

RESOLUTION R-26-115

**TOWNSHIP OF HOWELL
COUNTY OF MONMOUTH
STATE OF NEW JERSEY**

RESOLUTION APPROVING SPENDING PLAN

WHEREAS, the Township of Howell, County of Monmouth, State of New Jersey, (hereinafter, "Township" or "Howell") has a demonstrated history of voluntary compliance with its constitutional affordable housing obligations and in fact obtained a Final Round Three Judgment of Compliance and Repose on from the Court in the matter captioned In the Matter of the Application of the Township of Howell, County of Monmouth, Superior Court of New Jersey, Law Division, Docket No. MON-L-2522-15 thereby immunizing the Township from builder's remedy litigation until July 1, 2025 (the "Third Round Litigation"); and

WHEREAS, on March 20, 2024, Governor Phil Murphy signed into law P.L. 2024, c.2, an Amendment to the 1985 Fair Housing Act (hereinafter "Amended FHA" or the "Act"); and

WHEREAS, the Amended FHA requires the Department of Community Affairs ("DCA") to provide an estimate of the Present Need, also referred to as the rehabilitation obligation, and the Round 4 Prospective Need of all municipalities by October 20, 2024 based upon the criteria on the Amended FHA; and

WHEREAS, the Township filed a timely declaratory judgment complaint in accordance with AOC Directive #14-24 known as In the Matter of the Application of the Township of Howell County of Monmouth, State of New Jersey, Docket No. MON-L-000291-25 seeking a declaration as to the Township's Fourth Round affordable housing obligation and the approval of the Township's Housing Element and Fair Share Plan ("HESP") which sets forth the affordable housing mechanisms the Township will implement to satisfy its Fourth Round affordable housing obligation; and

WHEREAS, the Court entered an order on April 14, 2025 setting the Township's Fourth Round fair share obligations as a Present Need of 63 units and a Prospective Need of 304 units and order the Township to file a Housing Element and Fair Share Plan by June 30, 2025; and

WHEREAS, the Township having entered into a Mediation Agreement with Fair Share Housing enter which requires the Township to take certain actions, including the approval of an Affordable Housing Trust Fund Spending Plan in accordance with the requirements of the Amended Fair Housing Act by March 16, 2026; and

WHEREAS, the Township Council of the Township of Howell believes it is in the best interest of the Township to adopt the Affordable Housing Trust Fund Spending Plan in order to obtain compliance certification from the Court thereby protecting the Township from exclusionary zoning litigation for ten years until 2035; and

NOW, THEREFOR, BE IT RESOLVED by the Township Council of the Township of Howell, County of Monmouth, State of New Jersey, that it hereby approves the Affordable Housing Trust Fund Spending Plan dated June 2025 and the Township shall expend the funds in its Affordable Housing Trust Fund in conformance with the Spending Plan.

COUNCIL	MOTION	2 ND	AYES	NAYS	ABSTAIN	ABSENT
Councilman Nadel		X	X			
Councilwoman O'Donnell						X
Councilman Wrubel			X			
Deputy Mayor Fischer	X		X			
Mayor Leggio			X			

I, Allison Ciranni, Deputy Municipal Clerk of the Township of Howell, in the County of Monmouth, State of New Jersey, hereby certify this to be a true copy of the action of the Mayor and Township Council, at their Regular Meeting held March 10, 2026. WITNESS my hand this 11th day of March 2026.

Allison Ciranni
 Allison Ciranni, RMC
 Deputy Municipal Clerk
 Township of Howell

Appendix A: Spending Plan

HOWELL TOWNSHIP
AFFORDABLE HOUSING TRUST FUND SPENDING PLAN
June 2025

The Township of Howell has a history of compliance with its Mount Laurel affordable housing obligation and has previously implemented all necessary ordinances for establishing an affordable housing trust fund financed through the collection of mandatory development fees to assist in accomplishing the provision of affordable housing.

The Township has prepared a Fourth Round Housing Element and Fair Share Plan that advances a comprehensive strategy for meeting its regional share of affordable housing need in accordance with the intent of 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), and in accordance with the procedural and substantive requirements of N.J.A.C. 5:93-1 et seq. and N.J.A.C. 5:91-1 et seq. The Township has actively participated in the Fourth Round compliance process.

The Township's existing development fee ordinance, codified as Chapter 188, Article XXI of the Township's General Legislation, most recently revised in 2019, will be updated and continue to require and regulate the collection of residential and non-residential development fees as revenue for the Township's affordable housing trust fund. The sections below outline the Township's plan for the administration and use of collected development fee revenues as per the requirements of N.J.A.C. 5:93-5.1(c).

I. Projected Revenues 2025 through 2035

A projection of anticipated revenues to be collected during the tenure of the Fourth Round has been calculated based on historical annualized trends in the amount of development fees collected to date.

As of December 31, 2024, the Township had collected \$3,111,294.75 in development fees for the year 2024. The Township of Howell projects a total of \$6,916,446.47 in revenue and interest to be collected from January 1, 2025, to December 31, 2035. This projected amount, when added to the trust fund balance from December 31, 2024, results in an anticipated total revenue of \$16,931,864.44 available to fund and administer the Township's affordable housing plan and programs. All interest earned on the account shall accrue to the account and be used only for the purposes of affordable housing. See the Projected Revenues Table, appended to the end of this Spending Plan.

II. Administrative Mechanisms for Collecting and Distributing Revenues

The Township's Development Fee Ordinance is recorded in Chapter 188, Subsections 179 through 180 of Howell's General Ordinance. Procedures for collection, administration, and distribution of development fees as affordable housing trust fund revenues are fully established in this section. The Township's ordinance complies with P.L. 2008, c.46 section

8 (C. 52:27D-329.2) and the Statewide Non-Residential Development Fee Act (C. 40:55D-8.1 through 8.7).

The Development Fee Ordinance covers the following general topics:

1. Determination of residential development fees;
2. Determination of non-residential development fees;
3. Fee collection procedures;
4. Operation of the affordable housing trust fund;
5. Permitted uses of funds;
6. Monitoring; and
7. Ongoing collection of fees as related to affordable housing compliance.

All development fees are deposited in a separate affordable housing trust fund held in an account at Wells Fargo. Per stipulations in the Development Fee Ordinance the account and the record of distribution of funds is maintained by the Township's Chief Financial Officer.

III. Anticipated Use of Development Fees

As per the Township's ordinance, development fees shall be used for the sole purpose of providing low- and moderate-income housing. Funding mechanisms can be set up as a grant or revolving loan program to cover costs associated activities including, but not limited to, the following:

1. Preservation or purchase of housing for maintaining or implementing affordability controls;
2. Rehabilitation grants;
3. New construction of affordable housing units and related costs;
4. Implementing accessory apartment, market to affordable, or regional housing partnership programs;
5. Conversion of existing non-residential buildings to create new affordable units;
6. Green building strategies designed to be cost saving and in accordance with accepted national or State standards;
7. Purchase of land or improvement of land to be used for affordable housing;
8. Extensions or improvements of roads and infrastructure to affordable housing sites;
9. Financial assistance designed to increase affordability; and
10. Administration necessary for implementation of the Housing Element and Fair Share Plan.

(A) Anticipated Rehabilitation and New Projects

Rehabilitation

The Township anticipates dedicating \$3,780,000 to its rehabilitation program. As discussed in the Housing Element and Fair Share Plan, Howell has a rehabilitation present need obligation of 63 units. To address this need, the Township plans to

provide eligible households with the equivalent grant funding to meet this obligation at an estimated cost of \$60,000 per grant. The Township anticipates rehabilitating an average of 6 units per year to satisfy its rehabilitation obligation. See the Projected Expenditures table appended to the end of this spending plan for a yearly breakdown of rehabilitation program expenditures.

Infrastructure Improvements

The Township of Howell has agreed to provide \$800,000 to aid in water and sewer upgrades necessary to complete the Forman project, an inclusionary development included as a credited project in the Fourth Round plan.

(B) Affordability Assistance Requirement

The Township anticipates dedicating \$5,206,000 to its affordability assistance program.

As per the requirements of N.J.A.C. 5:93-8.16, at least thirty (30%) percent of all development fees and interest earned shall be used to provide low- and moderate-income households in affordable units with affordability assistance. One-third of the required affordability assistance shall specifically be used to provide affordability assistance to very low-income households (i.e. those households earning thirty percent or less of regional median income).

The projected minimum affordability assistance requirement through 2035 is calculated as follows:

Table 1. Minimum Affordability Assistance

Trust fund balance as of 12/31/24	\$10,015,417.97
Projected development fees plus interest, 2025 - 2035	\$6,916,446.47
PROJECTED TOTAL	\$16,931,864.44
Projected minimum affordability assistance requirement (30%)	\$ 5,079,559.33
Projected minimum required for very low-income households (1/3 of total affordability assistance)	\$ 1,693,186.44

Affordability assistance programs may include down payment assistance; security deposit assistance; low interest loans; rental assistance; assistance with homeowner’s association or condominium fees and special assessments; and assistance with emergency repairs.

Affordability assistance to households earning thirty (30%) percent or less of median

income may further include buying down the cost of low- or moderate-income units in the municipal Fair Share Plan to make them affordable to households earning thirty (30%) percent or less of median income.

(C) Administrative Expenses

Howell Township may contract with a private or public entity to administer any part of its Housing Element and Fair Share Plan. Also in accordance with N.J.A.C. 5:93-8.16, the Township can use up to twenty (20%) percent of all revenues collected from development fees on administration, including, but not limited to, salaries and benefits for municipal employees or consultant fees necessary to develop or implement a new construction program, rehabilitation program, a Housing Element and Fair Share Plan, an affirmative marketing program, income qualification of households, monitoring the turnover of sale and rental units, and/or compliance with monitoring requirements.

The projected maximum administrative expenditures through 2035 is calculated as follows:

Table 2. Maximum Administrative Expenditures

Trust fund balance as of 12/31/24	\$10,015,417.97
Projected development fees plus interest, 2025 - 2035	\$6,916,446.47
PROJECTED TOTAL	\$16,931,864.44
Projected maximum administrative expenditures (20%)	\$ 3,386,372.89

IV. Schedule for New or Rehabilitated Housing Units

The schedule for new or rehabilitated housing units is documented by year in the Projected Expenditures table attached to this Spending Plan.

V. Expenditure Schedule

The schedule for expenditures by year can be found in Table 3 attached to this Spending Plan.

VI. Excess of Funds

In the event that more funds than anticipated are collected, these excess funds will be used to fund additional rehabilitation and/or affordability assistance programs.

VII. Barrier Free Escrow

Collection and distribution of barrier free funds shall be consistent with the Township’s

Affordable Housing Ordinance in accordance with N.J.A.C. 5:97-8.5. A process describing the collection and distribution procedures for barrier free escrow funds pursuant to N.J.A.C. 5:97-8.5 is detailed within the Affordable Housing Ordinance.

VIII. In Sum

Howell has prepared this Spending Plan in support of the implementation of its Fourth Round Housing Element and Fair Share plan, and in accordance with the administrative requirements of N.J.A.C. 5:93-1 et seq. The Township has a balance of \$10,015,417.97 as of December 31, 2024 and anticipates an additional \$6,916,446.47 in revenues, including interest, by December 31, 2035 for a total of \$16,931,864.44. The Spending Plan represents the Township's intended use of development fee revenues that are collected in its Housing Trust Fund, illustrating how the Township will use these funds to provide for its fair share of regional affordable housing need. This will leave a balance of \$3,759,739.44, which the Township will reserve in the event that an additional affordable housing project becomes necessary. The Spending Plan represents the Township's intended use of development fee revenues that are collected in its Housing Trust Fund, illustrating how the Township will use these funds to provide for its fair share of regional affordable housing need.

Table 3: Housing Trust Fund Township of Howell, New Jersey												
Projected Revenues for 2025-2035												
Funding Source	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	Total
AHTF Balance as of 12/31/2024	\$ 10,015,417.97											\$ 10,015,417.97
Projected Development Fees	\$ 3,111,294.75	\$ 3,111,294.75	\$ 3,111,294.75	\$ 3,111,294.75	\$ 3,111,294.75	\$ 3,111,294.75	\$ 3,111,294.75	\$ 3,111,294.75	\$ 3,111,294.75	\$ 3,111,294.75	\$ 3,111,294.75	\$ 3,111,294.75
Pmts in lieu of construction	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest on total account balance (1.65%)	\$ 174,294.32	\$ 216,645.12	\$ 248,932.24	\$ 281,219.35	\$ 313,512.65	\$ 345,890.51	\$ 378,268.38	\$ 410,646.24	\$ 444,591.60	\$ 478,536.97	\$ 512,614.33	\$ 3,805,151.72
Total	\$ 13,301,007.04	\$ 3,327,939.87	\$ 3,360,226.99	\$ 3,392,514.10	\$ 3,424,807.40	\$ 3,457,185.26	\$ 3,489,563.13	\$ 3,521,940.99	\$ 3,555,886.35	\$ 3,589,831.72	\$ 3,623,909.08	\$ 16,931,864.44
Projected Expenditures for 2025-2035												
Type	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	Total
Rehabilitation Program	\$ 360,000.00	\$ 360,000.00	\$ 360,000.00	\$ 360,000.00	\$ 360,000.00	\$ 360,000.00	\$ 360,000.00	\$ 360,000.00	\$ 360,000.00	\$ 360,000.00	\$ 360,000.00	\$ 3,780,000.00
Infrastructure Improvements	\$ 800,000.00											\$ 800,000.00
Affordability Assistance	\$ 474,000.00	\$ 474,000.00	\$ 474,000.00	\$ 474,000.00	\$ 474,000.00	\$ 474,000.00	\$ 474,000.00	\$ 474,000.00	\$ 474,000.00	\$ 474,000.00	\$ 466,000.00	\$ 5,266,000.00
Administrative Costs	\$ 320,000.00	\$ 320,000.00	\$ 320,500.00	\$ 320,500.00	\$ 320,125.00	\$ 315,000.00	\$ 315,000.00	\$ 315,000.00	\$ 280,000.00	\$ 280,000.00	\$ 280,000.00	\$ 3,386,125.00
Total	\$ 1,954,000.00	\$ 1,154,000.00	\$ 1,154,500.00	\$ 1,154,500.00	\$ 1,154,125.00	\$ 1,149,000.00	\$ 1,149,000.00	\$ 1,149,000.00	\$ 1,054,000.00	\$ 1,054,000.00	\$ 1,046,000.00	\$ 13,172,125.00
<i>Projected Balance available for Future Projects and Programs</i>												
												\$ 3,759,739.44