



Vineland, New Jersey

RESOLUTION NO. 2025- 277

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

WHEREAS, the City of Vineland (hereinafter "City" or "Vineland") has an approved Development Fee Ordinance which established standards for the collection, maintenance, and expenditure of development fees; and

WHEREAS, the City's previous Affordable Housing Trust Fund Spending Plan was approved by the Court on December 6, 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 Administrative Office of the Courts issued Directive #24-40 ("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 #24-40, N.J.A.C. 5:93, 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 City Council of the City of Vineland, County of Cumberland, State of New Jersey, as follows:

1. The City Council of Vineland 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 Vineland 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.

Adopted: June 17, 2025


Vice President of Council cg

ATTEST:


City Clerk rgf

City of Vineland, Cumberland County
Affordable Housing Trust Fund Spending Plan
Fourth Round (2025 – 2035)

INTRODUCTION AND BACKGROUND

The City of Vineland in Cumberland County, has prepared a Housing Element and Fair Share Plan in accordance with the Municipal Land Use Law (N.J.S.A. 40:55D-1 et seq.), the Amended Fair Housing Act (N.J.S.A. 52:27D-301) and consistent with the affordable housing regulations set forth at N.J.A.C. 5:93-1 et seq. and N.J.A.C. 5:97-1 et seq.

A development fee ordinance creating a dedicated revenue source for affordable housing was first approved in June of 2007. The affordable housing development fee ordinance established the City's Affordable Housing Trust Fund, which is an interest bearing account dedicated to providing funding for affordable housing mechanisms as outlined in the City's Housing Plan Element and Fair Share Plan. All development fees, payments in lieu of construction, and other funds related to affordable housing received by the City is deposited into this account.

The City of Vineland first had an approved Spending Plan for the Affordable Housing Trust Fund in October of 2011. That initial Spending Plan has been amended several times in the years since. This updated Spending Plan is intended to demonstrate commitment of the funds in the Affordable Housing Trust Fund within four years of the date of collection as required by P.L. 2008 c.46, anticipated to be deposited during the Fourth Round (through July 2035). The Spending Plan will be amended as needed to respond to affordable housing needs or opportunities that may emerge, and may also be amended if there are significant changes to anticipated revenue.

This Spending Plan provides estimates of projected funding, proposals for expenditure in support of the Fair Share Plan and the City's affordable housing inventory, and provides guidance to ensure that funds are spent in accordance with the requirements of N.J.A.C. 5:97 - 8.7 through 8.10. In accordance with N.J.S.A. 52:27D-329.2 and -329.3, all funds deposited into the City's Affordable Housing Trust Fund are to be spent within 4 years of their receipt. The City will provide annual monitoring to the AHMS as administered by the NJDCA.

As of May 14, 2025, the City has a balance of \$2,599,954.00 in the Affordable Housing Trust Fund.

1. REVENUES FOR CERTIFICATION PERIOD

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 trust fund monies will be deposited in a separate interest-bearing affordable housing trust fund account for the purposes of supporting and providing affordable housing. These funds have been and shall be spent in accordance with N.J.A.C. 5:97-8.7-8.9, as described in the sections that follow.

To calculate a projection of revenue anticipated through 2035, the following have been considered:

(a) Development fees.

1. Residential and non-residential construction projects that are subject to the development fee requirements, (Affordable Housing Development Fees) and fees for developments that have already received approval by the City’s Planning and Zoning Boards.
2. Applications for residential and non-residential construction projects that are currently pending and will be heard by the Land Development Board and are likely to receive building permits and/or certificates of occupancy before 2035; and
3. Residential and non-residential construction projects that are likely to occur before 2035 based on available land, economic conditions, and historical rates of development.
4. For the purposes of this plan, estimated development fees are \$300,000 annually for the remainder of the reporting period. This is based on a conservative estimate of the approximate average of fees collected over the previous 5 years.

(b) Payment in lieu (PIL) of on-site construction.

Payments in lieu (PIL) of construction from residential developers that have or are expected to enter into an agreement with the City to make a specific payment to the Affordable Housing Trust Fund in lieu of providing affordable housing units onsite.

At this time, the City is not anticipating any payments in lieu of construction.

(c) Other funding sources.

Potential funds from other sources include the sale of units with extinguished controls, repayment of affordable housing program loans (such as rehabilitation or down payment assistance), rental income, and proceeds from the sale of affordable units.

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Any such payments will be accepted, but at this time the City is not anticipating any alternative sources of revenue, and no projections of revenue derive from such payments.

(d) Projected interest.

Interest on the projected revenue in the municipal affordable housing trust fund at the current average interest rate. The interest is conservatively estimated to be approximately \$10,000 per year. All interest earned on the account shall be used only for the purposes of affordable housing.

Table 1. Projected Revenues 2025 - 2035													
Starting Balance (5/14/2024)	\$2,599,954												
SOURCE OF FUNDS	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	Total	
(a) Development Fees:	\$150,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$150,000	\$3,000,000	
1. Approved Development	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	
2. Development Pending Approval	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	
3. Projected Development	\$150,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$150,000	\$3,000,000	
(b) Payments in Lieu of Construction	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
(c) Other sources	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
(d) Interest on Total Account Balance	\$5,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$5,000	\$100,000	
Total	\$155,000	\$310,000	\$310,000	\$310,000	\$310,000	\$310,000	\$310,000	\$310,000	\$310,000	\$310,000	\$155,000	\$3,100,000	

Vineland projects a total revenue of \$3,100,000.00 to be collected from June 2025 through July 2035. When combined with the existing balance of \$2,599,954.00 from prior RCA payments accepted by the City of Vineland can anticipate to have a total of \$5,699,954.00 to spend on funding and administering affordable housing programs until 2035.

2. ADMINISTRATIVE MECHANISM TO COLLECT AND DISTRIBUTE FUNDS

Vineland will follow the following procedures for the collection and distribution of affordable housing trust fund revenues.

(a) Collection of fees and payments:

1. Development fees shall be collected consistent with the City's development fee ordinance for both residential and non-residential projects in accordance with the N.J.A.C. 5:97-1 et seq and P.L.2008, c.46, sections 8 (C. 52:27D-329.2) and 32-38 (C. 40:55D-8.1 through 8.7).
2. Payments-in-lieu shall be collected as set forth in an Agreement between the City and the Developer. Typically, payments will be made in no more than four (4) installments as the development progresses and the entire payment shall be made prior to the issuance of the final Certificate of Occupancy.

(b) Distribution of development fee revenues:

1. The Municipal Housing Liaison and City Staff coordinate compliance and implementation of the Spending Plan as it relates to the Fair Share Plan; and coordinate recommendations for expenditure of funds in support of compliance or implementation of the Spending Plan.
2. The City Manager authorizes staff to prepare a Resolution that includes an explanation of how the expenditure advances the City's affordable housing objectives, implements some aspect of the Fair Share Plan, and is consistent with the Spending Plan.
3. City Council reviews the request and authorizes the expenditure by resolution.
4. The Municipal Housing Liaison and the CFO maintain accounting of expenditures.

3. DESCRIPTION OF ANTICIPATED USE OF AFFORDABLE HOUSING FUNDS

(a) New construction, extension of controls, and conversion programs and projects (N.J.A.C. 5:97-8.7)

Rehabilitation Program: \$2,300,000.00

The City currently operates and will continue to operate a Residential Rehabilitation Program. The program is funded in part through the Affordable Housing Trust Fund, and in part from Community Development Block Grants from the US Department of Housing & Urban Development. The program is open to both owner occupied and rental properties that are occupied by low and moderate income households, and provides funds for the repair of major systems. The City will dedicate an average of at least \$10,000.00 towards each project to be paid from the Affordable Housing Trust Fund to rehabilitate existing homes that are owned or rented.

(b) Affordability Assistance (N.J.A.C. 5:97-8.8):

Municipalities are required to spend a minimum of 30% of development fee revenue to render existing affordable units more affordable and one-third of that amount must be dedicated to very-low-income households. The table below projects the minimum required affordability assistance:

Table 2. Minimum Affordability Assistance			
Actual development fees through 05/14/2025			\$7,815,166.95
Actual interest through 05/14/2025			\$296,356.36
Development fees projected 2025-2035	+		\$3,000,000.00
Interest projected 2025-2035	+		\$100,000.00
Other funds Received	+		\$767,058.04
Less housing activity expenditures through 05/14/2025	-		\$5,712,266.03
Total	=		\$6,266,315.32
30 percent requirement	x 0.30 =		\$1,879,894.60
Less affordability assistance expenditures through 05/14/2025	-		\$323,617.91
Projected Minimum Affordability Assistance Requirement 6/30/2025 through 06/30/2035	=		\$1,556,276.69
Projected Minimum Very Low-Income Affordability Assistance Requirement 06/30/2025 through 06/30/2035	x 0.34 =		\$529,134.07

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Vineland is required to dedicate a minimum of \$1,556,276.69 from the affordable housing trust fund to provide affordability assistance, with at least 1/3 of the required affordability assistance spending must be dedicated to providing assistance to very-low income households. This would be a minimum of \$529,134.07 that must be directed towards making housing more affordable specifically to very-low income households.

The City will dedicate at least \$300,000.00 of funding towards the Oak Hill project discussed in the Housing Plan. As a 58 unit townhouse project, with the funding provided by the City the project will include 12 very low income units, well beyond the minimum typically required. As such, the funds provided from the City can be categorized as affordability assistance and towards the requirement that 30% of the funds be dedicated to very low income households. With this \$300,000 included, the minimum affordability assistance remaining becomes \$1,256,276.69, and the very low income requirement becomes \$229,134.07.

In accordance with N.J.A.C. 52:27D-329.2, the programs considered to provide affordability assistance to low and moderate income households may include the following:

- 1. Down Payment Assistance Program;
- 2. Security Deposit Assistance Program;
- 3. Low interest loans;
- 4. Maintenance expenses for condominiums;
- 5. Rental assistance;
- 6. Conversion of
- 7. Any other program authorized by the Department of Community Affairs (NJDCA)

(c) Administrative Expenses (N.J.A.C. 5:97-8.9)

Administrative expenses are subject to a twenty percent (20%) cap. The table below demonstrates the maximum amount of Affordable Housing Trust Fund revenue that will be available for administrative expenses through 2035.

Table 3. Administrative Expense Calculation			
Actual development fees 05/14/2025			\$7,815,166.95
Actual interest through 05/14/2025			\$296,356.36
Development fees and interest projected 2025-2035		+	\$3,100,000.00
Less Payment in Lieu Funds		-	\$564,659.50

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Table 3. Administrative Expense Calculation			
Total		=	\$10,646,863.81
Calculate 20 percent		x .20 =	\$2,129,372.76
Less administrative expenditures through 05/14/2025		-	\$807,402.91
Projected maximum allowable for administrative expenses 06/30/2025 through 06/30/2035		=	\$1,321,969.85

Vineland projects that \$1,321,969.85 will be available for administrative expenses through 2035. However, since there is no certainty about the timing of revenue deposits, the City will continue to calculate the maximum amount to be expended on administrative expenses yearly. Projected administrative expenditures, subject to the 20 percent cap, are as follows:

1. Wait list management and general administration.
2. Administration of Down Payment Assistance Program by Administrative Agent
3. Establishment and Administration of Homeowner Association Fee Assistance Program by Administrative Agent
4. Establishment and Administration of the Very Low-Income Assistance program
5. Establishment, Implementation, Administration of Market to Affordable program
6. Fees for the sale of affordable units that are priced such that 3% of sale price is less than the Administrative Agent's minimum fee (City pays the difference).
7. Preparation and Review of Affordable Housing Agreements, Resolutions, Deed Restrictions for affordable housing developments.
8. Preliminary engineering analysis for affordable housing sites
9. GIS mapping and analysis related to preparation and implementation of the Fair Share Plan.
10. Litigation expenses for the review and implementation of the Fourth Round Housing Element and Fair Share Plan.

(d) Emerging Compliance Mechanisms (N.J.A.C. 5:97-8.11):

The City of Vineland will give consideration to mechanisms not currently identified in the May 2025 Housing Element and Fair Share Plan as new and unforeseen opportunities to provide additional affordable housing arise in the future. This may include providing funding assistance to a new 100% affordable project that has yet to be proposed by a developer, additional rehabilitation of existing deficient housing units, development of special needs housing, funding market to affordable conversions, or reallocating additional projected revenues towards affordability assistance programs.

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The City projects \$521,707.00 of flexible funds that may be available through the reporting period to be used for emerging mechanisms.

4. EXPENDITURE SCHEDULE

Vineland intends to use affordable housing trust fund revenues for the creation and maintenance of affordable housing units, for affordability assistance, and for administration as set forth above. The City will commit funds to specific programs as outlined above, or the plan will be amended.

TABLE 4. Projected Expenditure Schedule 2025-2035												
Programs	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	Total
Rehabilitation	\$230,000	\$230,000	\$230,000	\$230,000	\$230,000	\$230,000	\$230,000	\$230,000	\$230,000	\$230,000		\$2,300,000
Affordability Assistance	\$300,000	\$125,628	\$125,628	\$125,628	\$125,628	\$125,628	\$125,628	\$125,628	\$125,628	\$125,628	\$125,628	\$1,556,276
Emerging Mechanisms		\$52,171	\$52,171	\$52,171	\$52,171	\$52,171	\$52,171	\$52,171	\$52,171	\$52,171	\$52,171	\$521,707
Administration	\$0	\$132,197	\$132,197	\$132,197	\$132,197	\$132,197	\$132,197	\$132,197	\$132,197	\$132,197	\$132,197	\$1,321,970
Total	\$530,000	\$539,996	\$539,996	\$539,996	\$539,996	\$539,996	\$539,996	\$539,996	\$539,996	\$539,996	\$309,996	\$5,699,954

5. EXCESS OR SHORTFALL OF FUNDS

The City plans to implement the programs set forth in the Fourth Round Fair Share Plan and the Spending Plan incrementally with the funds that are available; and will ensure that the collected funds are spent consistent with the applicable rules and regulations and in a manner that advances the City's affordable housing goals. The purpose of the Spending Plan is to plan for expenditure of monies in the Affordable Housing Trust Fund. N.J.A.C. 5:97-8.10(a)(9) requires that the spending plan address the "manner through which the municipality will address any expected or unexpected shortfall if the anticipated revenues are not sufficient to implement the plan". Vineland will assess the status of the AHTF and implementation of the Fair Share Plan annually.

In the event more funds than anticipated are collected and the available funds exceed the amount necessary to implement the Fair Share Plan, the excess funds may be used to expand the programs described above.

SUMMARY

The City of Vineland intends to spend affordable housing trust fund revenues pursuant to N.J.A.C. 5:97-8.7 through 8.9 and consistent with the programs outlined in the Fourth Round Housing Element and Fair Share Plan dated May 2025 and this Spending Plan.

Vineland anticipates collection of \$3,100,000 in revenues through 2035. The municipality has provided a plan to spend projected revenues on specific projects and programs. The exact timing of additional revenues is uncertain, but the estimate is realistic based on development trends in the City. The Spending Plan will be amended if needed to adjust for changed needs or emergent opportunities for affordable housing production or assistance.

Table 5. Spending Plan Summary	
Balance as of May 14, 2025	\$2,599,954.00
Projected Revenue 2025-2035	\$3,100,000.00
Development Fees	\$3,000,000.00
Other Funds	\$0.00
Interest	\$100,000.00
Payment in Lieu	\$0.00
TOTAL REVENUE	\$5,699,954.00
Expenditures	
Rehabilitation	\$2,300,000.00
Affordability Assistance	\$1,556,276.69
Emerging Mechanisms	\$521,707.46
Administration	\$1,321,969.85
TOTAL PROJECTED EXPENDITURES	\$5,699,954.00
REMAINING BALANCE	\$0.00