

RESOLUTION #2026 - 44

**RESOLUTION OF THE
TOWNSHIP OF UNION, COUNTY OF HUNTERDON, STATE OF NEW JERSEY
CONDITIONALLY APPROVING THE TOWNSHIP'S FOURTH ROUND AFFORDABLE
HOUSING TRUST FUND SPENDING PLAN.**

WHEREAS, the Township of Union (hereinafter "Township" or "Union") has an approved Development Fee Ordinance, which was first approved by the Council on Affordable Housing (COA) in 1994, and which was last amended in 2018, and which sets forth standards for the collection, maintenance, and expenditure of development fees; and

WHEREAS, the Township's 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 for affordable housing program loans, recapture funds, proceeds from the sale of affordable units, and/or funds collected in connection with the Township's affordable housing program; and

WHEREAS, the Township's current Affordable Housing Trust Fund Spending Plan was approved by the Court in 2019 as part of the Township's Third Round Affordable Housing declaratory judgment action entitled: In the Matter of the Application of the Township of Union under Docket No.: HNT-L-305-15 (the "2015 Action"); 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 "FHA-2") which governs how municipalities will comply with their affordable housing obligations for the Fourth Round (2025-2035); and

WHEREAS, in accordance with the FHA-2 the Township Municipal Planner prepared the Township's Fourth Round Housing Element and Fair Share Plan and on prior notice to the public on June 26, 2025, the Township of Union Planning Board adopted the Township's 2025 Housing Element and Fair Share Plan following a public hearing thereon all in accordance with the requirements of the New Jersey Open Public Meetings Act, N.J.S.A. 10:4-6 et seq., and the Municipal Land Use Law, N.J.S.A. 40:55D-1 et seq.; and

WHEREAS, in addition to same, Township Municipal Planner has prepared a proposed Fourth Round Affordable Housing Trust Fund Spending Plan consistent with the FHA-2, and applicable regulations, which projects anticipated revenues for the Township's Affordable Housing Trust Fund and describes the anticipated expenditures of these funds; and

WHEREAS, during a public meeting of the Township Committee of the Township of Union on June 27, 2025, held in accordance with the requirements of the New Jersey Open Public Meetings Act, N.J.S.A. 10:4-6 et seq., the Township Committee adopted Resolution #2025-80, whereby the Township Committee endorsed the Township's 2025 Housing Element and Fair Share Plan, including all supporting documentation and exhibits annexed thereto, and directed the Township Municipal Attorney to file the Township's 2025 Housing Element and Fair Share Plan, and all relevant supporting documentation and exhibits with the Court and the Program in the Township's 2025 pending declaratory judgment action entitled: In The Matter of the Application of the Township of Union, Docket No: HNT-L-47-25 (Township's "2025 Action"); and

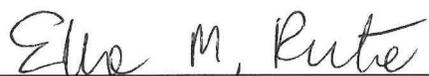
WHEREAS, the Township executed a Consent Order with Fair Share Housing Center on January 8, 2026 that states, among other items, that the Township will adopt a Fourth Round Spending Plan before March 15, 2026; and

NOW, THEREFORE, BE IT RESOLVED, by the Township Committee of the Township of Union, in the County of Hunterdon, and State of New Jersey, as follows:

1. The Township Committee of the Township of Union hereby conditionally approves the Fourth Round Affordable Housing Trust Fund Spending Plan, attached hereto as Exhibit A; and
2. The Township Municipal Attorney is hereby directed to file this Resolution and the Township's proposed Fourth Round Spending Plan with the Program and Court in the Township's "2025 Action"; and
3. The Township Municipal Attorney, Municipal Planner, and all other appropriate officials, employees and other professionals of the Township are hereby authorized and directed to take any and all steps necessary to effectuate the purposes of this Resolution such that the Township maintains its immunity from exclusionary zoning and builder's remedy litigation; and
4. A certified copy of this Resolution and the Township's Fourth Round Affordable Housing Trust Fund Spending Plan shall remain on file with the Township for the purpose of public inspection and shall be uploaded to the Township's website; and
5. The Township further reserves the right to amend and supplement its Fourth Round Affordable Housing Trust Fund Spending Plan in accordance with applicable law should such further amendments be required or necessary; and
6. This Resolution shall take effect immediately.

CERTIFICATION

I hereby certify the foregoing to be a true copy of a Resolution adopted by the Township Committee of the Township of Union at its meeting held on March 4, 2026.



Ella M. Ruta, Municipal Clerk
TOWNSHIP OF UNION



2026 FOURTH ROUND SPENDING PLAN

HOUSING ELEMENT & FAIR SHARE PLAN
UNION TOWNSHIP
HUNTERDON COUNTY
NEW JERSEY

FEBRUARY 2026



INTRODUCTION

The Township of Union adopted a Fourth Round Housing Element and Fair Share Plan that addresses its affordable housing obligation in accordance with the Fair Housing Act, N.J.S.A. 52:27D-301, et seq., as amended by P.L. 2024, c.2. This Spending Plan addresses the anticipated collection of money in the affordable housing trust fund, anticipated expenditures and the method of allocating funds through the end of the Fourth Round, July 1, 2035. The terms herein are consistent with the Fair Housing Act as well as the Fair Housing Act Regulations, N.J.A.C. 5:99.

The Township’s first adopted development fee ordinance, which created a dedicated revenue source for affordable housing, was initially approved by the Council on Affordable Housing (“COAH”) in 1994. The Township’s ordinance was later amended on January 31, 2011; an amended ordinance was subsequently adopted by the Township and reviewed and approved by the Honorable Thomas C. Miller, P.J. Civ. upon issuance of the Township’s Third Round Judgment of Compliance and Repose entered on May 10, 2019 in the Township’s Third Round Action entitled In re Township of Union, HNT-L-305-25. Among other attributes, the ordinance establishes the development fees to be collected and the terms of the Township’s affordable housing trust fund.

All development fees, other income, and interest generated by the fund, has been, and will be kept in an interest-bearing affordable housing trust fund account at PNC Bank. All affordable housing trust money has previously been expended in accordance with the Township’s Third Round approved Spending Plan. Going forward, all affordable housing trust fund monies will be collected and spent in accordance with the Fair Housing Act, the Fair Housing Act Regulations and the following Spending Plan. See the following table for a summary of collections and expenditures as of December 31, 2025.

Affordable Housing Trust Fund Summary Through 12/31/2025		
Development Fees	+	\$1,645,690
Interest	+	\$311,850
Payments in Lieu of Construction	+	\$0
Other Income	+	\$1,119,221
Expenditures	-	\$1,424,212
Ending 12/31/2025		\$1,652,549



FOURTH ROUND REVENUES

In calculating a projection of revenue anticipated during the Fourth Round, Union Township considered the following:

- A. **Development Fees.** The Township anticipates that it will receive up to \$285,000 from residential development and nonresidential development fees between January 1, 2026, and the end of the Fourth Round, July 1, 2035.
 - 1. Residential and nonresidential projects that 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.
 - 3. Future development that is likely to occur based on historical rates of development.
- B. **Payments in lieu of construction.** The Township has not received any payments in lieu of construction and does not expect future revenues from this source.
- C. **Other funding sources.** The Township anticipates \$48,000 from loan repayments between January 1, 2026 and the end of Fourth Round, July 1, 2035.
- D. **Projected interest.** Based on the current average interest rate and projected rates of development fee revenue, Union Township anticipates collecting \$380,000 in interest between January 1, 2026 and the end of the Fourth Round, July 1, 2035.

Assumptions. Projected residential and non-residential development fees are based on approved development and development trends over the last 7 years.



Projected Revenue: 1/1/2026 - 6/30/2035

Revenue Source	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035 (6 mo.)	Total
Residential & Nonresidential Development Fees	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$15,000	\$285,000
Payments-In-Lieu	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$3,000	\$48,000
Interest	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$20,000	\$380,000
Total	\$75,000	\$38,000	\$713,000								



ADMINISTRATIVE MECHANISM TO COLLECT & DISTRIBUTE FUNDS

The following steps for the collection and distribution of development fee revenues shall be followed by Union Township.

1. **Collection of development fee revenues.** All collection of development fee revenues will be consistent with the Township's development fee ordinance and the requirements of the Fair Housing Act set forth at *N.J.S.A. 52:27D-329.2* and the Fair Housing Act Regulations at *N.J.A.C. 5:99-3*.
2. **Expenditure and distribution of development fee revenues.** The Municipal Chief Financial Officer, in concert with the Township Clerk will process the distribution of funds.

The release of such funds, with the exception of administrative use of funds within the limits set forth in the Fair Housing Act, requires the adoption of a resolution by the Township Committee. 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.

DESCRIPTION OF ANTICIPATED USE OF AFFORDABLE HOUSING FUNDS

Union Township proposes to use the funds in the trust fund for the below listed items, pursuant to the Fair Housing Act, during the Fourth Round:

1. Affordability assistance to very low-, low- and moderate-income buyers and renters of affordable housing units; and
2. Administration.

For any other uses of affordable housing trust funds, the Township will apply to a court of competent jurisdiction or other authority, as the case may be, for an amendment to the Spending Plan.

AFFORDABILITY ASSISTANCE

A municipality shall set aside a portion of its collected development fees and interest earned for the purpose of providing affordability assistance to low- and moderate-income households in affordable units included in a municipal fair share plan, in accordance with *N.J.S.A. 52:27D-329.2c(3)* and *N.J.A.C. 5:99-2.5*.

This Spending Plan allocates a majority of the anticipated revenues, \$1,978,886 to affordability assistance. Permitted affordability assistance expenditures include, but are not limited, to down-payment assistance and security deposit assistance, rental assistance, low interest loans and converting low-income units to very-low-income units or creating new very-low income units.

The Township will operate security deposit and downpayment programs and will provide funding to buy down the cost of low and moderate income homes to convert them to very low income homes to fulfill the affordability assistance requirements. See the Appendix to this Spending Plan for additional information.



ADMINISTRATIVE EXPENSES

Union Township may use affordable housing trust fund revenue for related administrative costs in an amount not to exceed 20% of the revenue collected from development fees. The table that follows provides a calculation of permitted administrative expenses.

Permitted administrative expenditures within this framework are as follows:

- A. Township Attorney, Engineer, Planner and other staff (proportionate) salaries and fees related to plan preparation and implementation, and for such other actions, efforts and expenses as permitted at *N.J.S.A. 52:27D-329.2c(5)* of the Fair Housing Act and the provisions pertaining to same, as set forth in the final adopted version of the Fair Housing Act regulations at *N.J.A.C. 5:99*; and
- B. Program administration expenses, such as but not limited to those for the administrative agent.

Administration Expenditure Calculation		
Total Collected through 12/31/2025		\$3,076,761
Less non-residential Development Fee Reimbursements	-	\$0.00
Projected Revenue through 7/1/2035	+	\$713,000
<i>Total</i>	=	\$3,789,761
20 percent maximum permitted administrative expenses	x 0.20 =	\$757,952
Less administrative expenditures through 1/1/2026	-	\$380,289
Projected Administrative Costs through July 1, 2035	=	\$377,663



EXPENDITURE SCHEDULE

Union Township intends to spend affordable housing trust funds on affordability assistance and administration during the fourth round.

Program	Projected Expenditures											Total	
	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035 (6 mo.)			
Affordability Assistance	\$100,000	\$220,000	\$220,000	\$220,000	\$220,000	\$220,000	\$220,000	\$220,000	\$220,000	\$220,000	\$220,000	\$127,886	\$1,987,886
Administration	\$50,000	\$37,663	\$30,000	\$35,000	\$50,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$55,000	\$377,663
Total	\$150,000	\$257,663	\$250,000	\$255,000	\$270,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$182,886	\$2,365,549



EXCESS OR SHORTFALL OF FUNDS

If funding should fall short of the amount necessary, the Township of Union will seek grants or low-cost loans to meet such shortfall. Given the lack of mandatory programs that require funding, it is not anticipated that funds from general revenue or bonding will be necessary. In the event of excess funds, any remaining funds above the amount necessary to satisfy the municipal affordable housing obligation will be used to produce additional affordable housing through these programs or pursuant to a Court-approved amendment to this Spending Plan.

SUMMARY

The Township will expend affordable housing trust fund revenues pursuant to the Fair Housing Act, the regulations governing such funds and consistent with its Housing Plan and this Spending Plan, as approved by the Court or Program. The following table provides a summary of anticipated collections and expenditures of the Affordable Housing Trust Fund as stated herein.

Spending Plan Summary		
Affordable Housing Trust Fund Balance 12/31/2025		\$1,652,549
Projected Revenue: 1/1/2026 - 6/30/2035	+	\$713,000
<i>Total</i>	=	\$2,365,549
Administrative expenditures through 7/1/2035	-	\$377,663
Affordability Assistance Program through 7/1/2035	-	\$1,987,886
Excess Funds	=	\$0



APPENDIX: AFFORDABILITY ASSISTANCE PROGRAM

Security Deposit Assistance

This program will provide a subsidy to income-qualified low-and moderate-income renters of deed restricted affordable rental units within the Township to use as a security deposit. The Township will provide up to \$2,000 as a grant to the qualifying low-and moderate-income renter for use as a security deposit for the deed restricted affordable unit. The goal of the program is to provide financial assistance to income-qualified renters.

Application to the program shall include proof of income qualification by the Township's Administrative Agent, copy of the lease to rent a deed restricted home/unit that has been signed by the owner, and copy of the deed restriction (current or draft to-be-applied, as may be applicable). Affordability controls shall be embodied in a deed restriction which shall conform to the Uniform Housing Affordability Controls (N.J.A.C. 5:80-26.1 et seq.) in effect at the time the subsidy is granted. The term of the affordability control period shall be for a period of at least 40 years, with the Township reserving the right and option to extend the affordability control term for an additional term at the end of the initial control period consistent with the requirements of the version of the Uniform Housing Affordability Controls or any successor regulation(s) in effect at the time the initial control period is set to end. Such security deposit shall be consistent with the requirements of the most recent adopted version of the Uniform Housing Affordability Controls in effect at the time the Township adopts a resolution authority the specific funding assistance for the specific applicant.

Once the applicant provides the required application documents noted above, the Township will pass a resolution authorizing funding assistance. Upon receipt of the approved municipal resolution, the renter will be provided an agreement for execution. The deed restriction shall be approved by the Township Attorney and the Township's Affordable Housing Administrative Agent, and shall be recorded in the chain-of-title by the owner of the property as a condition of any funding assistance from the Township.

Recipients of Security Deposit Program funds are required to maintain the unit as their principal place of residence, which is defined as residing in the unit at least 260 days out of each calendar year, for the duration of the deed restriction and abide by all other requirements of their deed restriction (located in their deed or Affordable Housing Agreement) and the Uniform Housing Affordability Controls (N.J.A.C. 5:80-26.1 et seq.).

The program is not limited to one or more specific housing types or property locations in Union Township.

Down Payment Assistance

This program will provide a subsidy to income-qualified very-low, low-and moderate-income homebuyers of deed restricted affordable units within the Township to use as a principal down payment. Subject to trust fund availability, the Township will provide up to \$20,000 as a grant to the income-qualified homebuyer to be strictly used as a downpayment for the purchase of a deed restricted affordable unit, including assistance to bring down the cost of low-or moderate-income units to make them affordable to very-low-income households. The goal of the program is to incentivize homeownership and to provide financial assistance to income-qualified homebuyers.

Application to the program shall include proof of income qualification by the Township's Administrative Agent, copy of the contract to purchase a deed restricted fee-simple home that has been signed by the seller, and copy of the deed restriction (current or draft to-be-applied, as may be applicable). Affordability controls shall be embodied in a deed restriction, recapture note and mortgage for the benefit of the



Township, and which shall conform to the Uniform Housing Affordability Controls (N.J.A.C. 5:80-26.1 et seq.) in effect at the time the Township issues the subsidy. The term of the initial affordability control period set forth in the deed restriction, recapture note, and mortgage shall be for a period of at least 30 years, and shall include a reservation of the Township's right and option to extend the control period for an additional term at the time the initial 30-year control period is set to expire consistent with the requirements of the version of the Uniform Housing Affordability Controls or any successor regulation(s) in effect at the time the initial 30 year control period is set to end.

Once the applicant provides the required application documents noted above, the Township will pass a resolution authorizing funding assistance. Upon receipt of the approved municipal resolution, the homeowner will be provided an agreement for execution.

Recipients of Downpayment Assistance Program funds are required to maintain the unit as their principal place of residence, which is defined as residing in the unit at least 260 days out of each calendar year, for the duration of the deed restriction and abide by all other requirements of their deed restriction (located in their deed or Affordable Housing Agreement) and the Uniform Housing Affordability Controls (N.J.A.C. 5:80-26.1 et seq.). The deed restriction, recapture note and mortgage shall be approved by the Township Attorney and the Township's Affordable Housing Administrative Agent, and the deed restriction and mortgage shall be recorded in the chain-of-title by the recipient as a condition of any funding assistance from the Township.

The program is not limited to one or more specific housing types or property locations in Union Township.

Very-low Income Conversion Program

The Township will provide a grant to developers of inclusionary or 100 percent affordable housing developments or buy down the cost of low- or moderate-income units to make them affordable to very-low-income households, which may include special needs and supportive housing opportunities. The goal of the program is to expand affordable housing opportunities for very low income households. The affordability assistance will result in additional very low-income units beyond what is required by state affordable housing rules. The Township may negotiate with developers on a case-by-case basis to determine the appropriate amount of subsidy required to make the unit affordable to a very low-income household. A condition of any subsidy shall require the developer to accept, execute and record a Township approved affordable housing deed restriction and recapture mortgage in favor of the Township, and require the developer execute a Township approved recapture note in favor of the Township. Affordability controls shall be embodied in the deed restriction, recapture note and recapture mortgage, which shall conform to the Uniform Housing Affordability Controls (N.J.A.C. 5:80-26.1 et seq.) in effect at the time of issuance of the subsidy to the developer. The term of the initial affordability control period set forth in the deed restriction, recapture note and mortgage shall be for a period of at least 30 years for sale units and 40 years for rental units, and shall include a reservation of the Township's right and option to extend the control period for an additional term at the time the initial 30 or 40 year control period, as applicable, is set to expire consistent with the requirements of the version of the Uniform Housing Affordability Controls or any successor regulation(s) in effect at the time the initial control period is set to end.

The program is not limited to one or more specific housing types or property locations in Union Township.