

**BOROUGH OF WEST WILDWOOD  
COUNTY OF CAPE MAY  
STATE OF NEW JERSEY**

**RESOLUTION 2025-093**

**RESOLUTION OF THE BOROUGH BOARD OF COMMISSIONERS OF THE  
BOROUGH OF WEST WILDWOOD APPROVING A FOURTH ROUND  
AFFORDABLE HOUSING TRUST FUND SPENDING PLAN AND REQUESTING  
PROGRAM AND COURT APPROVAL OF THE SPENDING PLAN**

**WHEREAS**, the Borough of West Wildwood (hereinafter “Borough” or “West Wildwood”) has an approved Development Fee Ordinance that was adopted on February 5, 2021 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 October 18, 2021; 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 Borough has prepared a Fourth Round Spending Plan consistent with the Amended FHA and other 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 Board of Commissioners of the Borough of West Wildwood, County of Cape May, State of New Jersey, as follows:

1. The Borough Board of Commissioners of West Wildwood 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.
2. Borough of West Wildwood shall promptly submit the Fourth Round Spending Plan to the Program and Court for its approval.
3. This Resolution shall take effect immediately upon adoption, according to law.

	Motion	Second	Yes	No	Abstain	Absent
Mayor Matthew J. Ksiazek		X	X			
Commissioner Jane E. DiMattia			X			
Commissioner Joseph D. Segrest	X		X			

I, **Donna Frederick, Municipal Clerk** for the Borough of West Wildwood in the County of Cape May and State of New Jersey, do hereby certify that the foregoing is a correct and true copy of a Resolution adopted by the Board of Commissioners of the Borough of West Wildwood, New Jersey at a **Regular Meeting** held on **July 3, 2025**.

  
**Donna L. Frederick, RMC**  
**Municipal Clerk**

## BOROUGH OF WEST WILDWOOD

### AFFORDABLE HOUSING SPENDING PLAN: FOURTH ROUND

#### INTRODUCTION

On February 5, 2021, the Borough adopted a mandatory development fee ordinance. The 2021 ordinance included the establishment of residential development fees in the amount of 1% of the equalized assessed value of residential development and nonresidential development fees in the amount of 2.5% of the equalized assessed value of nonresidential development.

All development fees, payments in lieu of constructing affordable units on site, “other” income, and interest generated by the fees are deposited in one (1) separate interest-bearing account dedicated toward the creation 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.

This spending plan is submitted to the Superior Court of New Jersey for approval to expend Affordable Housing Trust Fund monies that will contribute to the rehabilitation program. All initial funds will be expended toward the Borough’s rehabilitation program. Additionally, once affordable units are produced within the Borough, it will expend funds on affordability assistance (including infrastructure grants), including expenditures to create very-low income units or to render existing units more affordable, and toward administrative expenses.

## REVENUES FOR CERTIFICATION PERIOD

To calculate a projection of revenue anticipated during the period of Fourth Round Judgment of Repose, West Wildwood considered the following:

(a) **Development fees:** **\$570,000**

1. Residential and nonresidential projects which have had development fees imposed upon them at the time of preliminary or final development approvals;
2. All projects currently before the planning and zoning boards for development approvals that may apply for building permits and certificates of occupancy; and
3. Future development that is likely to occur based on historical rates of development.

(b) **Payment in lieu (PIL): \$0**

Actual and committed payments in lieu of construction from developers. The Borough does not anticipate receiving payment-in-lieu of construction through the Third Round.

(c) **Other funding sources:** **\$0**

The Borough does not anticipate future funds from this category at this time. Funds from other sources, include, but are not limited to the sale of units with extinguished controls, repayment of affordable housing program loans, rental income, and proceeds from the sale of affordable units. All monies in the Affordable Housing Trust fund are anticipated to come from development fees and interest.

(d) Projected interest: \$ 0

The development fees are deposited into a mixed Trust account and therefore no interest is allocated to the Affordable Housing Trust Fund.

Table SP-1 indicates the anticipated revenue to be generated from development impact fees and interest. West Wildwood Borough projects a Total of \$570,000 to be collected between July 2025 and June 30, 2035, including interest, to be used for affordable housing purposes. All interest earned on the account shall accrue to the account to be used only for the purposes of affordable housing.

Source of Funds – Housing Trust Fund 2025 through 2035

Year Source of Funds	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2025- 2035 Total
Projected Residential Development	\$28.5K	\$57K	\$57K	\$57K	\$57K	\$57K	\$57K	\$57K	\$57K	\$57K	\$28.5K	\$570K
Projected Non- Residential Development	-	-	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-	-	-
Total	\$28.5K	\$57K	\$57K	\$57K	\$57K	\$57K	\$57K	\$57K	\$57K	\$57K	\$28.5K	\$570K

## **ADMINISTRATIVE MECHANISM TO COLLECT AND DISTRIBUTE FUNDS**

The following procedural sequence for the collection and distribution of development fee revenues shall be followed by West Wildwood Borough:

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

All collection of development fee revenues will be consistent with local regulations which follow COAH administrative models for both residential and non-residential developments and in accordance with N.J.S.A. 40:55D-8.1 through 8.7.

### **(b) Distribution of development fee revenues:**

The governing body may hear and decide upon a request for development fee revenues for the purpose of creating affordable housing. The governing body reviews the request for consistency with the Spending Plan and adopts the recommendation by resolution.

The release of funds requires the adoption of the governing body resolution. Once a request is approved by resolution, the Chief Financial Officer releases the requested revenue from the trust fund for the specific use approved in the governing body's resolution.

## **DESCRIPTION OF ANTICIPATED USE OF AFFORDABLE HOUSING FUNDS**

### **(c) Rehabilitation: \$175,000**

West Wildwood Borough has a 8-unit rehabilitation obligation and intends to satisfy that obligation through participation in the Wildwood Regional Affordable Homeowner Repair Program. The Borough will devote the funds for rehabilitation assistance to the upgrade of a substandard unit for income-eligible homeowners qualified through the county program in accordance with N.J.A.C. 5:93-5.2. The

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expenditure of funds on the Borough's rehabilitation program will be a priority over the remaining expenditures set forth in this Spending Plan.

**(d) Affordability Assistance (N.J.A.C. 5:93-8.16(c))**

The Borough will initially prioritize trust fund expenditures toward its rehabilitation obligation until affordable units are produced within the Borough that would qualify for the affordability assistance program. Once affordable units come online, West Wildwood Borough is required to spend a minimum of 30 percent of development fee revenue to render affordable 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 with incomes less than 30 percent of the regional median income). The actual affordability assistance minimums should be calculated based on actual revenues.

Projected Minimum Affordability Assistance Requirement		
Balance as of April 30, 2025		\$172,390
Development Fees Projected 2025-2035	+	\$570,000
Interest Projected 2025-2035	+	\$0
Total	=	\$742,390
Affordability Assistance Funds Provided since 2021	-	\$0
Total	=	\$742,390
30 Percent Requirement	x 0.30 =	\$222,717
Projected Minimum Affordability Assistance Requirement	=	\$222,717
Projected Minimum Very Low-Income Requirement	÷ 3 =	\$74,239

Based on fees and interest for projected revenues, West Wildwood Borough will dedicate at least \$222,717 from the affordable housing trust fund to render units

more affordable, including \$74,239 to render units more affordable to households with income at 30 percent or less of median income by region. This program will be subordinate to the Borough's Rehabilitation Program until such time as affordable units are created within the Borough, thus necessitating the affordability assistance program. Please refer to the affordability assistance program manual provided as an appendix to the Spending Plan for details of how the affordability assistance funds are anticipated to be used. It may use a variety of vehicles to do this including, but not limited to the following:

- Emergency Repair Program;
- Down-payment assistance;
- Rental assistance;
- Security deposit assistance;
- Moving expenses;
- Low interest loans;
- Assistance with homeowners' association or condominium fees and special assessments; and/or
- Converting low-income units to very-low-income units or creating new very-low income units, etc.

The Borough will work with its affordable housing providers and administrator to expand outreach to ensure the existing and new households of very-low-, low- and moderate-income programs can take advantage of affordability assistance programs. Additionally, the Borough will work with affordable housing providers to convert low income units to very low-income units.

#### (e) Administrative Expenses (N.J.A.C. 5:93-8.16(e))

West Wildwood Borough may use Affordable Housing Trust Fund revenue for related administrative costs up to a 20 percent limitation pending funding availability after programmatic and affordability assistance expenditures. The



actual administrative expense maximum is calculated on an ongoing basis based on actual revenues.

Projected Administrative Expenses		
Balance as of April 30, 2025		\$172,390
Development Fees Projected 2025-2035	+	\$570,000
Interest Projected 2021-2025	+	\$0
<b>Total</b>	=	<b>\$742,390</b>
<b>Administrative Fees Expended since 2021</b>	-	<b>\$11,094</b>
<b>Total</b>	=	<b>\$731,296</b>
20 Percent Maximum Permitted Administrative Expenses	x 0.20 =	\$146,259
<b>Projected Allowed Administrative Expenditures</b>	=	<b>\$146,259</b>

West Wildwood Borough projects that \$146,259 may 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:

- Borough Attorney, Engineer, and Planner fees related to plan preparation and implementation, and to obtaining Judgment of Compliance and Repose;
- Administration fees related to rehabilitation, extension of expiring controls, affordability assistance programs, and municipally-sponsored construction programs;
- Affirmative Marketing;
- Income qualification of households; and

- Administration of Borough's Affordable Housing Units.

## EXPENDITURE SCHEDULE

West Wildwood Borough intends to use Affordable Housing Trust Fund revenues for its rehabilitation program, affordability assistance including the creation of very-low income units and making existing units more affordable, and administrations expenses. Additionally, this expenditure schedule meets the requirement that trust fund revenues are expended within four years of their collection.

Projected Expenditure Schedule 2025 Through 2035

Program	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	Total
Rehabilitation	\$8.7k	\$17.5k	\$17.5k	\$17.5k	\$17.5k	\$17.5k	\$17.5k	\$17.5k	\$17.5k	\$17.5k	\$8.7k	\$175k
Affordability Assistance	\$11k	\$22k	\$22k	\$22k	\$22k	\$22k	\$22k	\$22k	\$22k	\$22k	\$11k	\$222k
Administration	\$10k	\$3.3k	\$3.3k	\$3.3k	\$3.3k	\$3.3k	\$3.3k	\$3.3k	\$3.3k	\$3.3k	\$10k	\$50k
100% Infill Projects	-	-	-	-	-	-	\$58k	\$58k	\$58k	\$58k	\$58k	\$294k
<b>TOTAL</b>	<b>\$25k</b>	<b>\$33.3k</b>	<b>\$33.3k</b>	<b>\$33.3k</b>	<b>\$33.3k</b>	<b>\$33.3k</b>	<b>\$91.3k</b>	<b>\$91.3k</b>	<b>\$91.3k</b>	<b>\$91.3k</b>	<b>\$83k</b>	<b>\$742k</b>

## EXCESS OR SHORTFALL OF FUNDS

In the event that a shortfall of anticipated revenues occurs, West Wildwood will fund the shortfall through bonding or other funding mechanisms to satisfy the gap in funding. In the event that funds exceed projected expenditures, the Borough will devote any excess funds on additional affordability assistance above the 30 percent minimum requirement. Alternatively, the Borough reserves the opportunity to amend its Housing Element and Fair Share Plan, as well as this Spending Plan, to create additional affordable housing opportunities.

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## SUMMARY

The Borough of West Wildwood intends to spend Affordable Housing Trust Fund revenues pursuant to the extant regulations governing such funds and consistent with the housing programs outlined in the 2025 Fourth Round Housing Plan Element and Fair Share Plan. West Wildwood anticipates \$570,000 in revenues before the expiration of a Fourth Round Judgment of Repose. At this time, the Borough estimates that approximately \$222,717 of Trust Funds will be spent to create very low-income units, and to make units more affordable. The Borough intends to prioritize all trust fund money for its rehabilitation program until such time as affordable housing units are created, which will necessitate the affordability assistance program. In addition, the Borough will dedicate excess funds towards 100% affordable infill projects for single family attached or detached homes which will be allocated toward the last 5 years of Round Four.

Spending Plan Summary	
Revenues	
Balance as of April 30, 2025	\$172,390
Projected Revenue from 2025 through 2035	\$570,000
1. Development Fees	+ \$570,000
2. Payments-In-Lieu of Construction	+ \$0.00
3. Other Funds	+ \$0.00
Interest	+ \$0
Total Projected Balance	= \$742,390
Expenditures	
Funds Used for Rehabilitation	- \$80,000
Affordability Assistance	- \$
New Construction	- \$0
Administration	- \$
Total Projected Expenditures	= \$
Remaining Balance	= \$0.00