

**TOWN OF HARRISON**

Meeting Date: 06/17/2025

Committee: Legal

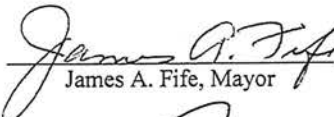
Resolution #: R-2025-086

Presented by Councilperson:  
Ellen Mendoza**HUDSON COUNTY**

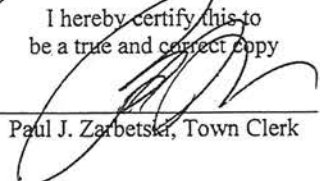
A RESOLUTION OF THE MAYOR AND COUNCIL OF THE TOWN OF HARRISON, COUNTY OF HUDSON STATE OF NEW JERSEY ENDORSING AND SEEKING APPROVAL OF A FOURTH ROUND HOUSING ELEMENT AND FAIR SHARE PLAN ADOPTED BY THE PLANNING BOARD

- WHEREAS:** In accordance with the Amended FHA and the Administrative Office of the Court's Directive No. 14-24, the Town of Harrison filed a timely Fourth Round DJ Complaint with the Affordable Housing Dispute Resolution Program (the "Program"), along with its binding resolution, on January 21, 2025, accepting a Fourth Round Present and Prospective Need; and
- WHEREAS:** The entry of the Decision and Order Fixing Municipal Obligations for "Present Need" and "Prospective Need" for the Fourth Round Housing Cycle dated May 1 2025, gave the Town automatic, continued immunity from all exclusionary zoning lawsuits, including builder's remedy lawsuits, which is still in full force and effect; and
- WHEREAS:** In accordance with The Amended Fair Housing Act, the Town's affordable housing planner, M. McKinley Mertz, PP, AICP, drafted a Fourth Round Housing Element and Fair Share Plan; and
- WHEREAS:** Upon a notice duly provided pursuant to N.J.S.A. 40:55D-13, the Planning Board held a public hearing on the Fourth Round Housing Element and Fair Share Plan on June 9, 2025 and adopted the 2025 Fourth Round Housing Element and Fair Share Plan on the same day; and
- WHEREAS:** A true copy of the resolution the Planning Board adopting the 2025 Fourth Round Housing Element and Fair Share Plan is attached hereto as Exhibit A; and
- WHEREAS:** The Mayor and Council of the Town of Harrison wishes to endorse the 2025 Housing Element and Fair Share Plan and seeks approval of the 2025 Housing Element and Fair Share Plan from the Affordable Housing Dispute Resolution Program ("the Program").
- NOW, THEREFORE, BE IT RESOLVED** by the Mayor and Council of the Town of Harrison, Hudson County, New Jersey, as follows:
- THAT:** The Mayor and Council hereby endorses the 2025 Round Four Housing Element and Fair Share Plan, which is attached hereto as Exhibit A, as adopted by the Harrison Planning Board via the Planning Board resolution that is attached hereto as Exhibit B.
- THAT:** The Mayor and Council authorizes and directs its professionals to file with the Program (i) the 2025 Fourth Round Housing Element and Fair Share Plan, (ii) the resolutions of the Planning Board adopting and the Town Council endorsing the 2025 Fourth Round Housing Element and Fair Share Plan, and (iii) any additional documents the professionals deem necessary or Desirable; and
- THAT:** The Mayor and Council reserves the right to amend the 2025 Fourth Round Housing Element and Fair Share Plan, should that be necessary.

Town Council	Moved	Seconded	Yes	No	Abstain	Absent
L. BENNETT	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
M. CAMANO	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
J. DORAN	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
J. HUARANGA	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
E. MENDOZA	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
D. SARABANDO	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
E. VILLALTA	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
J. FIFE	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

  
James A. Fife, Mayor

I hereby certify this to  
be a true and correct copy

  
Paul J. Zarbetski, Town Clerk

**RESOLUTION OF THE PLANNING BOARD OF THE TOWN OF  
HARRISON ADOPTING A FOURTH ROUND HOUSING ELEMENT AND  
FAIR SHARE PLAN**

**WHEREAS**, the Planning Board of the Town of Harrison, State of New Jersey ("Planning Board"), adopted its initial Housing Element and Fair Share Plan pursuant to N.J.S.A. 40:55D-28 on or about December 14, 2017; and

**WHEREAS**, the Governing Body of the Town of Harrison (hereinafter the "Town" or "Harrison") endorsed the initial Housing Element and Fair Share Plan on December 14, 2017; and

**WHEREAS**, pursuant to the 2015 New Jersey Supreme Court Decision In Re: N.J.A.C. 5:96 and 5:97, 221 NJ 1 (2015) commonly referred to as the "Mount Laurel IV Decision," the Court essentially negated the role of the New Jersey Council on Affordable Housing ("COAH") and set a procedure for court approval of municipal affordable housing fair share plans; and

**WHEREAS**, pursuant to the Mount Laurel IV Decision, the Town on or about July 7, 2015 filed a Declaratory Judgment Action, entitled: In the Matter of the Application of the Town of Harrison, County of Hudson, Docket No. HUD-L-2879-15 ("Mount Laurel Litigation") and the Fair Share Housing Center was a court designated interested party in that action; and

**WHEREAS**, by Resolution dated November 29, 2018, the Town approved the terms of a settlement of the issues raised in the Mount Laurel Litigation and agreed to the terms of the Town of Harrison's Housing Element and Fair Share Plan through the year 2025; and

**WHEREAS**, the Town, through its planners, subsequently negotiated certain revisions to the Mount Laurel Litigation settlement agreement so that the Town of Harrison could maximize senior citizen affordable housing units; and

**WHEREAS**, by Resolution dated November 12, 2019, the Town approved the terms of the amended settlement of the issues raised in the Mount Laurel Litigation and agreed to the terms of the amended Town of Harrison's Housing Element Fair Share Plan through the year 2025 ("Amended Resolution"); and

**WHEREAS**, on April 7, 2020, the Town approved minor amendments to the Housing Element and Fair Share Plan dated April 2020; and

**WHEREAS**, on May 11, 2020, the Planning Board approved the minor amendments to the Housing Element and Fair Share Plan dated April 2020; and

**WHEREAS**, on May 10, 2021, Town approved further minor amendments to the Housing Element and Fair Share Plan dated May 10, 2021; and



**WHEREAS**, the Planning Board on May 26, 2021, approved the minor amendments to the Housing Element and Fair Share Plan dated May 10, 2021; and

**WHEREAS** the Town has a demonstrated history of voluntary compliance as evidenced by the record; 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"); and

**WHEREAS**, the Town adopted a "binding resolution" accepting the DCA-calculated Present Need and Prospective Need, as required by the Amended FHA, on January 21, 2025, establishing its Fourth Round Present Need of TWO HUNDRED FIFTY-SEVEN (257) and Prospective Need of ZERO (0); and

**WHEREAS**, in accordance with the Amended FHA and the Administrative Office of the Court's Directive No. 14-24, the Town filed a timely Fourth Round Declaratory Judgment complaint ("DJ Complaint") with the Affordable Housing Dispute Resolution Program ("the Program"), along with its binding resolution, on January 25, 2025; and

**WHEREAS**, the filing of the DJ Complaint gave the Town automatic, continued immunity from all exclusionary zoning lawsuits, including builder's remedy lawsuits, which is still in full force and effect; and

**WHEREAS**, the Town did not receive any objections to its Present and Prospective Need numbers by February 28, 2025, resulting in the statutory automatic acceptance of the Town's Fourth Round obligations on March 1, 2025; and

**WHEREAS**, now that the Town has its Fourth Round Obligations, the Amended FHA requires the municipality to adopt and endorse a Fourth Round Housing Element and Fair Share Plan by June 30, 2025; and

**WHEREAS**, in accordance with the Amended FHA, the Town's affordable housing planner drafted a Fourth Round Housing Element and Fair Share Plan; and

**WHEREAS**, upon notice duly provided pursuant to N.J.S.A. 40:55D-13, the Planning Board held a public hearing on the Fourth Round Housing Element and Fair Share Plan on June 9, 2025; and

**WHEREAS**, the Planning Board determined that the attached Fourth Round Housing Element and Fair Share Plan is consistent with the goals and objectives of the Town's current Master Plan, and that adoption and implementation of the Fourth Round Housing Element and Fair Share Plan is in the public interest and protects public health and safety and promotes the general welfare.

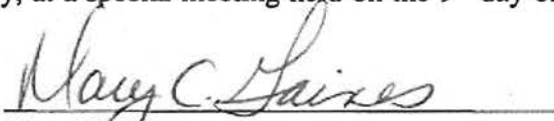
**NOW, THEREFORE, BE IT RESOLVED** by the Planning Board of the Town of Harrison, County of Hudson, State of New Jersey, that the Planning Board hereby adopts the Fourth Round Housing Element and Fair Share Plan attached hereto as Exhibit A.



Arthur Pettigrew  
Chairman of the Planning Board

**CERTIFICATION**

I certify that the foregoing Resolution was duly adopted by the Planning Board of the Town of Harrison, County of Hudson, State of New Jersey, at a special meeting held on the 9<sup>th</sup> day of June, 2025.



Mary C. Gaines  
Secretary of the Planning Board

**TOWN OF HARRISON**

Meeting Date: 06/17/2025

Committee: Legal

Resolution #: R-2025-087

Presented by Councilperson:  
Ellen Mendoza**HUDSON COUNTY**

**A RESOLUTION OF THE COUNCIL OF THE TOWN OF HARRISON,  
COUNTY OF HUDSON STATE OF NEW JERSEY ADOPTING THE  
SPENDING PLAN FOR THE AFFORDABLE HOUSING TRUST FUND**

WHEREAS: The Town of Harrison has prepared a Fourth Round 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.) and the Fair Housing Act (N.J.S.A. 52:27D-301), as amended; and

WHEREAS: A Development Fee Ordinance was originally adopted by the Town Council on December 5, 2006, and has subsequently been amended several times to reflect current regulations, and which established standards for collection, maintenance, and expenditure of development fees to be used for providing very low, low- and moderate-income housing in the Town; and

WHEREAS: The Development Fee Ordinance established an affordable housing trust fund that includes but is not limited to development fees, payments from developers in lieu of construction of affordable housing units on-site, barrier free escrow funds, repayments from affordable housing program loans, recapture funds, and proceeds from the sale of affordable units; and

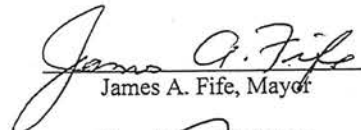
WHEREAS: N.J.A.C. 5:97-8.1(d) requires municipalities with an affordable housing trust fund to receive approval of a Spending Plan from the Council on Affordable Housing or a court of competent jurisdiction prior to spending any of the funds in its housing trust fund; and

WHEREAS: The Town of Harrison has prepared a Spending Plan consistent with N.J.A.C. 5:97-8.1 – 8.14 and P.L. 2008, c.46.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the Town of Harrison, Hudson County, New Jersey, as follows:

THAT: The Mayor and Council hereby adopts the Spending Plan that is attached hereto as Exhibit A, and requests that the Court review and approve the Town of Harrison's Spending Plan.

Town Council	Moved	Seconded	Yes	No	Abstain	Absent
L. BENNETT	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
M. CAMANO	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
J. DORAN	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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E. MENDOZA	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
D. SARABANDO	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
E. VILLALTA	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
J. FIFE	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

  
James A. Fife, Mayor

I hereby certify this to  
be a true and correct copy

  
Paul J. Zarbetski, Town Clerk

# **AFFORDABLE HOUSING TRUST FUND SPENDING PLAN**

Town of Harrison  
Hudson County, New Jersey

June 11, 2025

Adopted by Mayor and Council on <sup>June</sup>~~11~~ 2025

Prepared By:

**H|G|A**

**Heyer, Gruel & Associates**  
Community Planning Consultants  
236 Broad Street, Red Bank, NJ 07701  
(732) 741-2900



Town of Harrison, Hudson County  
Affordable Housing Trust Fund Spending Plan

June 11, 2025

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## AFFORDABLE HOUSING TRUST FUND SPENDING PLAN

Town of Harrison  
Hudson County, New Jersey

June 11, 2025

Prepared By:

**Heyer, Gruel & Associates**  
Community Planning Consultants  
236 Broad Street, Red Bank, NJ 07701  
(732) 741-2900

The original of this report was signed and  
sealed in accordance with N.J.S.A. 45:14A-12

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M. McKinley Mertz, AICP, P.P. #6368

*With contributing content by Brooke Schwartzman, Associate Planner*

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## **INTRODUCTION**

The Town of Harrison, Hudson County has prepared and adopted 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.) and the Fair Housing Act (N.J.S.A. 52:27D-301).

Harrison adopted its Development Fee ordinance in 2006 via Ordinances 1145 and 1152. The ordinance has since been replaced with a new version, Ordinance 1415, which was passed on May 26, 2020 as a component of the Town's Third Round compliance process. This revised Development Fee Ordinance brings the ordinance up to current standards.

Harrison's first Spending Plan was approved by COAH on February 7, 2014. An Amended Spending Plan was adopted by the Town Council on May 26, 2020 and approved by the Court as a component of the Town's JOR via an Order dated June 4, 2020. Pursuant to the amended settlement agreement with Fair Share Housing Center (FSHC) dated November 12, 2019, annual monitoring reports were submitted to the New Jersey Department of Community Affairs and FSHC. This 2025 Spending Plan supersedes all prior Spending Plans.

Since the Town began collecting fees in 2007, Harrison has accrued more than \$9.08 million in development fees, interest, and other income. Harrison has spent a total of \$695,331 on administrative costs and housing activity. In accordance with the Budget Detail Inquiry for the trust fund account (as provided to HGA by the Town), the balance as of December 31, 2024 was \$8,389,962.71.

All development fees, payments in lieu of constructing affordable units on site, interest generated by the fees as well as any other source of income are deposited into this separate, interest-bearing affordable housing trust fund for the purposes of affordable housing. These funds shall be spent in accordance with N.J.A.C. 5:93, or applicable regulations, as described in the sections that follow.

This Fourth Round Spending Plan is submitted for approval to expend all current and future affordable housing trust fund monies, as necessary, that will contribute to the development of new affordable housing units.

**REVENUES FOR CERTIFICATION PERIOD**

To calculate a projection of revenue anticipated during the period of Fourth Round "Substantive Certification," the Town of Harrison considered the following:

**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.

**Payment in lieu (PIL)**

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

**Other funding sources**

Funds from other sources, including, but not limited to, the sale of units with extinguished controls, repayment of affordable housing program loans, rental income, proceeds from the sale of affordable units.

**Projected interest**

Interest on the projected revenue in the municipal affordable housing trust fund at the current average interest rate.

**Projected Revenues**

<b>Projected Revenues – Housing Trust Fund – 2025 through 2035</b>				
	<b>Current Balance</b>	<b>(a) Projected Development Fees:</b>	<b>(d) Interest</b>	<b>TOTAL</b>
<b>Trust Fund Balance as of 12/31/2024*</b>	\$8,389,963	-	-	\$8,389,963
<b>2025</b>	-	\$438,183	\$8,807	\$446,990
<b>2026</b>	-	\$876,365	\$17,615	\$893,980
<b>2027</b>	-	\$876,365	\$17,615	\$893,980
<b>2028</b>	-	\$876,365	\$17,615	\$893,980
<b>2029</b>	-	\$876,365	\$17,615	\$893,980
<b>2030</b>	-	\$876,365	\$17,615	\$893,980
<b>2031</b>	-	\$876,365	\$17,615	\$893,980
<b>2032</b>	-	\$876,365	\$17,615	\$893,980
<b>2033</b>	-	\$876,365	\$17,615	\$893,980
<b>2034</b>	-	\$876,365	\$17,615	\$893,980
<b>2035</b>	-	\$438,183	\$8,807	\$446,990
<b>TOTAL</b>	\$8,389,963	\$8,763,653	\$176,149	\$17,329,765

\*Balance pursuant to Budget Detail Inquiry received from the Town on 5/15/2025

To calculate the projection of revenue anticipated from the general development fees, 10 years (2014 through 2023) of construction data (for both residential and non-residential construction) for the Town, acquired from the New Jersey Department of Community Affairs, was examined. The historic activities of Town's existing affordable housing trust fund were also analyzed.

The Town projects a total of \$8,763,653 will be collected between June 2025 and June 30, 2035. An additional \$176,149 in interest is projected to be earned through 2035. Interest calculations are based on a historic average of the interest earned in the Town's trust fund. All interest earned on the account shall accrue to the account to be used only for the purposes of affordable housing. Including the existing trust fund balance, Harrison projects a total of \$17,329,765 through June 30, 2035.

#### **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 Town of Harrison:

##### Collection of development fee revenues:

Collection of development fee revenues shall be consistent with Harrison's development fee ordinance for both residential and non-residential developments.

##### Distribution of development fee revenues:

The Administrative Agent and the Municipal Housing Liaison will manage the projects outlined in this Spending Plan and the Housing Element and Fair Share Plan.

The release of funds requires the adoption of a resolution by the governing body. Once a request is approved by resolution, the Chief Financial Officer releases the requested revenue from the trust fund for the specific use approved in the governing body's resolution.

##### Collection and distribution of barrier free funds:

Collection and distribution of barrier free funds shall be consistent with Harrison'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 Town's Affordable Housing Ordinance.



**DESCRIPTION OF ANTICIPATED USE OF AFFORDABLE HOUSING FUNDS**

The following sections represent the anticipated affordable housing expenditures within the Township of Harding, that will utilize trust fund monies.

**New Construction Programs and Projects (N.J.A.C. 5:93-8.16)**

The Town intends to utilize Affordable Housing Funds in support of any 100% affordable housing projects during the Fourth Round. A 100% affordable housing development on Harrison Avenue was proposed for Block 196, Lots 6, 8, 9, 10, and 12. Lots 6 and 10 were successfully procured but the acquisition of Lots 8, 9 and 12 never came to fruition in spite of several years' effort. Per the terms of the 2021 Amended Settlement Agreement, the project was required to begin construction by July 1, 2024, otherwise any money spent on property acquisition would have to be refunded. The Affordable Housing Trust Fund was reimbursed the \$1,049,000 it has dispensed in 2021 for property acquisition.

During the Fourth Round the program aims to rehabilitate approximately 25 units annually, 255 units in total, for an average cost of \$20,000 per unit. The Town is also in the process of reviewing the viability of other potential for affordable housing development for which it can apply trust fund monies to. Given the time constraints on the required submission deadline of Fourth Round documentation (June 30, 2025), there is not a firm plan in place yet for additional projects that would benefit from trust fund money. No developer or property owner has approached the Town requesting funds from the trust fund. Harrison will continue to work toward the goal of producing more opportunities for affordable housing and will make trust fund monies available for appropriate projects.

**Town Rehabilitation Program**

Harrison will implement a Mount Laurel – compliant, Town-wide rehabilitation which will be funded through the Affordable Housing Trust Fund. Community Grants, Planning & Housing (CGP&H) has been selected to establish and administer the rehabilitation program on Harrison's behalf. The Town anticipate an average of \$20,000 per unit will be available for its rehabilitation program.

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

As per the requirements regarding the use of funds for affordability assistance laid out in N.J.A.C. 5:93-8.16, the Town is required to dedicate at least 30% of all development fees collected and interest earned to provide affordability assistance to low-, and moderate-income households. In addition, at least one-third of the affordability assistance shall be used to provide affordability assistance to very-low income households.

The calculation of available affordability assistance funds is performed by considering the lifetime of the trust fund. To project the funding amount that is dedicated to affordability assistance, all actual expenditures spent on new construction activities as well as any rehabilitation activities from the inception of the fund are subtracted from the sum of the actual and projected development fees and interest. That total is multiplied by 30% to determine the 30% requirement. The actual affordability assistance

expenditures from inception of the fund are then subtracted from the overall 30% requirement. This final outcome is the total remaining funds that must be dedicated to affordability assistance for the period moving forward.

The Town of Harrison has collected \$9,085,294.86 in development fees and interest through December 31, 2024. Harrison projects an additional \$8,763,653 in development fees and \$176,149 in interest through 2035. The Township has spent \$651,463.20 on housing activities.

The Town intends to appoint Community Grants Planning & Housing (CGP&H) to be their Administrative Agent. Under this role, CGP&H will run a robust affordability assistance program to support the residents of Harrison.

#### Affordability Assistance Projection

<b>Affordability Assistance</b>		
Actual development fees collected, and interest earned through 12/31/2024		\$9,085,295
Projected Development Fees June 2025-2035	+	\$8,763,653
Projected Interest June 2025-2035	+	\$176,149
Less Housing Activity Through 12/31/2024	-	\$651,463
<b>Total</b>		<b>\$17,373,634</b>
30 percent requirement	x 0.30	\$5,212,090
<b>Minimum Affordability Assistance</b>	=	<b>\$5,212,090</b>
Less Affordability Assistance Expenditures through 12/31/2024	-	\$0
<b>Remaining Affordability Assistance Requirement</b>		<b>\$5,212,090</b>
<b>Minimum Very Low-Income Requirement</b>	÷ 3 =	<b>\$1,737,363</b>

#### Housing Activity History

Since the inception of the trust fund in 2007, Harrison has spent \$651,463.20 on housing activity. This includes approximately \$645,000 that was expended on the 15-unit age-restricted rental affordable housing development at 774 Harrison Avenue (Harrison Senior Housing).



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

No more than 20% of revenues collected from development fees shall be expended on administration, including, but not limited to, salaries and benefits for municipal employees or consultant fees necessary to develop and implement: a new construction program; a housing element; and an affirmative marketing program. Administrative funds may be used for: income qualification of households; monitor the turnover of sale and rental units; and compliance with monitoring requirements.

The calculation of allowable administrative expenses is performed by considering the lifetime of the trust fund. To project the funding amount that will be available for administrative costs, the sum of all development fees actually collected, and all interest earned since the inception of the account will be added to the sum of all projected development fees and interest projected to be collected through the remainder of this round. From this amount, any Regional Contribution Agreement (RCA) expenditures made or contractually obligated from the inception of the account are subtracted. This final amount is multiplied by 20% and then actual administrative expenditures made from inception is subtracted out. The final outcome of this calculation, as depicted in the following table, is the total remaining funds that will be available for administrative expenses through the end of this Round.

Harrison has collected \$9,085,294.86 in development fees and interest from inception through December 31, 2024. The Town projects an additional \$8,763,653 in development fees and \$176,149 in interest through 2035. The Town has never taken part in an RCA. Harrison has spent \$43,868.77 on administrative expenses through December 31, 2024.

<b>Administrative Expenses</b>		
Actual development fees collected, and interest earned through 12/31/2024*		\$9,085,294
Projected Development Fees June 2025-2035	+	\$8,763,653
Projected Interest June 2025-2035	+	\$176,149
RCA expenditures	-	\$0
<b>Total</b>		<b>\$18,025,097</b>
20 percent maximum permitted on administrative expenses based on total projection	x 0.20 =	\$3,605,019
Less Administrative Expenditures through 12/31/2024	-	\$43,869
<b>Projected Allowed Admin. Expenditures</b>		<b>\$3,561,151</b>

Moving forward, the Township projects that \$3,561,151 will be available from the affordable housing trust fund for administrative expenses for the time period of June 1, 2025 through June 30, 2035. Because the actual administrative expense maximum is calculated on an ongoing basis based on actual revenues, the Town shall be permitted to spend 20% of the actual balance at any given time on administrative fees. Money becomes available for administrative expenses as additional income is collected.



Projected administrative expenditures, subject to the 20 percent cap, include but are not limited to:

- Administration and expenses associated with the Township's affordable housing units;
- Expenses associated with the preparation and implementation of the Housing and Fair Share Plan and monitoring of the current and future housing programs for the Town of Harrison;
- Affirmative Marketing;
- Income qualification; and
- Administration of the Township's affordable housing units.

Legal or other fees related to litigation opposing affordable housing sites are not eligible uses of the affordable housing trust fund.

#### EXPENDITURE SCHEDULE

Projected Expenditure Schedule – 2025 through 2035				
	New Construction and Rehabilitation	Affordability Assistance	Administration	TOTAL
2025	\$427,826	\$260,605	\$178,058	\$866,488
2026	\$855,652	\$521,209	\$356,115	\$1,732,977
2027	\$855,652	\$521,209	\$356,115	\$1,732,977
2028	\$855,652	\$521,209	\$356,115	\$1,732,977
2029	\$855,652	\$521,209	\$356,115	\$1,732,977
2030	\$855,652	\$521,209	\$356,115	\$1,732,977
2031	\$855,652	\$521,209	\$356,115	\$1,732,977
2032	\$855,652	\$521,209	\$356,115	\$1,732,977
2033	\$855,652	\$521,209	\$356,115	\$1,732,977
2034	\$855,652	\$521,209	\$356,115	\$1,732,977
2035	\$427,826	\$260,605	\$178,058	\$866,488
<b>TOTAL</b>	<b>\$8,556,524</b>	<b>\$5,212,090</b>	<b>\$3,561,151</b>	<b>\$17,329,765</b>

#### EXCESS OR SHORTFALL OF FUNDS

In the event funding sources as identified within this Spending Plan for the projects detailed in the Housing Element and Fair Share Plan prove inadequate to complete the affordable housing programs, the Town shall provide sufficient funding to address any shortfalls through bonding.

In the event that more funds than anticipated are collected or projected funds exceed the amount necessary to implement Harrison's affordable housing projects, these excess funds will be used to fund eligible affordable housing activity pursuant to applicable rules and regulations.

## SUMMARY

The Town of Harrison intends to spend affordable housing trust fund revenues pursuant to N.J.A.C. 5:93 and consistent with the housing programs outlined in its adopted Housing Element and Fair Share Plan.

In accordance with the Budget Inquiry Statement, the Town's trust fund has a balance of \$8,389,962.71 as of December 31, 2024. Harrison anticipates an additional \$8,939,802 in revenues and interest by June 30, 2035. The Town will expend:

New 100% Affordable Construction: \$8,556,524

Affordability Assistance: \$5,212,090, which includes \$1,737,363 for the very low-income requirement

Administration: \$3,561,151

<b>SPENDING PLAN SUMMARY</b>	
Balance as of December 31, 2024	\$8,389,963
<b>Projected REVENUE June 1, 2025 to December 31, 2035</b>	
Development fees	+ \$8,763,653
Payments in lieu of construction	+ \$0
Other funds	+ \$0
Interest	+ \$176,149
<b>TOTAL REVENUE + CURRENT BALANCE</b>	<b>= \$17,329,765</b>
<b>EXPENDITURES</b>	
Funds used for New Construction and Rehabilitation	- \$8,556,524
Affordability Assistance	- \$5,212,090
Administration	- \$3,561,151
Excess Funds for Additional Housing Activity	= \$0
<b>TOTAL PROJECTED EXPENDITURES</b>	<b>= \$17,329,765</b>
<b>REMAINING BALANCE</b>	<b>= 0</b>