

**TOWNSHIP OF FAIRFIELD
RESOLUTION #2025-287**

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

WHEREAS, the Township of Fairfield (hereinafter "Township" or "Fairfield") has an approved Development Fee Ordinance that was adopted on December 29, 2008, which established standards for the collection, maintenance, and expenditure of development fees; and

WHEREAS, the Township's previous Affordable Housing Trust Fund Spending Plan was approved by the Court on October 8, 2019; 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

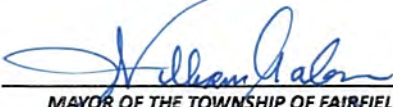
WHEREAS, the Administrative Office of the Courts issued Directive #14-24 ("AOC Directive #14-24"), governing how municipalities file their compliance documents with the Affordable Housing Dispute Resolution Program ("the Program"); and

WHEREAS, the Township 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 Township's Affordable Housing Trust Fund and describes the anticipated expenditures of funds.

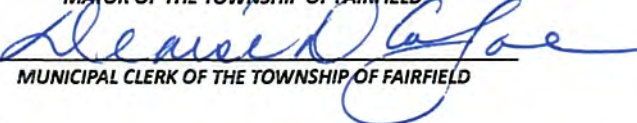
NOW, THEREFORE, BE IT RESOLVED by the Council of the Township of Fairfield, County of Essex, State of New Jersey, as follows:

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

I hereby certify that the above resolution was adopted by the Mayor and Council of the Township of Fairfield at a meeting of said Governing Body held on June 23, 2025



MAYOR OF THE TOWNSHIP OF FAIRFIELD



MUNICIPAL CLERK OF THE TOWNSHIP OF FAIRFIELD

Resolution By: Councilman McGlynn
Seconded By: Council President Campisi

ROLL CALL VOTE

GOVERNING BODY	AYES	NAYS	ABSTAIN	ABSENT	NOT VOTING
COUNCIL PRESIDENT PETER CAMPISI	X				
COUNCILMAN MICHAEL B. MCGLYNN	X				
COUNCILMAN JOHN LAFORGIA	X				
COUNCILMAN JOSEPH CIFELLI				X	
MAYOR WILLIAM GALESE	X				

Cc: Administration Finance

S:\reso\2025 Administration Resolution to approve 4th round fair share spending plan and program June 23 2025

May 8, 2025
Township of Fairfield
Affordable Housing Trust Fund Spending Plan

INTRODUCTION

The Township of Fairfield (hereinafter the "Township"), Essex 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). The Township of Fairfield Affordable Housing Trust Fund was opened on December 31, 2000.

As of December 31, 2024, the Township of Fairfield has a balance of \$1,195,976¹ 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 Township will have a Fourth Round Judgment of Compliance and Repose (hereinafter "Fourth Round JOR"), the Township will add an additional \$1,717,968 to its Affordable Housing Trust Fund. This is detailed below.

- (a) Development fees: Based on development fee collection trends in the Township of Fairfield since 2018, the Township anticipates that approximately \$1,584,083 in development fees will be generated between January 1, 2025 through June 30, 2035. This figure assumes that, on average, the Township will collect approximately \$150,865 in development fees per year during the remainder of the Third Round and throughout the Fourth Round.
- (b) Payment in lieu (PIL): While the Township of Fairfield does not currently anticipate the contribution of any payments in lieu toward the municipal Affordable Housing Trust Fund during the remainder of the Third Round, nor during the Fourth Round, if any

¹ All figures rounded to the nearest dollar.

such payments should be made to the Township during the Fourth Round, such payments will be deposited into the Township's Affordable Housing Trust Fund.

- (c) Other Funds: The Township of Fairfield 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 Township's Affordable Housing Trust Fund.
- (d) Projected interest: It is estimated that the Township of Fairfield will collect approximately \$133,885 in interest between January 1, 2025 through June 30, 2035. This figure assumes that, on average, the Township will collect approximately \$12,751 in interest per year 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 6/30-25	Total
(a) Development Fees	\$150,865	\$150,865	\$150,865	\$150,865	\$150,865	\$150,865	\$150,865	\$150,865	\$150,865	\$150,865	\$75,433	\$1,584,083
(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	\$12,751	\$12,751	\$12,751	\$12,751	\$12,751	\$12,751	\$12,751	\$12,751	\$12,751	\$12,751	\$6,375	\$133,885
Total	\$163,616	\$163,616	\$163,616	\$163,616	\$163,616	\$163,616	\$163,616	\$163,616	\$163,616	\$163,616	\$81,808	\$1,717,968

In sum, the Township of Fairfield projects a total of \$1,717,968 in revenue to be collected between January 1, 2025 and June 30, 2035. This projected amount, when added to Fairfield's current trust fund balance of \$1,195,976, results in a total anticipated trust fund balance of \$2,913,944 available to fund and administer the Township'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 Township:

- (a) Collection of development fee revenues: Collection of development fee revenues shall be consistent with Fairfield'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: The Planning Board adopts and forwards a resolution to the governing body recommending the expenditure of development fee revenues as set forth in this Spending Plan. The governing body reviews the request for consistency with the Spending Plan and adopts the recommendation by resolution. The release of funds requires adoption of the governing body resolution in accordance with the Spending Plan. Once a request is approved by resolution, the Chief Financial Officer (CFO) releases the requested revenue from the Township's Affordable Housing Trust Fund for the specific use approved in the governing body's resolution.

3. DESCRIPTION OF ANTICIPATED USE OF AFFORDABLE HOUSING FUNDS

- (a) Accessory Apartment Program. The Township intends to continue implementing its existing Accessory Apartment Program and make it available to new participants. Based on the past success of the program, the Township anticipates that it will produce 10 more accessory apartment units prior to the end of the Fourth Round. The Township will continue to commit \$35,000 per unit to subsidize the creation of new accessory apartment units. Therefore, the Township anticipates a total contribution of \$350,000 towards the Accessory Apartment Program by the end of the Fourth Round.
- (b) Affordability Assistance. Pursuant to N.J.A.C. 5:99-2.5, the Township 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 Township'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 Township's fair share plan to make them affordable to very low-income households, including special needs and supportive housing opportunities. The Township will set aside \$900,500 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 Township of Fairfield projects that a maximum of \$341,627 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		\$2,898,677
Payments in lieu of construction & other deposits through 12/31/24	+	\$0
Projected development fees + interest 1/1/25 through 6/30/35	+	\$1,717,968
Less RCA expenditures through 7/17/08	-	\$720,000
Total	=	\$3,896,645
20 percent requirement	x 0.20 =	\$779,329
Less administrative expenditures through 12/31/24		\$437,702
PROJECTED MAXIMUM Available for Administrative Expenses 1/1/25 through 6/30/35	=	\$341,627

- (e) Other Emergent Housing Opportunities. The Township will reserve the remaining trust fund balance, projected at \$1,321,817, for other emergent opportunities to create affordable housing that may arise during the Fourth Round. The Township shall seek approval for any emergent affordable housing opportunities not included in the Township's fair share plan in accordance with N.J.A.C. 5:99-4.1.

4. EXPENDITURE SCHEDULE

The Township of Fairfield intends to use affordable housing trust fund revenues for accessory apartments, affordability assistance, administration, and any emergent affordable housing opportunities 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	Total
Accessory Apartment Program	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000	\$0	\$350,000
Affordability Assistance	\$45,025	\$90,050	\$90,050	\$90,050	\$90,050	\$90,050	\$90,050	\$90,050	\$90,050	\$90,050	\$45,025	\$900,500
Administration	\$60,000	\$60,000	\$20,000	\$20,000	\$20,000	\$21,627	\$20,000	\$20,000	\$20,000	\$50,000	\$30,000	\$341,627
Other Emergent Opportunities	\$125,887	\$125,887	\$125,887	\$125,887	\$125,887	\$125,887	\$125,887	\$125,887	\$125,887	\$125,887	\$62,947	\$1,321,817
Total	\$265,912	\$310,937	\$270,937	\$270,937	\$270,937	\$272,564	\$270,937	\$270,937	\$270,937	\$300,937	\$137,972	\$2,913,944

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 Township of Fairfield will handle the shortfall of funds through an alternative funding source to be identified by the Township 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 Township's accessory apartment program, additional affordability assistance 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 Township'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 Township's Affordable Housing Ordinance.

SUMMARY

The Township of Fairfield 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 Township's Housing Element and Fair Share Plan.

The Township of Fairfield has a balance of \$1,195,976 as of December 31, 2024 and anticipates an additional \$1,717,968 in revenues through June 30, 2035 for a total of \$2,913,944. During the period of the Township's Fourth Round JOR through June 30, 2035, the Township agrees to fund \$350,000 towards its accessory apartment program, \$900,500 towards affordability assistance, \$341,627 towards administrative expenses, and \$1,321,817 towards other emergent affordable housing opportunities that may arise during the Fourth Round, totaling \$2,913,944 in anticipated expenditures.

Any shortfall of funds will be offset by an alternative funding source to be identified by the Township and/or, the Township of Fairfield will bond to provide the necessary funding. The Township will dedicate any excess funds or balance toward the Township's accessory apartment program, additional affordability assistance, and/or any other emergent affordable housing opportunities that may arise during the Fourth Round.

SPENDING PLAN SUMMARY		
Balance as of December 31, 2024		\$1,195,976
PROJECTED REVENUE THROUGH 6/30/35		
Development fees	+	\$1,584,083
Payments in lieu of construction	+	\$0
Other funds	+	\$0
Interest	+	\$133,885
SUBTOTAL REVENUE	=	\$1,717,968
TOTAL REVENUE	=	\$2,913,944
EXPENDITURES		
Accessory Apartment Program	-	\$350,000
Affordability Assistance	-	\$900,500
Administration	-	\$341,627
Other Emergent Opportunities	-	\$1,321,817
TOTAL PROJECTED EXPENDITURES	=	\$2,913,944
REMAINING BALANCE	=	\$0