

COUNCIL OF THE BOROUGH OF RAMSEY**RESOLUTION NO. 121-2025**Resolution by: M. GUTWETTERSeconded by: G. POPOLO

WHEREAS, the Borough of Ramsey (hereinafter “Borough” or “Ramsey”) has an approved Development Fee Ordinance that was adopted on September 14, 2011, which established standards for the collection, maintenance, and expenditure of development fees; and

WHEREAS, the Borough’s previous Affordable Housing Trust Fund Spending Plan was approved by the Court on August 17, 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 Borough 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 Borough’s Affordable Housing Trust Fund and describes the anticipated expenditures of funds.

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

1. The Borough Council of the Borough of Ramsey 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 Borough’s Fourth Round Spending Plan.

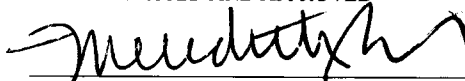
	YES	NO	A B S T A I N	A B S E N T
DILLON, D. MAYOR				
CUSICK, J.	X			
GUTWETTER, M.	X			
KILMAN, P.	X			
POPOLO, G.	X			
POPPE, S.	X			
WOODS, J.				X

I CERTIFY THAT THIS IS A TRUE COPY OF A RESOLUTION
PASSED AND APPROVED AT THE REGULAR COUNCIL
MEETING OF THE MAYOR AND COUNCIL


MEREDITH BENDIAN, MUNICIPAL CLERK

JUNE 25, 2025

PASSED AND APPROVED


CLERK


MAYOR

May 8, 2025
Borough of Ramsey
Affordable Housing Trust Fund Spending Plan

INTRODUCTION

The Borough of Ramsey (hereinafter the "Borough"), Bergen 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 and establishing the Borough of Ramsey Affordable Housing Trust Fund was first adopted by the Borough in December 1992.

As of December 31, 2024, the Borough of Ramsey has a balance of \$1,730,562¹ 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 account for the purposes of affordable housing. These funds shall be spent in accordance with N.J.A.C. 5:99 as described in the sections that follow.

1. REVENUES FOR CERTIFICATION PERIOD

It is anticipated that during the period of January 1, 2025 through June 30, 2035, which encompasses the period that the Borough will have a Fourth Round Judgment of Compliance and Repose (hereinafter "Fourth Round JOR"), the Borough will add an additional \$2,721,600 to its Affordable Housing Trust Fund. This is detailed below.

- (a) Development fees: Based on development fee collection trends in the Borough of Ramsey since 2018, the Borough anticipates that approximately \$2,469,600 in development fees will be generated between January 1, 2025 through June 30, 2035. This figure assumes that, on average, the Borough will collect approximately \$19,600 in development fees per month during the remainder of the Third Round and throughout the Fourth Round.
- (b) Payment in lieu (PIL): While the Borough of Ramsey does not currently anticipate the contribution of any payments in lieu toward the municipal Affordable Housing Trust

¹ All figures rounded to the nearest dollar.

Fund during the remainder of the Third Round, nor during the Fourth Round, if any such payments should be made to the Borough during the Fourth Round, such payments will be deposited into the Borough's Affordable Housing Trust Fund.

- (c) Other Funds: The Borough of Ramsey does not currently anticipate the contribution of any other funds toward the municipal Affordable Housing Trust Fund during the remainder of the Third Round nor during the Fourth Round. That said, if any such funds are collected during the Fourth Round, said funds will be deposited in the Borough's Affordable Housing Trust Fund.
- (d) Projected interest: It is estimated that the Borough of Ramsey will collect approximately \$252,000 in interest between January 1, 2025 through June 30, 2035. This figure assumes that, on average, the Borough will collect approximately \$2,000 in interest per month during the remainder of the Third Round and throughout the Fourth Round.

SOURCE OF FUNDS	PROJECTED REVENUES – AFFORDABLE HOUSING TRUST FUND JANUARY 1, 2025 THROUGH JUNE 30, 2035											
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	1/1/35 to 6/30/35	Total
(a) Development Fees	\$235,200	\$235,200	\$235,200	\$235,200	\$235,200	\$235,200	\$235,200	\$235,200	\$235,200	\$235,200	\$117,600	\$2,469,600
(b) Payments in Lieu of Construction	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(c) Other Funds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(d) Interest	\$24,000	\$24,000	\$24,000	\$24,000	\$24,000	\$24,000	\$24,000	\$24,000	\$24,000	\$24,000	\$12,000	\$252,000
Total	\$259,200	\$259,200	\$259,200	\$259,200	\$259,200	\$259,200	\$259,200	\$259,200	\$259,200	\$259,200	\$129,600	\$2,721,600

In sum, the Borough of Ramsey projects a total of \$2,721,600 in revenue to be collected between January 1, 2025 and June 30, 2035. This projected amount, when added to Ramsey's current trust fund balance of \$1,730,562, results in a total anticipated trust fund balance of \$4,452,162 available to fund and administer the Borough's affordable housing plan. All interest earned on the account shall be used only for the purposes of affordable housing.

2. 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 Borough:

- (a) Collection of development fee revenues: Collection of development fee revenues shall be consistent with Ramsey's Development Fee Ordinance (DFO) 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).
- (b) Distribution of development fee revenues: A request for the expenditure of development fee revenues will be submitted to the Chief Financial Officer (CFO) of Ramsey. Requests for expenditure of funds may come from administrative agencies, developers, contractors, or other entities engaged in the development or rehabilitation of affordable housing in Ramsey. The CFO will review the request in the context of the Borough's Spending Plan, and, if deemed a valid utilization of development fee funds, will submit a report and request for approval to Ramsey's governing body. If approved by the governing body, the funds will be distributed by the CFO.

3. DESCRIPTION OF ANTICIPATED USE OF AFFORDABLE HOUSING FUNDS

- (a) Rehabilitation. The Borough has a Present Need (rehabilitation) obligation of 51 units. In order to address its rehabilitation obligation, the Borough will continue its participation in the Bergen County Home Improvement Program (BCHIP) and will utilize funds from the Borough's affordable housing trust fund to help fund this program. The Borough will commit an average of \$10,000 per unit, which will require a total contribution of approximately \$510,000.

COAH's rules require municipalities to set aside sufficient funds to address one-third of their rehabilitation obligation within one year of approval of their plan. In addition, municipalities are required to set aside sufficient funds to address one-sixth of their rehabilitation obligation each subsequent year of the compliance certification period. As such, the Borough will set aside \$170,000 for 2026, and an additional \$85,000 each subsequent year until the program is fully funded.

- (b) Affordability Assistance. Pursuant to N.J.A.C. 5:99-2.5, the Borough is required to set aside a portion of all development fees collected and interest earned for the purpose of providing affordability assistance to very low-, low- and moderate-income

households in affordable units included in the Borough's Fourth Round Housing Element and Fair Share Plan. Affordability assistance means the use of funds to render housing units more affordable to very low-, 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 one hundred percent (100%) affordable housing developments or buying down the cost of low- or moderate-income units in the Borough's fair share plan to make them affordable to very low-income households, including special needs and supportive housing opportunities. The Borough will set aside \$900,000 from the Affordable Housing Trust Fund for this purpose through June 30, 2035.

- (c) Administrative Expenses. Per N.J.A.C. 5:99-2.4(a), no more than twenty percent (20%) 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 Borough of Ramsey projects that a maximum of \$1,262,576 will be available from the affordable housing trust fund to be used for administrative purposes through June 30, 2035. Projected administrative expenditures, subject to the twenty percent (20%) cap, include payment for the salaries and benefits for municipal employees and consultant fees related to costs as set forth at N.J.A.C. 5:99-2.4(b), (c) and (d).

Actual development fees + interest through 12/31/24		\$5,192,574
Other income through 4/10/25	+	\$505,289
Projected development fees + interest 1/1/25 through 6/30/35	+	\$2,721,600
Less RCA expenditures through 7/17/08	-	\$0
Total	=	\$8,419,463
20 percent requirement	x 0.20 =	\$1,683,893
Less administrative expenditures through 12/31/24		\$421,317
PROJECTED MAXIMUM Available for Administrative Expenses 1/1/25 through 6/30/35	=	\$1,262,576

- (d) Other Emergent Housing Opportunities. The Borough will reserve the remaining trust fund balance, projected at approximately \$1,779,586, for other emergent opportunities to create affordable housing that may arise during the Fourth Round. The Borough shall seek approval for any emergent affordable housing opportunities not included in the Borough's fair share plan in accordance with N.J.A.C. 5:99-4.1.

4. EXPENDITURE SCHEDULE

The Borough of Ramsey intends to use affordable housing trust fund revenues for rehabilitation activities, affordability assistance, administration and other emergent opportunities to create affordable housing that may arise during the Fourth Round. Where applicable, the funding schedule below parallels the implementation schedule set forth in the Housing Element and Fair Share Plan and is summarized as follows.

PROJECTS/ PROGRAMS	PROJECTED EXPENDITURES – AFFORDABLE HOUSING TRUST FUND JANUARY 1, 2025 THROUGH JUNE 30, 2035										
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	1/1/35 to 6/30-25
Rehabilitation	\$0	\$170,000	\$85,000	\$85,000	\$85,000	\$85,000	\$85,000	\$0	\$0	\$0	\$0
Affordability Assistance	\$85,715	\$85,715	\$85,715	\$85,715	\$85,715	\$85,715	\$85,715	\$85,715	\$85,715	\$85,715	\$42,850
Administration	\$120,245	\$120,245	\$120,245	\$120,245	\$120,245	\$120,245	\$120,245	\$120,245	\$120,245	\$120,245	\$60,126
Other Emergent Opportunities	\$169,484	\$169,484	\$169,484	\$169,484	\$169,484	\$169,484	\$169,484	\$169,484	\$169,484	\$169,484	\$84,746
Total	\$375,444	\$545,444	\$460,444	\$460,444	\$460,444	\$460,444	\$375,444	\$375,444	\$375,444	\$375,444	\$187,722
											\$4,452,162

5. EXCESS OR SHORTFALL OF FUNDS

In the event of any expected or unexpected shortfall of funds necessary to implement the Fair Share Plan, the Borough of Ramsey will handle the shortfall of funds through an alternative funding source to be identified by the Borough and/or by adopting a resolution with an intent to bond. In the event of excess funds, any remaining funds above the amount necessary to satisfy the municipal affordable housing obligation will be dedicated toward the Borough's rehabilitation program, additional funding for affordability assistance, additional administrative expenditures (up to the twenty percent (20%) cap) and/or any other emergent affordable housing opportunities that may arise during the Fourth Round.

6. BARRIER FREE ESCROW

Collection and distribution of barrier free funds shall be consistent with the Borough's Affordable Housing Ordinance and in accordance with applicable regulations. A process describing the collection and distribution procedures for barrier free escrow is detailed within the Borough's Affordable Housing Ordinance.

SUMMARY

The Borough of Ramsey 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 Borough's Housing Element and Fair Share Plan.

The Borough of Ramsey has a balance of \$1,730,562 as of December 31, 2024 and anticipates an additional \$2,721,600 in revenues through June 30, 2035 for a total of \$4,452,162. During the period of the Borough's Fourth Round JOR through June 30, 2035, the Borough agrees to fund \$510,000 towards a rehabilitation program, \$900,000 towards affordability assistance, \$1,262,576 towards administrative expenses, and \$1,779,586 towards other emergent affordable housing opportunities that may arise during the Fourth Round, totaling \$4,452,162 in anticipated expenditures.

Any shortfall of funds will be offset by an alternative funding source to be identified by the Borough and/or the Borough of Ramsey will bond to provide the necessary funding. The Borough will dedicate any excess funds or balance toward the Borough's rehabilitation program, additional funding for affordability assistance, additional administrative expenditures (up to the twenty percent (20%) cap) and/or any other emergent affordable housing opportunities that may arise during the Fourth Round.

SPENDING PLAN SUMMARY		
Balance as of December 31, 2024		\$1,730,562
PROJECTED REVENUE THROUGH 6/30/35		
Development fees	+	\$2,469,600
Payments in lieu of construction	+	\$0
Other funds	+	\$0
Interest	+	\$252,000
SUBTOTAL REVENUE	=	\$2,721,600
TOTAL REVENUE	=	\$4,452,162
EXPENDITURES		
Rehabilitation Program	-	\$510,000
Affordability Assistance	-	\$900,000
Administration	-	\$1,262,576
Other Emergent Opportunities	-	\$1,779,586
TOTAL PROJECTED EXPENDITURES	=	\$4,452,162
REMAINING BALANCE	=	\$0