

WEST DEPTFORD TOWNSHIP

RESOLUTION #2025- 245

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

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 Township Committee of the Township of West Deptford, County of Gloucester, State of New Jersey, as follows:

1. The Township Committee of the Township of West Deptford 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.

ADOPTED at the meeting of the Township Committee of the Township of West Deptford held on July 16, 2025.

TOWNSHIP OF WEST DEPTFORD

Attest:


JAMES P. MEHAFFEY, Mayor



Lee Ann DeHart, Registered Municipal Clerk

CERTIFICATION

I certify that the foregoing Resolution was duly adopted by the Committee of the Township of West Deptford at a regular meeting held on the 16th day of July 2025.



Lee Ann DeHart, Registered Municipal Clerk

West Deptford Township Affordable Housing Trust Fund**INTRODUCTION**

West Deptford Township's Spending Plan was prepared in accordance with the Fourth Round Housing Element and Fair Share Plan rules and regulations signed into law March 20, 2024. This spending plan is intended to project anticipated affordable housing trust fund revenues, expenditures, and the mechanisms for expenditure through December 31, 2035.

As of December 31, 2024, the Township of West Deptford had collected \$3,216,840 (\$82,460 of which was interest) and expended \$25,092 in administrative costs, resulting in a balance of \$3,189,037. Pursuant to the Appellate Division authorization allowing for the adoption of a Development Fee Ordinance and restriction on expenditure of collected fees in the absence of a spending plan approved by the Court, no fees have been expended, aside from administrative costs. All development fees and interest earned by the fees were deposited in a separate interest-bearing Affordable Housing Trust Fund in Columbia Bank, located at 2004 Grove Avenue, West Deptford. These funds shall be spent in accordance with the Fair Housing Act ("FHA"), and applicable COAH regulations as described in the sections below.

1. REVENUES FOR CERTIFICATION PERIOD

To calculate a projection of revenue anticipated through December 31, 2035, the Township of West Deptford considered the following:

(a) Development fees:

1. Residential and nonresidential projects which have been subject to development fees 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):

Actual and committed payments in lieu (PIL) of construction from developers.

To date, there are no actual or committed payments in lieu (PIL) of construction from developers. If any such funds are collected during the Fourth Round, said funds will be deposited in the Township's Affordable Housing Trust Fund.

(c) Other funding sources:

1. West Deptford Township does not anticipate collecting funds from other funding sources at the present time. Funds from other sources, including, but 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. 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:

Affordable Housing Trust Fund interest is based on the current rate of interest of 3.17%.

Table 1 below shows the anticipated revenue to be generated from development fees. West Deptford Township projects that a total of \$4,005,727 will be collected between January 1, 2025 and December 31, 2035 for affordable housing purposes (see table below). After adding in the funds currently in the account, the total is projected to be \$7,194,764.

Table 1: Projected Revenues, Housing Trust Fund- 2025 through 2035

Year Source of Funds	2024	2025	2026-2027	2028-2029	2030-2031	2032-2033	2034-2035	2025-2035 Total
Projected Residential Development	STARTING BALANCE \$3,189,037 (12/31/24)	\$41,530	\$83,060	\$83,060	\$83,060	\$83,060	\$83,060	\$456,830
Projected Non-Residential Development		\$311,438	\$622,875	\$622,875	\$622,875	\$622,875	\$622,875	\$3,425,818
Interest		\$11,189	\$22,378	\$22,378	\$22,378	\$22,378	\$22,378	\$123,079
Total		\$3,189,037	\$364,157	\$728,313	\$728,313	\$728,313	\$728,313	\$7,194,764

Projected residential development is based on the construction of 9 new dwelling units per year. The 9 units were multiplied by \$307,631, which is the Township's approximate equalized value for an average dwelling unit as indicated by the County. This estimated \$2,768,679 in yearly construction was then multiplied by the 1.5% residential development fee.

Projected non-residential development is based on square footage data provided by the N.J. Department of Community Affairs (DCA) website for commercial and industrial development in West Deptford Township. Per DCA between 2021 to 2024 398,638 sq. ft. of commercial and industrial development was permitted (an average of 99,660 sq. ft. per year). This equates to the construction of 1,096,255 sq. ft. over the eleven-year period, as calculated above. The 99,660 sq. ft. was multiplied by \$125 which is the Township's approximate per sq. ft. equalized assessed value for commercial and industrial buildings (as was indicated by the County). The resulting estimated \$12,457,500 value of yearly construction was then multiplied by the 2.5% non-residential development fee.

As indicated in the Table above, West Deptford Township anticipates that a total of \$4,005,727 in revenue will be collected between January 1, 2025 and December 31, 2035 (\$456,832+ \$3,425,818+\$123,079).

2. ADMINISTRATIVE MECHANISM TO COLLECT AND DISTRIBUTE FUNDS

The procedural sequence to be followed by West Deptford Township for the collection and distribution of development fee revenues is presented below.

(a) Collection of development fee revenues

Collection of development fee revenues shall be consistent with West Deptford Township's development fee ordinance 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 Fair Housing Act (N.J.S.A. 52:27D-301 et seq.), applicable COAH regulations, 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

A resolution recommending the expenditure of development fee revenues as set forth in this spending plan is adopted by the Planning Board and forwarded to the Committee. The Committee then reviews the request for consistency with the spending plan and, by resolution, adopts the recommendation.

Upon adoption of the Committee's resolution, funds can be released in accordance with the Court-approved spending plan. The Chief Financial Officer releases the requested revenue from the trust fund for the specific use approved in the Committee's resolution following approval of a request by resolution.

3. DESCRIPTION OF ANTICIPATED USE OF AFFORDABLE HOUSING FUNDS

West Deptford Township may use the monies in the trust fund for any of the following items, pursuant to N.J.A.C. 5:93-8.16(a) and (c):

- New construction of affordable housing and related development costs; eligible costs for inclusionary development shall be pro-rated based on the proportion of affordable housing units that are included in the development.
- Extensions and/or improvements of roads and infrastructure to low and moderate income housing sites; costs for inclusionary development shall be pro-rated based on the proportion of affordable housing units that are included in the development.
- Purchase and/or improvement of land to be used for low and moderate income housing.
- Market-to-affordable programs.

- Green building strategies designed to save money for low- and moderate-income households, either for new construction not funded by other sources, or as part of necessary maintenance or repair of existing units.
- Maintenance and repair of affordable housing units.
- Repayment of municipal bonds issued to finance affordable housing activity.
- Affordability assistance to very low-, low- and moderate-income buyers and renters of affordable housing units to lower the cost of homeownership, subsidize closing costs, or reduce the capitalized basis of rent payments.
- Affordability assistance to create very low-income and low-income units.
- Any other activity as specified herein.

Specific Projects

- (a) Municipally sponsored land acquisition/new construction (100% Affordable Housing site)
= \$1,000,000 (Wynn)

4. AFFORDABILITY ASSISTANCE (N.J.A.C. 5:99-2.5)

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 Fair Share Plan.

Table 2 below shows the minimum amount anticipated being available for affordability assistance to low- and moderate-income households, including very low-income households.

Table 2: Projected Minimum Affordability Assistance Requirement

Development fees + interest collected, 7/17/08 thru 12/31/24	+	\$3,191,748
Development fees projected, 2025-2035	+	\$3,882,648
Interest projected, 2025-2035		\$123,079
Total	=	\$7,197,475
30 percent	x .30 =	\$2,159,243
Less affordability assistance expenditures through 12/31/2024	-	\$0
Projected affordability assistance expenditures	=	\$2,159,243
Projected very low-income affordability assistance	÷ 3 =	\$719,748

The Township of West Deptford will dedicate \$2,159,243 from the affordable housing trust fund to render units more affordable, including at least \$719,748 to render units more affordable to households earning no more than 30 percent of median income by region. Programs and activities for which funds will be spent will be determined from the following list:

- Affordability assistance to very low-, low- and moderate-income buyers and renters of affordable housing units to lower the cost of homeownership, subsidize closing costs and down payments, security deposits, emergency repairs funding and/or reduce the capitalized basis of the rent payments.
- Assistance with homeowners association or condominium fees and special assessments.

5. **ADMINISTRATIVE EXPENSES (N.J.A.C. 5:99-2.4(a))**

Table 3: Projected Allowed Administrative Expense

Development fees + interest collected, 7/17/08 thru 12/31/24	+	\$3,189,037
Projected development fees+ interest, 2025-2035	+	\$4,005,727
Total	=	\$7,197,475
20 percent maximum allowed administrative expense	x .20 =	\$1,439,495
Less administrative expenditures through 12/31/24	-	\$25,092
Projected maximum allowable administrative expenses, 12/31/24 through 12/31/2035	=	\$1,414,403

The Township of West Deptford projects that \$1,414,403 will be available from the affordable housing trust fund to be used for administrative purposes. Projected administrative expenditures, which are subject to the 20 percent cap, include:

- Administrative costs to underwrite professional consulting fees relating to the preparation and implementation of the Township's Fair Share Plan and any amendments thereto;
- Professional, legal, and court fees as they relate to affordable housing;
- Administrative fees related to the municipally sponsored new construction program; and
- Underwrite fees associated with the retention of a qualified administrative agent as may be found necessary.

The Township will not expend for administrative purposes in excess of the formula in Table 3 above.

6. EXPENDITURE SCHEDULE

The Township of West Deptford anticipates using affordable housing trust fund revenues to the benefit of low-, moderate-, and very low-income households, as set forth in the table below. In preparing this Spending Plan, it should be noted that, apart from the requested waiver as indicated below, the Township is committed to expending the funds in the municipal Affordable Housing Trust Fund within four years of the date of collection or within four years after the Township receives approval under P.L. 2024, C.2, whichever is later. The expenditure schedule is summarized in Table 4 on the following page.

Table 4: Projected Expenditure Schedule, 2025 through 2035

PROJECTS/ PROGRAMS	2025	2026-2027	2028-2029	2030-2031	2032-2033	2034-2035	Total
Wynn	\$1,000,000	\$0	\$0	\$0	\$0	\$0	\$1,000,000
Rehabilitation Program	\$0	\$84,000	\$84,000	\$84,000	\$84,000	\$84,000	\$420,000
Affordability Assistance	\$0	\$431,848	\$431,848	\$431,848	\$431,849	\$431,850	\$2,159,243
Administration	\$300,000	\$250,000	\$200,000	\$200,000	\$200,000	\$260,000	\$1,410,000
Future Affordable Housing Opportunities	\$0	\$0	\$0	\$441,104	\$882,208	\$882,209	\$2,205,521
Total	\$1,300,000	\$765,848	\$715,848	\$1,156,952	\$1,598,057	\$1,658,059	\$7,194,764

7. EXCESS/SHORTFALLS OF FUNDS

In the event of any expected or unexpected shortfall of funds necessary to implement the Township's Fourth Round Fair Share Plan, the Township 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 Rehabilitation Program, additional funding for affordability assistance, additional administrative expenditures (up to the 20% cap) and/or any other emergent affordable housing opportunities that may arise during the Fourth Round.

8. 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.

9. SUMMARY

The Township of West Deptford intends to spend affordable housing trust fund revenues as approved by the Program and/or the Court pursuant to the Fair Housing Act and applicable

regulations, and consistent with the programs described in the Township's Housing Element and Fair Share Plan.

The Township of West Deptford has a balance of \$3,189,037 as of December 31, 2024 and anticipates an additional \$4,005,727 in revenues through December 31, 2025, for a total of \$7,194,764. The municipality will dedicate \$1,000,000 towards a municipally sponsored new construction project, \$420,000 towards a rehabilitation program, \$2,159,243 towards affordability assistance, \$2,205,521 towards future affordable housing opportunities, and \$1,410,000 towards administrative costs.

Table 5: Spending Plan Summary

REVENUES	
Balance as of December 31, 2024	\$3,189,037
Projected Revenue from December 31, 2025 through 2035	
1. Development fees	+ \$3,882,648
2. Payments in lieu of construction	+ \$ 0
3. Other funds	+ \$ 0
4. Interest	+ \$ 123,079
TOTAL REVENUE	= \$ 7,194,764
EXPENDITURES	
Wynn	- \$ 1,000,000
Rehabilitation Program	- \$ 420,000
Affordability Assistance	- \$ 2,159,243
Administration	- \$ 1,410,000
Future Affordable Housing Opportunities	- \$ 2,205,521
TOTAL PROJECTED EXPENDITURES	= \$
REMAINING BALANCE	= \$ 0.00