 1 2025 – DEC 31 2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	JUNE 30, 2035	FOURTH ROUND TOTAL EXPENDITURES (a)
Fourth Round Projects	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	\$7,589,415
Affordability Assistance		TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	\$4,553,650
Administration		TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	\$3,035,766
Total	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	\$15,178,831

(a) Expenditures are not shown on an annual basis for the purposes of this expenditure schedule due to the fact that the timing and amount of expenditures, and consequently the change in trust fund balance, will impact the amount of interest collected on the account. Given that the 30% minimum affordability assistance expenditure requirement and 20% maximum administrative expenditure requirement are based on actual revenue, the expenditure schedule has been simplified to show total expenditures over the Fourth Round period to avoid misrepresentation of the availability of funds to be expended on an annual basis. This Spending Plan shall be subject to future amendment to represent the actual funds collected and expended throughout the progression of the Fourth Round.

(a) Expenditures are not shown on an annual basis for the purposes of this expenditure schedule due to the fact that the timing and amount of expenditures, and consequently the change in trust fund balance, will impact the amount of interest collected on the account. Given that the 30% minimum affordability assistance requirement and 20% maximum administrative expenditure requirement are based on actual revenue, the expenditure schedule has been simplified to show total expenditures over the Fourth Round period to avoid misrepresentation of the availability of funds to be expended on an annual basis. This Spending Plan shall be subject to future amendment to represent the actual funds collected and expended throughout the progression of the Fourth Round.

6. EXCESS OR SHORTFALL OF FUNDS

The City of Hackensack acknowledges that the actual revenue collected may be less than what is projected in this Spending Plan for a variety of reasons, including, but not limited to: (a) a moratorium on collection of development fees may be imposed by law; and (b) the actual amount of development in the City may be less than what is anticipated. Should there be a shortfall of funds, the City agrees that in no event shall it utilize more than 20% of the revenue collected from development fees, Redevelopment Agreement fees, and interest for administration.

The City intends to expend all current and future revenues toward the mechanisms, including the funding of new construction projects, as described in this Spending Plan. In the event of an excess of funds, these would be dedicated toward supplementing any programs or projects within the regulatory limits as described herein. The City reserves the right to use the remainder first toward emerging mechanisms and for additional assistance where needed to support mechanisms included in the City's Housing Element and Fair Share Plan as needed, in accordance with the requirements set forth in P.L. 2024, c.2. Should there be a surplus beyond emerging mechanisms, et. al., the City reserves the right to use the remainder toward the next round of affordable housing, which will be addressed by an adopted Spending Plan in a timeframe that will satisfy the requirements of NJ Rev Stat § 52:27D-329.2. The City reserves the right to submit an updated Spending Plan to reflect any change in circumstance of the mechanisms and funds detailed herein.

II. SUMMARY

The City of Hackensack intends to spend Affordable Housing Trust Fund revenues pursuant to NJ Rev Stat § 52:27D-329.2 and consistent with the housing programs outlined in the Housing Element and Fair Share Plan that evolves from the City's ongoing compliance efforts.

The City recognizes that the projections in this Spending Plan are generated from a baseline assumption that development over the last five years will continue at a similar rate over the ten-year Fourth Round period, and the City therefore reserves the right to amend the contents of this Spending Plan to reflect a change in the City's development climate, Fourth Round HEFSP, Development Fee Ordinance, and/or any circumstance impacting the projections detailed herein.

The City of Hackensack had a balance of \$6,644,917.16 in its affordable housing trust fund as of March 31, 2025 and projects an additional \$324,944 in revenues for the remainder of the Third Round prospective need period, or April 1, 2025 to June 30, 2025. All funds collected during the Third Round shall be subject to use as allocated and approved in the amended Third Round Spending Plan, which was approved as part of the City's amended HEFSP by the amended Conditional JOR entered on October 2, 2024.

Regarding the Fourth Round period, the City projects approximately \$15,178,831 to be collected from development fees, Redevelopment Agreement fees, and interest on existing funds from July 1, 2025 through June 30, 2035. Of this projected \$15,178,831 to be collected during the Fourth Round, the City shall dedicate a minimum of 30% (or \$4,553,650) to render units more affordable and no more than 20% (or \$3,035,766) to cover administrative costs. The remainder (\$7,589,415) is intended to be used toward Fourth Round projects (which includes both rehabilitation projects and

new construction of affordable units), which will be allocated on a project-by-project basis as the specificity of these projects becomes more apparent over the Fourth Round period. The City anticipates that the balance of revenues collected less expenses from July 1, 2025 to June 30, 2035 will be as close to zero dollars (\$0) as possible whereas any excess funds would be dedicated toward supplementing any programs or projects within the limits as described herein, toward emerging mechanisms pursuant to NJ Rev Stat § 52:27D-329.2, or reserved toward compliance with the next round of affordable housing in accordance with the Fair Housing Act.

TABLE 5: FOURTH ROUND SPENDING PLAN SUMMARY HACKENSACK, BERGEN COUNTY, NEW JERSEY	
PROJECTED REVENUE 7/1/2025 – 6/30/2035	
Development fees and Redevelopment Agreement Fees	+ \$10,999,180
Interest on existing funds	+ \$4,179,649
TOTAL PROJECTED REVENUE 7/1/2025 – 6/30/2035	= \$15,178,831
PROJECTED EXPENDITURES 7/1/2025 – 6/30/2035	
Funds Towards Fourth Round Projects	- \$7,589,415
Affordability Assistance	- \$4,553,650
Administration	- \$3,035,766
TOTAL PROJECTED EXPENDITURES 7/1/2025 – 6/30/2035	= \$15,178,831
REMAINING BALANCE	= \$0.00