

**RESOLUTION #26.80**

**RESOLUTION ADOPTING AN AMENDED SPENDING PLAN COMPONENT TO  
THE BOROUGH OF PAULSBORO'S HOUSING ELEMENT AND FAIR SHARE  
PLAN**

**WHEREAS**, the New Jersey Legislature amended the State's Fair Housing Act ("Amended FHA" or "Law") pursuant to P.L. 2024, c.2, which was signed into law by the Governor on March 20, 2024; and

**WHEREAS**, the Amended FHA sets forth that the Fourth Round period of affordable housing obligations shall run from July 1, 2025, through June 30, 2035 ("Fourth Round" or "Round Four"); and

**WHEREAS**, a municipality may not spend or commit to spending any affordable housing development fees without first obtaining the approval of the expenditure as part of its compliance certification or from the New Jersey Department of Community Affairs; and

**WHEREAS**, the Mayor and Council of the Borough of Paulsboro ("Borough Council") adopted a development fee ordinance on July 22, 2025; and

**WHEREAS**, the development fee ordinance established an affordable housing trust fund that includes development fees, payments from developers in lieu of constructing affordable units on-site, barrier-free escrow funds, rental income, repayments from affordable housing program loans, recapture funds, proceeds from the sale of affordable units, and/or any other funds collected for affordable housing purposes; and

**WHEREAS**, the Housing Element and Fair Share Plan was prepared in accordance with N.J.S.A. 40:55D-28(b)(3) of the Municipal Land Use Law, N.J.S.A. 40:55D-1, et. seq., and the mandatory requirements of a Housing Element under the New Jersey Fair Housing Act, N.J.S.A. 52:27D-301 to -329.20, and the Administrative Office of the Courts Directive #14-24; and

**WHEREAS**, on June 3, 2025, upon notice duly provided pursuant to N.J.S.A. 40:55D-13, the Joint Land Use Board held a public hearing and determined that the Housing Element and Fair Share Plan is consistent with the goals and objectives of the Borough of Paulsboro's Master Plan and that adoption and implementation of the Housing Element and Fair Share Plan is in the public interest and protects public health and safety and promotes the general welfare; and

**WHEREAS**, the Joint Land Use Board also determined that the Affordable Housing Trust Fund Spending Plan ("Spending Plan") is designed to implement the provisions of the Housing Element and Fair Share Plan, and it is in the best interest of the Borough to adopt the same; and

**WHEREAS**, on June 3, 2025, the Joint Land Use Board, via Resolution No. PB.20.2025, adopted the Fourth Round Housing Element and Fair Share Plan and recommended to the Mayor and Council to adopt the Spending Plan.

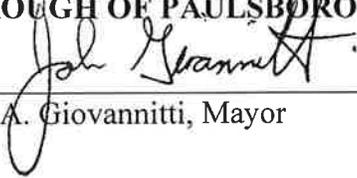
**WHEREAS**, the Borough adopted its Spending Plan on June 17, 2025; and

**WHEREAS**, the Borough desires to amend its Spending Plan to provide consistency with the requirements of the Amended Act and the New Jersey Uniform Housing Affordability Controls pursuant to N.J.A.C. 5:80-26-1, et seq.

**NOW, THEREFORE, BE IT RESOLVED** by the Mayor and Council of the Borough of Paulsboro, County of Gloucester, that the Borough Council does hereby adopt the amended Spending Plan component of the 2025 Amendment to the Housing Element and Fair Share Plan, dated March 2026, prepared by Christopher Dochney, PP, AICP, of CME Associates.

**BE IT FURTHER RESOLVED**, that this Resolution shall take effect immediately.

**BOROUGH OF PAULSBORO**

  
\_\_\_\_\_  
John A. Giovannitti, Mayor

  
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Elsie Tedeski, Borough Clerk

**Borough of Paulsboro, Gloucester County**  
**Affordable Housing Trust Fund Spending Plan**  
**Fourth Round (2025 – 2035)**

**INTRODUCTION AND BACKGROUND**

The Borough of Paulsboro, Gloucester 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.

In December 2025, the New Jersey Department of Community Affairs (DCA) promulgated new regulations establishing new standards for trust funds created pursuant to the Fair Housing Act. See N.J.A.C. 5:99 et seq

A development fee ordinance creating a dedicated revenue source for affordable housing was recently adopted by Borough Council in 2025. The affordable housing development fee ordinance established the Borough's Affordable Housing Trust Fund, which is an interest bearing account dedicated to providing funding for affordable housing mechanisms as outlined in the Borough'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 Borough will be deposited into this account.

This is Paulsboro's first Affordable Housing Trust Fund Spending Plan. As the Borough has just established a trust fund, the balance is currently as \$85,000 due to funds remaining from previous RCA payments from adjacent municipalities in the Region. This Spending Plan is based on revenues projected based on previous building permits issued over the past 5 years, and the estimated value of construction of those improvements.

This 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.

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This Spending Plan provides estimates of projected funding, proposals for expenditure in support of the Fair Share Plan and the Borough'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 Borough's Affordable Housing Trust Fund are to be spent within 4 years of their receipt. The Borough will provide annual monitoring to the AHMS as administered by the NJDCA.

**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. 5:99-2, 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 Borough Land Use Board;
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 \$15,000 annually for the remainder of the reporting period. This is based on a calculation of the estimated value of construction per building permit data for the past 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 Borough to make a specific payment to the Affordable Housing Trust Fund in lieu of providing affordable housing units onsite.

At this time, the Borough 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 Borough 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 \$500 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 (12/31/2024)	\$85,000											
SOURCE OF FUNDS	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	Total
(a) Development Fees:	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$7,000	\$172,000
1. Approved Development	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-
2. Development Pending Approval	\$0	\$15,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$15,000
3. Projected Development	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$7,000	\$157,000
(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	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$250	\$5,250
<b>Total</b>	\$15,500	\$30,500	\$15,500	\$15,500	\$15,500	\$15,500	\$15,500	\$15,500	\$15,500	\$15,500	\$7,250	\$177,250

Paulsboro projects a total revenue of \$177,250.00 to be collected from January 2025 through July 2035. When combined with the existing balance of \$85,000 from prior RCA payments accepted by the Borough, Paulsboro can anticipate to have a total of \$262,250.00 to spend on funding and administering affordable housing programs until 2035.

**2. ADMINISTRATIVE MECHANISM TO COLLECT AND DISTRIBUTE FUNDS**

Paulsboro 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 Borough’s development fee ordinance for both residential and non-residential projects in accordance with the N.J.A.C. 5:99-1, 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 Borough 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, Borough Planner, Administrative Agent, and Borough Manager 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 Borough Manager authorizes staff to prepare a Resolution that includes an explanation of how the expenditure advances the Borough’s affordable housing objectives, implements some aspect of the Fair Share Plan, and is consistent with the Spending Plan.
3. Borough Administration and the Municipal Housing Liaison reviews the request and authorizes the expenditure.
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. 5:99-2.3)

Rehabilitation Program: \$100,000.00

The Borough will commit to supplementing the Gloucester County Home Improvement Program, to ensure that at least dwellings occupied by low or moderate income households that are in need of repairs are able to receive the necessary rehabilitation of a major system, within the Fourth Round period of 2025 – 2035. The Borough will dedicate an average of at least \$10,000.00 towards each project to be paid from the Affordable Housing Trust Fund to supplement the County program.

(b) Affordability Assistance (N.J.A.C. 5:99-2.5):

A municipality shall 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 municipality's fair share plan pursuant to N.J.S.A. 52:27D-329.1. Affordability assistance for very-low-income households may include offering a subsidy to developers of inclusionary or 100 percent affordable housing developments or buying down the cost of low- or moderate-income units in a municipal fair share plan to make them affordable to very low-income households, including special needs and supportive housing opportunities. A municipality may contract with a private or public entity to administer any part of its housing element and fair share plan, including the requirement for affordability assistance, or any program or activity for which the municipality expends development fee proceeds.

Paulsboro proposes to dedicate \$48,675.00 from the affordable housing trust fund to provide affordability assistance. This amount is consistent with the Fair Housing Act as amended in March of 2024, and the new DCA regulations. In this regard, neither the Fair Housing Act as amended in 2024 nor the new DCA regulations promulgated in December of 2025 require that 30 percent of a trust fund be devoted to affordability assistance. This marks a departure from the regulations of COAH that imposed a 30 percent requirement, however, the Borough is using that previous requirement as a guideline.

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;

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4. Maintenance expenses for condominiums;
5. Rental assistance;
6. Conversion of low or moderate income housing units to very low income housing units;
7. Any other program authorized by the Department of Community Affairs (NJDCA)

(c) Administrative Expenses (N.J.A.C. 5:99-2.4)

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 2. Administrative Expense Calculation	
Actual development fees and interest through 02/15/2025	\$0.00
Development fees and funds projected 2025-2035	+ \$177,250.00
Less Payment in Lieu Funds	- \$0.00
<b>Total</b>	<b>= \$177,250.00</b>
Calculate 20 percent	x .20 = \$35,450.00
Less administrative expenditures through 02/15/2025	- \$0.00
<b>Projected maximum allowable for administrative expenses 02/15/2025 through 06/30/2035</b>	<b>= \$35,450.00</b>

Paulsboro projects that \$35,450.00 will be available for administrative expenses through 2035. However, since there is no certainty about the timing of revenue deposits, the Borough 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

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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 (Borough 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. 5:99-2.3(a)(14-15)):

Paulsboro 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, or reallocating additional projected revenues towards affordability assistance programs.

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**4. EXPENDITURE SCHEDULE**

Paulsboro 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 Borough will commit funds to specific programs as outlined above, or the plan will be amended.

TABLE 3. Projected Expenditure Schedule 2025-2035												
Programs	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	Total
Rehabilitation	\$16,700	\$16,700	\$16,700	\$16,700	\$16,700	\$16,700	\$16,700	\$16,700	\$16,700	\$16,700		\$167,000
Affordability Assistance	\$4,868	\$4,868	\$4,868	\$4,868	\$4,868	\$4,868	\$4,868	\$4,868	\$4,868	\$4,868		\$48,675
Emerging Mechanisms		\$1,113	\$1,113	\$1,113	\$1,113	\$1,113	\$1,113	\$1,113	\$1,113	\$1,113	\$1,113	\$11,125
Administration	\$0	\$3,545	\$3,545	\$3,545	\$3,545	\$3,545	\$3,545	\$3,545	\$3,545	\$3,545	\$3,545	\$35,450
<b>Total</b>	\$21,568	\$26,225	\$26,225	\$26,225	\$26,225	\$26,225	\$26,225	\$26,225	\$26,225	\$26,225	\$4,658	\$262,250

**5. EXCESS OR SHORTFALL OF FUNDS**

The Borough’s rehabilitation obligation of 130 units far exceeds the anticipated revenues for the Fourth Round that Paulsboro can realistically anticipate collecting, based on past development activity. However, as there is one large redevelopment area within the Borough that is available, there is the potential that a large redevelopment project may occur which could require payment of substantial non-residential development fees. In the event that large development fees are deposited, this additional funding will be used to support the Borough’s rehabilitation efforts.

The Borough 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 Borough’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. 5:99-5.6(c)(1) 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”. Paulsboro 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.

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**SUMMARY**

The Borough of Paulsboro intends to spend affordable housing trust fund revenues pursuant to N.J.A.C. 5:99-2.2 through 2.8 and consistent with the programs outlined in the Fourth Round Housing Element and Fair Share Plan dated May 2025 and this Spending Plan.

Paulsboro anticipates collection of \$177,250.00 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 Borough. The Spending Plan will be amended if needed to adjust for changed needs or emergent opportunities for affordable housing production or assistance.

<b>Table 5. Spending Plan Summary</b>	
Balance as of December 31, 2024	<b>\$85,000.00</b>
<b>Projected Revenue 2025-2035</b>	<b>\$177,250.00</b>
Development Fees	\$172,000.00
Other Funds	\$0.00
Interest	\$5,250.00
Payment in Lieu	\$0.00
<b>TOTAL REVENUE</b>	<b>\$262,250.00</b>
<b>Expenditures</b>	
Rehabilitation	\$167,000.00
Affordability Assistance	\$48,675.00
Emerging Mechanisms	\$11,125.00
Administration	\$35,450.00
<b>TOTAL PROJECTED EXPENDITURES</b>	<b>\$262,250.00</b>
<b>REMAINING BALANCE</b>	<b>\$0.00</b>