



**TOWNSHIP OF KINGWOOD
HUNTERDON COUNTY, NEW JERSEY**

RESOLUTION NO. 2026-48

**RESOLUTION ADOPTING THE 2026 AFFORDABLE HOUSING TRUST FUND SPENDING PLAN BY
THE TOWNSHIP OF KINGWOOD, COUNTY OF HUNTERDON, AND STATE OF NEW JERSEY**

WHEREAS, on January 27, 2025, the Township of Kingwood (“Township”) adopted Resolution 2025-17, which established the Township’s Fourth Round present and prospective need obligations pursuant to the amended Fair Housing Act (“FHS”) at N.J.S.A. 52:27D-301 et. seq., per P.L. 2024, c.2; and

WHEREAS, on January 29, 2025, the Township filed a Declaratory Judgment Action (“DJ Action”) in the New Jersey Superior Court captioned In the Matter of the Application of the Township of Kingwood, HNT-L-000068-25, seeking among other things, compliance certifications; and

WHEREAS, on March 27, 2025, the Court entered an Order fixing the Township’s Fourth Round present need obligation as twenty (20) and prospective need obligation as fifty (50); and

WHEREAS, the Planning Board of the Township of Kingwood (“Planning Board”) held a public hearing and voted to adopt the Township’s Fourth Round Housing Plan Element and Fair Share Plan (“Fourth HEFSP”), addressing the Township’s prior round obligations, Third Round Obligations and Fourth Round obligations as established; and

WHEREAS, the Planning Board adopted the Amended Fourth Round Housing Element and Fair Share Plan dated February 12, 2026; and

WHEREAS, pursuant to the Amended FHA, a municipality may not spend or commit to spend any affordable housing development fees collected and deposited into the municipal affordable housing trust fund, without first obtaining the approval of the expenditure as part of its compliance certification; and

WHEREAS, the Township of Kingwood now seeks to adopt a Spending Plan outlining how the municipality intends to allocate development fees and other funds, and how the municipality proposes to expend funds for affordability assistance, especially those funds earmarked for very low-income affordability assistance.

NOW, THEREFORE, BE IT RESOLVED on this 5th day of March 2026, that the by the Township Committee of the Township of Kingwood, County of Hunterdon, State of New Jersey, hereby adopts the Fourth Round Affordable Housing Trust Fund Spending Plan.

I hereby certify the foregoing to be a true copy of a Resolution adopted by the Kingwood Township Committee at a meeting held on March 5, 2026.



Jeffrey J. Jotz, Municipal Clerk



Paymon Jelvani, Mayor

Committee	Motion	2 nd	Ayes	Nays	Abstain	Absent
Committeemember Floyd		x	x			
Committeemember Taylor	x		x			
Mayor Jelvani			x			
		Total Votes	3			

Memorandum

To: Kingwood Township Committee

From: David J. Banisch, PP/AICP
Joanna Slagle, PP/AICP

Date: March 5, 2026

Re: Spending Plan for Adoption

We are providing the attached updated Spending Plan that we have prepared for the Township Committee to adopt as part of Kingwood Township's Fourth Round affordable housing compliance.

The updated Spending Plan identifies Trust Fund collections, projects future collections for the 2025-2035 compliance period and allocates funding for the various compliance mechanism identified in Kingwood Township Fourth Round Housing Plan Element and Fair Share Plan (HEFSP), including

- \$200,000 for the rehabilitation of 20 substandard units to address the Township's Present Need (rehabilitation) obligation of 20 units.
- \$120,000 for the creation of six (6) accessory apartment units;
- \$392,485 for affordability assistance; and
- \$130,579 for administration (average of approximately \$13,000 / year for the 10-year compliance period)

Of note, State regulations require expenditures to support the various mechanisms in the HEFSP, which is reflected in the updated Spending Plan. Allowable expenditures for administrative services is capped at 20% of all funds collected since the inception of the Trust Fund.

We trust that the Township Committee will find this information useful in its consideration of this matter.

Attachment

- c. Jeffrey Jotz, CMC, Clerk/Administrator
James Moscagiuri, Esq.
Dana Gizis, Esq.

INTRODUCTION

Kingwood Township 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 Fair Housing Act, N.J.S.A. 52:27D-301 et seq., as amended, and the Fair Housing Act Rules of the New Jersey Department of Community Affairs, N.J.A.C. 5:99-1 et seq. A development fee ordinance creating a dedicated revenue source for affordable housing was adopted by the municipality in 2004, and was updated on **March 5, 2026**. The ordinance establishes the Township of Kingwood Affordable Housing Trust Fund for which this spending plan is prepared.

This Spending Plan addresses (1) all current funds on deposit in the affordable housing trust fund as of July 31, 2025, and (2) projected revenues to be collected through the end of the Fourth Round or July 2035. It is intended to be consistent with, and to implement, the Housing Element and Fair Share Plan adopted on June 12, 2025 and submitted to the Department for compliance.

1. REVENUES FOR CURRENT ROUND

As of July 31, 2025, Kingwood Township has a balance of \$408,807.60. All development fees, payments in lieu of constructing affordable units on site, funds from the sale of units with extinguished controls, affordability assistance repayments, enforcement fines, application fees, and interest generated by the fees are deposited in a separate interest-bearing affordable housing trust fund and are dedicated to the purposes of affordable housing.

These funds shall be spent in accordance with the Fair Housing Act, the Fair Housing Act Rules at N.J.A.C. 5:99-1 et seq., the Uniform Housing Affordability Controls (UHAC), N.J.A.C. 5:80-26.1 et seq., and this approved Spending Plan.

To calculate a projection of revenue anticipated during the current round, the following is considered:

(a) Development fees

1. Residential and nonresidential projects that have had development fees imposed upon them at the time of preliminary or final development approvals and are expected to receive building permits and certificates of occupancy during the current round.
2. All projects currently before the planning and zoning boards for development approvals that may apply for building permits and certificates of occupancy during the current round.
3. Future development that is likely to occur based on historic development trends, zoning, redevelopment plans, and anticipated growth during the current round.

(b) Payments in lieu of on-site construction (PIL)

Actual and committed payments in lieu of construction from developers as follows:

No payments in lieu have been collected or are anticipated.

(c) Other funding sources

The Township consistently receives reviews from a variety of mechanisms, including recapture, Dues Assistance, Down Payment assistance payoffs, etc.

(d) Projected interest

Interest on projected revenues in the municipal affordable housing trust fund at the current average interest rate, assuming reasonably anticipated collection and expenditure patterns during the current round.

SOURCE OF FUNDS	PROJECTED REVENUES-HOUSING TRUST FUND - 2026 THROUGH 2035											
	2026	2027	2028	2029	2030	2031	2032	2033	2034	7/2035	Total	
(a) Development fees:												
Approved or Pending Development												\$ 0
Projected Development	\$41,386	\$41,386	\$41,386	\$41,386	\$41,386	\$41,386	\$41,386	\$41,386	\$41,386	\$41,386	\$20,693	\$393,167
(b) Payments in Lieu of Construction												
(c) Other Funds (Recapture, Dues Assistance)												
(d) Interest	\$4,325	\$4,325	\$4,325	\$4,325	\$4,325	\$4,325	\$4,325	\$4,325	\$4,325	\$4,325	\$2,165	\$41,090
Total	\$45,711	\$45,711	\$45,711	\$45,711	\$45,711	\$45,711	\$45,711	\$45,711	\$45,711	\$45,711	\$22,858	\$434,257

Kingwood projects a total of \$434,257 in revenue to be collected between January 2026 and July 2035. This projected amount, when added to the \$408,807 trust fund balance as of July 31, 2025, results in an anticipated total revenue of \$843,064 available to fund and administer its Housing Element and Fair Share 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 and other affordable housing trust fund revenues shall be followed:

(a) Collection of revenues

Kingwood’s development fee ordinance for both residential and non-residential developments in accordance with COAH’s rules and P.L.2008, c.46, sections 8 (C. 52:27D-329.2) and 32-38 (C. 40:55D-8.1 through 8.7).

1. The Planning Board Secretary and/or other appropriate municipal official shall notify the designated Township official whenever a development approval is granted for a project that may be subject to a residential or non-residential development fee under the Township’s development fee ordinance.

2. Upon application for a building permit (or at such other point as required by the development fee ordinance), the designated Township official shall determine whether the development is subject to a fee and shall coordinate with the Tax Assessor and other appropriate officials regarding fee calculation in accordance with the development fee ordinance and applicable law.
3. The final development fee amount shall be collected in accordance with the Township's development fee ordinance and applicable law, including collection at certificate of occupancy or other ordinance-specified milestone.
4. If the Township lawfully receives payments in lieu of constructing affordable units, such revenues shall be deposited into the affordable housing trust fund and accounted for in accordance with the Rules and this Spending Plan, and shall be reported as trust fund revenues consistent with N.J.A.C. 5:99-2.2 and N.J.A.C. 5:99-2.8.

(b) Deposit of revenues

The Chief Financial Officer shall ensure that all development fees, payments in lieu (if applicable), interest, and other affordable housing trust fund revenues are deposited into the Township's separate interest-bearing affordable housing trust fund account and are identifiable in municipal financial records as affordable housing trust fund monies, as required by N.J.A.C. 5:99-2.2(d).

Interest earned on affordable housing trust fund monies shall remain in the affordable housing trust fund and shall be used only for eligible affordable housing purposes in accordance with N.J.A.C. 5:99-2.2 and this Spending Plan.

(c) Distribution of revenues

The governing body shall authorize expenditure of affordable housing trust fund revenues by resolution, consistent with this Spending Plan and applicable approvals. Upon adoption of such resolution, the Chief Financial Officer may release trust fund monies for the approved purpose.

No affordable housing trust fund monies shall be spent except for eligible affordable housing activities and pursuant to an approved spending plan or other approval authorized by the Rules, consistent with N.J.A.C. 5:99-2.2(g) and N.J.A.C. 5:99-2.8.

3. DESCRIPTION OF ANTICIPATED USE OF AFFORDABLE HOUSING FUNDS

Affordable housing trust fund revenues shall be used only for eligible activities approved in this Spending Plan, or as later approved as an emergent opportunity to create affordable housing, consistent with the Fair Housing Act and the Fair Housing Act Rules.

(a) Rehabilitation and new construction programs and projects

Kingwood will dedicate revenues to rehabilitation and new construction programs and projects, as further described in the Housing Element and Fair Share Plan, as follows:

1. Rehabilitation program: Kingwood participates in the Warren County rehabilitation program and does not propose to expend Trust Fund resources on a rehabilitation program at this time.
2. Accessory Apartment Program: Accessory Apartment Program – 6 units. Kingwood Township's Affordable Accessory Apartment Program ordinance (§ 83-15 Creation of Accessory Apartments; Limitations) provides for affordable accessory apartments to be created in two ways: (1) new construction; and (2) conversion of illegally existing accessory apartments to affordable accessory apartments. The Township projects that it will produce 6 affordable accessory apartments through a zoning amnesty program that will allow the owners of illegal accessory apartments that currently exist in the Township to convert the units to legal status as affordable accessory apartments for 10 years, following which the units may be legally maintained and rented as market-rate accessory apartments. Kingwood Township will offer the owners of illegal accessory apartments the choice to (1) decommission and abandon the illegal rental apartment; or (2) convert the illegal apartment to an affordable accessory apartment for a ten-year (10-year) term, following the expiration of which the units may become market-rate accessory apartments. This Spending Plan identifies \$20,000 per accessory apartment creation.

Eligible costs may include, but are not limited to, hard and soft costs for new construction or substantial rehabilitation, infrastructure and structured parking costs reasonably attributable to the affordable units, acquisition of land or existing units, and the extension of expiring controls, consistent with the Fair Housing Act Rules and this Spending Plan.

(b) Affordability assistance

The Township of Kingwood will dedicate at least \$392,485 from the affordable housing trust fund to render units more affordable. Kingwood Township will provide affordability assistance by providing first months' rent and/or security deposit to very low- and low income renters. In addition to the first month's rent and security deposit to very low-income renters, the Township will provide additional affordability assistance to very low-income renters by providing a \$125 moving assistance stipend to assist in the cost of moving into very low-income rental units.

Additionally, depending on the actual needs identified for very low-income renters, the township may find the need to provide other forms of assistance to these households, such as utility deposits, which the Township would like to retain the flexibility to address if needed.

The Township reserves the right to move any funds from one program to another, as long as the total affordability assistance budget is not reduced and the minimum required amount of assistance to very low-income units is not reduced. This is necessary to allow Kingwood to adapt to current needs and realities throughout the compliance period. Any changes will be reported to the public and available online on the Township's website.

The municipality shall ensure that it meets or exceeds any minimum affordability assistance requirements, including any specific requirements related to very-low-income households, and shall track compliance through its AHMS reporting and internal records.

(c) Administrative expenses

The Township does not currently project funds available since it previously exceeded the administrative cap. Once Trust Fund expenditures' cumulative administrative share is back within the 20% limit, at which point reasonable administrative costs may again be charged, subject at all times to the statutory and regulatory cap.

Administrative expenses may include salaries and benefits for municipal employees or consultant fees necessary to develop, implement, and monitor the Housing Element and Fair Share Plan, to administer affordability controls, and to comply with affirmative marketing, reporting, and monitoring requirements.

Eligible administrative uses may include, but are not limited to:

- Income-qualifying applicant households;
- Monitoring the turnover of sale and rental units;
- Preserving existing affordable housing and enforcing affordability controls;
- Preparing and updating the Housing Element and Fair Share Plan and related ordinances;
- Preparing AHMS monitoring and other reports required by the Department; and
- Reasonable costs of municipal housing liaison and administrative agent services.

No more than 20 percent of all affordable housing trust funds, exclusive of any amounts exempted by statute or rule, may be expended on administration, or such other percentage as may be established by the Fair Housing Act Rules. Trust fund revenues shall not be used to reimburse the Municipality for activities occurring prior to authorization to collect development fees, nor shall they be expended on attorney fees or court costs to obtain a judgment of compliance or order of repose (including associated administration costs), on costs in connection with a challenge to a determination of the Municipality's fair share obligation, or on costs in connection with a challenge to the Municipality's obligation, housing element, or fair share plan, consistent with N.J.A.C. 5:99-2.2(f).

Actual dev fees and interest thru 12/31/2025		\$408,807
Projected dev fees and interest 2026 thru 2035	+	\$434,257
Payments-in-lieu of construction and other deposits	+	\$0
Total	=	\$843,064
Calculate 20 percent	x .20 =	\$168,612
Less admin expenditures thru 12/31/2025	-	\$38,033
PROJECTED MAXIMUM available for administrative expenses 1/1/2026 thru 12/31/2035	=	\$130,579

4. EXPENDITURE SCHEDULE

The Township intends to use affordable housing trust fund revenues for the creation and preservation of affordable housing and for affordability assistance and administrative expenses, in accordance with this Spending Plan.

PROJECTS/ PROGRAMS	# of Units Projected	PROJECTED EXPENDITURE SCHEDULE 2026 -2035										
		2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	Total
Rehabilitation	20	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$200,000
Accessory Apartment Program	6		\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000				\$120,000
Total	26	\$20,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$20,000	\$20,000	\$20,000	\$320,000
Affordability Assistance		\$43,000	\$43,000	\$43,000	\$43,000	\$43,000	\$43,000	\$43,000	\$43,000	\$43,000	\$5,485	\$392,485
Administration		\$13,000	\$13,000	\$13,000	\$13,000	\$13,000	\$13,000	\$13,000	\$13,000	\$13,000	\$13,579	\$130,579
Total		\$76,000	\$96,000	\$96,000	\$96,000	\$96,000	\$96,000	\$96,000	\$76,000	\$76,000	\$39,064	\$843,064

5. EXCESS OR SHORTFALL OF FUNDS

Development fees collected by the Municipality shall be expended or committed for expenditure within four years of the date of collection, consistent with N.J.A.C. 5:99-5.5. In the event that anticipated revenues are not sufficient to implement this Spending Plan, The Township will address any shortfall, such as a resolution of intent to bond, reallocation of resources among programs, or modification of the plan consistent with the Fair Housing Act, the Fair Housing Act Rules, and the Housing Element and Fair Share Plan.

In the event that more funds than anticipated are collected, or projected funds exceed the amount necessary to implement the Housing Element and Fair Share Plan for the current round, the Township will either (1) dedicate such excess funds to additional eligible affordable housing activities consistent with this Spending Plan and any amendments, or (2) seek approval from the Department to use excess funds for emergent opportunities to create affordable housing.

6. BARRIER FREE ESCROW

Collection and distribution of barrier-free funds shall be consistent with the Township of Kingwood’s Ordinance and will be tracked separately within the affordable housing trust fund and will report on such funds in its AHMS monitoring.

SUMMARY

Kingwood intends to spend affordable housing trust fund revenues in a manner that is consistent with the Fair Housing Act, the Fair Housing Act Rules, UHAC, and the Housing Element and Fair Share Plan adopted on June 12, 2025.

The Township has a balance of \$408,807 as of July 31, 2025 and anticipates an additional \$434,257 by July 2035 in revenues for a total of \$843,064. The municipality will dedicate approximately \$200,000 to the warren county rehabilitation program, \$120,000 to the accessory apartment program, and \$392,485 to affordability assistance and \$130,579 for administrative costs. Any

excess funds or remaining balance will be dedicated to additional eligible affordable housing activities, or to emergent opportunities to create affordable housing, consistent with the Fair Housing Act, the Fair Housing Act Rules, and this Spending Plan.

SPENDING PLAN SUMMARY	
Balance as of July 31, 2025	\$408,807
Projected REVENUE 2026-2035	
Development fees	+ \$393,167
Payments in lieu of construction	+ \$0
Other funds	+ \$0
Interest	+ \$41,090
TOTAL REVENUE	= \$843,064
PROJECTED EXPENDITURES 2026-2035	
Funds used for Rehabilitation	- \$200,000
Funds used for Accessory Apartment Program	- \$120,000
Affordability Assistance	- \$392,485
Administration	- \$130,579
Excess Funds or Remaining Balance Reserved for Additional Affordable Housing Activity	= \$0
TOTAL PROJECTED EXPENDITURES	= \$843,064
REMAINING BALANCE	= \$0.00