

RESOLUTION 2025-63**BOROUGH OF FARMINGDALE
COUNTY OF MONMOUTH, STATE OF NEW JERSEY****RESOLUTION OF THE BOROUGH COUNCIL OF THE BOROUGH OF FARMINGDALE
ADOPTING A ROUND 4 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"); and

WHEREAS, the Borough 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 0 and Prospective Need of 22; and

WHEREAS, in accordance with the Amended FHA and the Administrative Office of the Court's Directive No. 14-24, the Borough 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 22, 2025; and

WHEREAS, on April 1, 2025, the Court entered an order establishing the Borough's Fourth Round Present Need of 0 and Prospective Need of 22; and

WHEREAS, in accordance with the Amended FHA, the Borough'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 May 27, 2025 and adopted the Plan by Resolution on the same night; and

WHEREAS, the Borough Council of the Borough of Farmingdale endorsed the Fourth Round Housing Plan by Resolution at its regular meeting on June 3, 2025; and

WHEREAS, the Fourth Round Housing Element and Fair Share Plan includes a Fourth Round Spending Plan component, pursuant to N.J.S.A. 52:27D-329.2; and

WHEREAS, the Affordable Housing Alternate Resolution Program Directive No. 14-24, requires an updated and adopted Spending Plan indicating how the municipality intends to allocate development fees and other funds, and detailing how the municipality proposes to expend funds for affordability assistance, especially those funds earmarked for very low-income affordability assistance; and

WHEREAS, the Borough has prepared an updated Spending Plan attached hereto as Appendix A.

NOW, THEREFORE, BE IT RESOLVED by the Council of the Borough of Farmingdale, County of Monmouth, State of New Jersey, as follows:

1. Hereby adopts the Spending Plan of the Fourth Round Housing Element and Fair Share Plan.
2. The Borough Council hereby directs the Borough's Affordable Housing Attorney to file with "the Program" and the Court, a copy of this Resolution and Spending Plan.

CERTIFICATION

I certify that the foregoing Resolution was duly adopted by the Council of the Borough of Farmingdale at a regular meeting held on the 17th day of June 2025.



Municipal Clerk

	MOTION	SECOND	AYE	NAY	ABSTAIN	ABSENT
Councilwoman Linszky	X		X			
Councilman Steinfeld			X			
Councilman Dyevoich			X			
Councilman Brandl		X	X			
Councilwoman Corallo			X			
Councilwoman Sagan						X
Mayor Daly						

CERTIFICATION

I, Corinne DiCorcia Williams, Borough Clerk of the Borough of Farmingdale do hereby certify this to be a true and exact copy of a resolution adopted by the Governing Body of the Borough of Farmingdale, County of Monmouth, State of New Jersey at the regular meeting held on June 17, 2025




C.M. DiCorcia Williams, RMC, Borough Clerk

SPENDING PLAN

BOROUGH OF FARMINGDALE

Monmouth County, New Jersey

Prepared: June 17, 2025

Prepared by:



T. ANDREW THOMAS, P.P.

THOMAS PLANNING ASSOCIATES, L.L.C.

P.O. Box 363

Brielle, N.J. 08730

Phone: 732-556-6711

Original signed and sealed in accordance with N.J.A.C. 13:41-1 et seq.

BOROUGH OF FARMINGDALE SPENDING PLAN

The Borough of Farmingdale has adopted its Round 4 Housing Plan Element and Fair Share Plan on May 27, 2025 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.).

A development fee ordinance creating a dedicated revenue source for affordable housing was adopted by the Borough of Farmingdale on August 23, 2004, by ordinance 04-10. This ordinance was subsequently amended by ordinance 02-2018 on April 3, 2018. The development fee ordinance established standards for the collection, maintenance, and expenditure of development fees consistent with COAH rules and P.L.2008, c.46 (C.52:27D-329.1 et al.). 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.

The Borough of Farmingdale adopted a Development Fee Ordinance creating a dedicated revenue source and Affordable Housing Trust Fund on September 7, 2004 in Ordinance 04-10. The Spending Plan summary was part of the Ordinance. The Borough was subsequently granted a Final Judgment of Repose on December 21, 2004.

Since its inception, the Borough has collected a total of \$213,603 (as of 6/17/25) in residential and non-residential development fees, payments in lieu of construction, and other income. The bulk of the funds were collected as a payment in lieu for the case of Traditional Developers, L.L.C. v. Borough of Farmingdale. Traditional Developers constructed 21 market rate units and made a payment in lieu of \$125,000¹. The Borough has also earned a total of \$8,710 in interest from the development fees for a total of \$222,313. Further, Farmingdale has spent a total of \$118,392 for both rehabilitation and other administrative fees. As of June 17, 2025, the remaining balance of the Borough's Trust Fund is \$103,921.

All development fees, payments in lieu of constructing affordable housing units on site, funds from the sale of housing units with extinguished affordability controls, and interest generated from the fees are deposited in a separate interest-bearing Affordable Housing Trust Fund in New York Central Bank for the purposes of developing and administering affordable housing. These funds have been and will be spent in accordance with N.J.A.C. 5:97-8.7-8.9 as described in the sections that follow.

The expenditure of the \$118,392 in funds by Farmingdale were for the following:

1. Rehabilitation of two (2) residential units (including some administration costs associated with the rehabilitation) that were completed on March 4, 2014 and May 27, 2014 per an Agreement with the Monmouth County Community Development. The total construction expenditures for the two units were \$75,300.

¹ The agreement amount was \$125,000 but the final amount to the Borough was \$125,823 after interest and individual home calculations

2. Administration expenses including planning, legal and court master's fees totaled \$43,092

REVENUES FOR CERTIFICATION PERIOD

To calculate a projection of revenue anticipated during the period of Round 3 Substantive Certification or Court Compliance, Farmingdale considered the following:

(a) Development fees:

- 1) Residential and non-residential projects upon which development fees were imposed at the time of preliminary or final development approvals;
- 2) All projects currently before the Planning Board and the Board of Adjustment for development approvals that are anticipated to result in 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 have not been collected or assessed, and none are anticipated.

(c) Other funding sources:

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

Farmingdale does not anticipate additional funds from other sources at this time.

(d) Projected interest:

Interest on the projected revenue in the Borough Affordable Housing Trust Fund will be the current average interest rate.

Farmingdale projects a total of \$43,675 to be collected through December 2035 which includes \$20,000 in development fees and \$23,675 in interest. This anticipated amount when added to Farmingdale's current trust fund balance, results in anticipated revenue of \$147,596 (\$103,921 + \$43,675). All interest earned on the account shall accrue to the account to be used only for the purposes of affordable housing.

ADMINISTRATIVE MECHANISM TO COLLECT AND DISTRIBUTE FUNDS

The following procedural sequence for the collection and distribution of development fee revenues will be followed by the Borough of Farmingdale:

(a) Collection of development fee revenues:

Collection of development fee revenues shall be consistent with the Farmingdale Development Fee Ordinance for both residential and non-residential developments in accordance with applicable COAH Rules and P.L.2008, c.46, section 8 (C. 52:27D-329.2) and sections 32-38 (C. 40:55D-8.1 through 8.7).

(b) Distribution of development fee revenues:

The distribution of the collected development fees has been and will continue to be in accordance with the “Use of Funds” Section in the Borough Development Fee Ordinance provisions.

PROJECTED REVENUES (2025-2035)

Yearly Totals												
Source of Funds	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	Total
(a) Development fees:	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1. Approved Development	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2. Development Pending Approval	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3. Projected Development	\$0	\$4,000	\$0	\$4,000	\$0	\$4,000	\$0	\$4,000	\$0	\$4,000	\$0	\$20,000
(b) Payments in Lieu of Construction	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(c) Other Funds - (Specify source(s))	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(d) Interest	\$753	\$2,093	\$2,135	\$2,178	\$2,222	\$2,266	\$2,311	\$2,358	\$2,405	\$2,453	\$2,502	\$23,676
Total	\$753	\$6,093	\$2,135	\$6,178	\$2,222	\$6,266	\$2,311	\$6,358	\$2,405	\$6,453	\$2,502	\$43,676

DESCRIPTION OF ANTICIPATED USE OF AFFORDABLE HOUSING FUNDS

(a) Rehabilitation and new construction programs and projects

Farmingdale will dedicate funds to rehabilitation and new construction programs as follows:

Rehabilitation program: Farmingdale does not have a present need (rehabilitation) obligation for Round 4. Therefore, the Borough does not anticipate any funds for rehabilitation.

New construction program: Farmingdale does not anticipate spending any funds for any new construction programs.

(b) Affordability Assistance

Municipalities are required to spend a minimum of 30 percent of development fee revenue to render existing affordable housing units more affordable and one-third of that amount must be dedicated to very low-income households (i.e. households earning less than 30 percent of the regional median income). The projected minimum affordability assistance requirement is shown in the Affordability Assistance table below:

As shown Farmingdale will dedicate \$57,206 from the Affordable Housing Trust Fund to render housing units more affordable, including at least \$19,069 to render housing units more affordable to households earning 30 percent or less of median income (very low-income) in Region 4, as follows:

Affordability assistance in Farmingdale will include a rental assistance program for identified very low, low and moderate income units pursuant to N.J.A.C. 5:97-8.8 that would also include security deposit assistance.

Very-Low Income Subsidy

Affordability assistance for very low income households will also include offering a subsidy to developers of inclusionary affordable developments or buying down the cost of low- or moderate-income units to make them affordable to very low income households. The Borough would concentrate on affordable units that are being created as part of the Borough's Housing Plan Element for this subsidy.

An example of this subsidy is described in N.J.A.C. 5:97-8.8 as follows:

Example: A 100-unit development in a municipality consists of 80 market-rate rental units, 10 moderate-income rental units and 10 low-income rental units. Two of the low-income units are priced to be affordable to a household earning 30 percent of regional median income (RMI). The remaining eight low-income units are priced to be affordable to

households earning 45 percent of RMI. The rental rate established for the units priced at a 45 percent level of affordability is \$603.00 per month while the rental rate established for units priced at a 30 percent level of affordability is \$353.00 for a difference of \$250.00 per month or \$3,000 per year. Assuming a capitalization rate of 8.5 percent, this would establish a 30-year present value of \$35,294 on the reduced rental income. Therefore, a developer might consider re-pricing low-income units to provide additional very low income units in exchange for an up-front lump sum payment of \$35,294 for each unit re-priced.

Security Deposit Assistance

The Borough of Farmingdale will designate a portion of its affordable housing trust fund as a revolving Security Deposit Assistance Fund. A low interest loan from the fund will be received by an income eligible renter with good credit standing who qualifies for a low, very-low, or moderate-income rental unit.

The security deposit assistance will be in the form of a cash loan equal to the security deposit amount determined by the landlord paid to the landlord on behalf of the tenant.

At the termination of the lease, the landlord will return the portion of the security deposit it determines to the Borough of Farmingdale along with the interest earned. The tenant will repay any difference between the original security deposit amount and the portion returned by the landlord. Funds returned to the Borough will be placed in the affordable housing trust fund to be used for future security deposit assistance.

Rental Assistance

The Borough will designate a portion of its affordable housing trust fund as a Rental Assistance Fund. A rental supplement from the fund will be received by an income eligible renter with good credit standing who qualifies for a low- or moderate-income rental unit when only a unit in a higher income category is available (i.e.: placing a low-income household in a moderate-income unit, or placing a very-low income household in a low-income unit).

The amount of the rental supplement will be determined by the Borough as the difference between the restricted rent set by the landlord and 35 percent of the renter's gross monthly income. The rental supplement will be paid directly to the landlord each month by the Borough on behalf of the tenant.

Rental assistance does not need to be repaid by the tenant. If the tenant wishes to renew the lease, they must be re-income qualified and the rental supplement will be recalculated. If the tenant no longer qualifies for the rental assistance, but qualifies for the actual rent, they may renew the lease and stay in the unit, but will no longer receive rental assistance.

Administration

The Borough's Affordability Assistance Programs will be administered by the Borough's Housing Liaison and Chief Financial Officer and as approved by the Mayor and Council. Administration may be through a qualified agent as approved by the Borough. After an applicant is income qualified by the Borough pursuant to the Department of Community Affairs' rules and the Uniform Housing Affordability Controls, or cannot be qualified due to a need for assistance, an affordability assistance application will be completed and forwarded with all necessary documentation to the Borough's Housing Liaison.

The affordability assistance recipient will sign a contract with the Borough which states, at a minimum: the amount of funds granted, interest information, procedures, duration and conditions of affordability assistance, and repayment information.

The availability of any Affordability Assistance Programs must be noticed to all tenants of affordable units within the Borough and provided to all administrative agents of affordable units within the Borough.

An income eligible occupant or applicant for an affordable unit within a municipality may not be denied participation in the Affordability Assistance Program(s) unless funding is no longer available.

AFFORDABILITY ASSISTANCE CALCULATION

Actual development, interest, & other income through 6/17/25		\$222,313
Development fees projected 2025-2035	+	\$20,000
Interest projected 2025-2035	+	\$23,676
Less housing activity expenditures through 6/17/25	-	\$75,300
Total	=	\$190,689
30 percent requirement	x 0.30 =	\$57,207
Less Affordability assistance expenditures through 6/17/25	-	\$0
Projected Minimum Affordability Assistance Requirement (2018 – 2025)	=	\$57,207
Projected Minimum Very Low-Income Affordability Assistance Requirement (2018 – 2025)	÷ 3 =	\$19,069

(c) Administrative Expenses

Municipalities are permitted to use affordable housing trust fund revenue for related administrative costs up to a 20 percent limitation pending funding availability after program and affordability assistance expenditures.

Projected administrative expenditures, subject to the 20 percent cap, include fee for the following activities:

- 1) Consulting planning;
- 2) Legal assistance; and
- 3) Salaries and benefits for municipal employees

Expenditures are necessary to develop or implement the Farmingdale Borough Housing Plan Element and implement its affirmative marketing program, income qualify households, and monitor implementation.

Farmingdale projects that \$10,106 will be available from the affordable housing trust fund to be used for administrative purposes. Administrative expenses shall include not more than 20 percent of all development revenue, exclusive of fees used to fund an RCA. This calculation for administration expenses is shown in the table below.

ADMINISTRATIVE ASSISTANCE CALCULATION

Actual development fees through 6/17/25		\$195,603
Actual interest through 6/17/25	+	\$8,709
Other Income	+	\$18,000
Development fees and interest projected 2025-2035	+	\$43,676
Total	=	\$265,988
20 percent requirement	x 0.20 =	\$53,198
Less Administration expenses thru 6/17/25	-	\$43,092
Projected Maximum Available for Administrative Expenses (2025 – 2035)	=	\$10,106

4. EXPENDITURE SCHEDULE

Farmingdale intends to use Affordable Housing Trust Fund revenues for the creation and/or rehabilitation of housing units.

PROJECTED EXPENDITURES (2025-2035)

Source of Funds	Yearly Totals											
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	Total
Rehabilitation (units)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Affordability Assistance	\$0	\$14,301	\$0	\$14,301	\$0	\$14,302	\$0	\$14,303	\$0		\$0	\$57,207
Administration	\$10,106	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$10,106
Total Expenditures	\$10,106	\$14,301	\$0	\$14,301	\$0	\$14,302	\$0	\$14,303	\$0	\$0	\$0	\$67,313

5. EXCESS OR SHORTFALL OF FUNDS

Pursuant to the Housing Element and Fair Share Plan, the Borough will adopt a resolution agreeing to fund any shortfall of funds required for implementing the plan. In the event that a shortfall of anticipated revenues occurs, Farmingdale will adopt a resolution of intent to bond for the projected shortfall of funds.

In the event of excess funds, any remaining funds greater than the amount necessary to satisfy the Borough affordable housing obligation will be used toward rehabilitation of units or will reserve funds to meet a future affordable housing obligation.

6. BARRIER FREE ESCROW

Collection and distribution of barrier free funds shall be consistent with Farmingdale's Affordable Housing Ordinance in accordance with the prevailing State regulations.

SUMMARY

Farmingdale intends to spend Affordable Housing Trust Fund revenues pursuant to N.J.A.C. 5:97-8.7 through 8.9 and consistent with the housing programs outlined in the Housing Element and Fair Share Plan adopted by the Planning Board on May 27, 2025 and endorsed by the Borough Council on June 2, 2025.

Farmingdale had a balance of \$103,921 as of June 17, 2025 and anticipates an additional \$43,675 in revenues during the Round 4 timeframe for a total of \$147,597.

The Borough will dedicate \$57,207 to render housing units more affordable and \$10,106 for administrative purposes for a total expenditure of \$67,313.

A summary of the Spending Plan is provided below:

SPENDING PLAN SUMMARY

REVENUE		
Balance as of June 17, 2025	+	\$103,921

Projected Revenue: (2025-2035)

Development fees	+	\$20,000
Payments in lieu of construction	+	\$0
Other funds	+	\$0
Interest	+	\$23,676
TOTAL REVENUE	=	\$147,597

PROJECTED EXPENDITURES		
Funds used for Rehabilitation	-	\$0
Affordability Assistance	-	\$57,207
Administration	-	10,106
TOTAL EXPENDITURES	=	\$67,313

REMAINING BALANCE	=	\$80,284
--------------------------	---	-----------------