

CITY OF WILDWOOD
Cape May County, New Jersey
RESOLUTION

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

WHEREAS, the City of Wildwood (hereinafter "City" or "Wildwood") has an approved Development Fee Ordinance, which established standards for the collection, maintenance, and expenditure of development fees; 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 City has prepared a Fourth Round Spending Plan consistent with the Amended FHA and other 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 Board of Commissioners of the City of Wildwood, County of Cape May, State of New Jersey, as follows:

1. The Board of Commissioners of the City of 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 City's Fourth Round Spending Plan.
2. City of 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.

PREPARED BY: AFFORDABLE HOUSING COUNSEL

Absent

Krista McConnell, Commissioner

S Mikulski

Steve Mikulski, Commissioner

Ernest Troiano, Jr.

Resolution No. 288-7-25

Offered By Troiano

Seconded by Mikulski

I, Lisa A. Brown, City Clerk of the City of Wildwood, do hereby certify that the foregoing Resolution was adopted at a Regular Meeting of the Wildwood Board of Commissioners, held this 23rd day of July, 2025, and in witness whereof I have hereunder set my hand and official seal on this date written.

Lisa A. Brown

LISA A. BROWN, CITY CLERK

WILDWOOD CITY FOURTH ROUND AFFORDABLE HOUSING TRUST FUND SPENDING PLAN

I. INTRODUCTION

Wildwood City, Cape May County, has prepared a development fee ordinance creating a dedicated revenue source for affordable housing. The ordinance was adopted on May 23, 2012 as Ord. No. 925-12, and continues to be in accordance with all amending ordinances. The ordinance also established the municipality's Affordable Housing Trust Fund. This Spending Plan is the first the municipality has prepared. It has been prepared 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).

As of December 31, 2024, the municipality had a balance of \$1,148,711 in the 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. 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 through the Fourth Round prospective need period (7/1/2025 through 6/30/2035), the municipality 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. 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):

Currently, there are no payments in lieu of construction from any developer, although such payments may be collected in the future.

(c) Other funding sources:

None

(d) Projected interest:

Interest on the projected revenue in the municipal Affordable Housing Trust Fund is calculated at the current average bank interest rate 2.72% simple interest.

2. REVENUE PROJECTION

TABLE 1
PROJECTED REVENUES HOUSING TRUST FUND

Source of Funds	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	Totals
a. Dev. Fees	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$2,750,000
b. Pmts in Lieu of Construction	-	-	-	-	-	-	-	-	-	-	-	-
c. Other Funds	-	-	-	-	-	-	-	-	-	-	-	-
d. Interest on Total Acct Balance	\$6,800	\$6,800	\$6,800	\$6,800	\$6,800	\$6,800	\$6,800	\$6,800	\$6,800	\$6,800	\$6,800	\$74,800
Total	\$256,800	\$256,800	\$256,800	\$256,800	\$256,800	\$256,800	\$256,800	\$256,800	\$256,800	\$256,800	\$256,800	\$2,824,800

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 municipality:

(a) Collection of Development Fee revenues:

Collection of Development Fee revenues shall be consistent with the municipal Development Fee ordinance for both residential and non-residential developments in accordance with COAH's rules 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 municipal 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 Municipal Housing Liaison forwards a requisition of affordability assistance and/or 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 governing body for approval. After receiving Municipal Council approval, the Municipal Administrator releases the requested revenue from the trust fund for the specific use.

4. DESCRIPTION OF ANTICIPATED USE OF AFFORDABLE HOUSING FUNDS

(a) **Rehabilitation and new construction programs and projects (N.J.A.C. 5:97-8.7)**

The municipality approved binding resolution 32-1-25 on January 22, 2025 that committed the municipality to a present need (rehabilitation) obligation of 15 units. The municipality shall spend an average \$25,000 per unit for rehab, for a total of \$375,000. Wildwood maintains an active rehabilitation program administered by Triad Associates and will continue to offer this program to both owner-occupied and rental housing units.

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

The municipality 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
MINIMUM AFFORDABILITY ASSISTANCE

Actual Development Fees & Interest through 12/31/2024		\$1,077,659
Development Fees Projected 7/1/2025 through 12/31/2035	+	\$2,750,000
Interest Projected 7/1/2025 through 12/31/2035	+	\$74,800
Less Affordability Assistance Expenditures through 12/31/2024	-	\$0
Total	=	\$3,902,459
30% Requirement	x .30	\$1,170,738
Very Low Income Requirement	1/3	\$390,246

It is the intent of the municipality to dedicate its affordability assistance funds to programs best suited to assist its residents and will create an affordability assistance manual to implement appropriate affordability assistance programs. An Affordability Assistance Manual will be prepared and adopted in accordance with this spending plan.

Total Affordability Assistance Expenditure (30% Requirement): \$1,170,738

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

The municipality may use affordable housing trust fund revenue for related administrative costs up to a 20 percent limitation pending funding availability after programmatic and statutory administrative assistance expenditures. The actual administrative expense maximum is calculated on an ongoing basis based on actual revenues.

TABLE 3
PROJECTED MAXIMUM ADMINISTRATIVE EXPENSE REQUIREMENTS

Actual development fees with interest through 12/31/2024		\$1,077,659
Development Fees Projected 7/1/2025 through 6/30/2035	+	\$2,750,000
Payments In Lieu of construction and other deposits through 12/31/2024	+	N/A
Less RCA Expenditures through 12/31/2024	-	N/A
Total	=	\$3,827,659
Calculate 20%	x .20 =	\$765,532
Less Administrative Expenditures through 12/31/2024	-	\$26,400
Projected Maximum Available for Admin Expenses 7/1/2025 - 6/30/2035	=	\$739,132

The municipality projects that no more than \$739,132 will be from the Affordable Housing Trust Fund to be used for administrative purposes unless in the future additional development fees are collected.

5. EXPENDITURE SCHEDULE

Upon approval by the Program, the municipality 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 and -329.3, with the four-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 municipality and is summarized as follows.

TABLE 4
PROJECTED EXPENDITURE SCHEDULE 7/1/2025 - 6/30/2035

Programs	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	Total
Rehabilitation	\$34,091	\$34,091	\$34,091	\$34,091	\$34,091	\$34,091	\$34,091	\$34,091	\$34,091	\$34,091	\$34,091	\$375,000
Affordability Assistance	\$106,431	\$106,431	\$106,431	\$106,431	\$106,431	\$106,431	\$106,431	\$106,431	\$106,431	\$106,431	\$106,431	\$1,170,738
Administration	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400	\$26,400
Total	\$142,922	\$142,922	\$142,922	\$142,922	\$142,922	\$142,922	\$142,922	\$142,922	\$142,922	\$142,922	\$142,922	\$1,572,138

6. EXCESS OR SHORTFALL OF FUNDS

The municipality acknowledges that the actual amount of the Development Fees 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 fees may be imposed by law; and (b) the actual amount of development in the municipality may be less than what is anticipated. Should there be a shortfall of funds; the municipality agrees that in no event shall it utilize more than 20% of the Development Fees collected for administration and the municipality agrees to adopt a resolution of intent to fund bonds if necessary to cover any shortfall.

The municipality intends to expend all current and future revenues toward the mechanisms 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 municipality reserves the right to use the remainder first toward emerging mechanisms and for additional assistance where needed. Should there be a surplus beyond emerging mechanisms, et. al., the municipality reserves the right to use the remainder toward Round 5, which will be addressed by an adopted Round 5 Spending Plan in a timeframe that will satisfy the requirements of N.J.S.A. 52:27D-329.2 and -329.3. The municipality reserves the right to submit an updated spending plan as needed.

II. SUMMARY

The municipality intends to spend Affordable Housing Trust Fund revenues pursuant to N.J.A.C. 5:93-8.16 and consistent with the housing programs outlined in the Housing Element and Fair Share Plan that evolves from the municipality's ongoing compliance efforts. The municipality had a balance of \$1,148,711 as of December 31, 2024 and anticipates an additional \$2,824,800 in revenues for the Fourth Round prospective need period. The municipality will dedicate \$375,000 to rehabilitate housing units, \$1,170,738 to render units more affordable, and no more than \$739,132 based on projected income to cover administrative costs. The municipality anticipates that the balance of revenues collected less expenses from January 1, 2025 to June 30, 2035 will be approximately \$2,063,266; however, all excess funds will be dedicated toward supplementing any programs or projects within the limits as described herein, toward emerging mechanisms pursuant to N.J.A.C. 5:97-8.11, or reserve toward Round 5 compliance in accordance with the Fair Housing Act.

TABLE 5
SPENDING PLAN SUMMARY

Balance as of December 31, 2024	\$1,148,711
Projected Revenue - 7/1/2025 through 6/30/2035	
Development Fees	\$2,750,000
Other Funds	\$0
Interest	\$74,800
Total Revenue	\$2,824,800
Projected Expenditures - 7/1/2025 through 6/30/2035	
Rehabilitation Program	\$375,000
Affordability Assistance	\$1,170,738
Administration	\$739,132
Total Expenditures	\$1,910,245
Remaining Balance	\$2,063,266