

2025-0708-96

July 8, 2025

Councilmember Conklin offered the following resolution and moved its adoption:

RESOLUTION OF THE BOROUGH COUNCIL OF THE BOROUGH OF RUMSON
APPROVING A FOURTH ROUND AFFORDABLE HOUSING TRUST FUND SPENDING
PLAN AND REQUESTING PROGRAM AND COURT APPROVAL OF THE SPENDING
PLAN

WHEREAS, the Borough of Rumson (hereinafter "Borough" or "Rumson") has an approved Development Fee Ordinance that was adopted on September 15, 2020, which established standards for the collection, maintenance, and expenditure of development fees; and

WHEREAS, the Borough's previous Affordable Housing Trust Fund Spending Plan was approved by the Court on February 24, 2021; 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") which governs how municipalities will comply with their affordable housing obligations for the Fourth Round (2025-2035); and

WHEREAS, the Administrative Office of the Courts issued Directive #14-24 ("AOC Directive #14-24"), governing how municipalities file their compliance documents with the Affordable Housing Dispute Resolution Program ("the Program"); and

WHEREAS, the Borough has prepared a Fourth Round Spending Plan consistent with the Amended FHA, AOC Directive #14-24, and applicable regulations, which projects anticipated revenues to the Borough's Affordable Housing Trust Fund and describes the anticipated expenditures of funds.

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

1. The Borough Council of the Borough of Rumson hereby approves the Fourth Round Spending Plan that is attached hereto as Exhibit A, and requests that the Program and the Court review and approve the Borough's Fourth Round Spending Plan.
2. This Resolution shall take effect immediately upon adoption, according to law.

Seconded by Councilmember Pomphrey and carried upon the following roll call vote:

In the affirmative: Conklin, Kingsbery, Pomphrey, Lospinuso, Smith.

In the negative: None.

Absent: None.

CERTIFICATION

I hereby certify that the foregoing is a true copy of a resolution adopted by the Borough Council of the Borough of Rumson at a regular meeting held on July 8, 2025.

Thomas S. Rogers
Municipal Clerk/Administrator



BOROUGH OF RUMSON

AFFORDABLE HOUSING SPENDING PLAN

The Borough of Rumson (hereinafter the “Borough”), Monmouth County, has prepared 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.), the Fair Housing Act (FHA) (N.J.S.A. 52:27D-301) and the regulations of the Council on Affordable Housing (COAH) (N.J.A.C. 5:91-1 et seq. and N.J.A.C. 5:93-1 et seq.). The Borough began collecting development fees in 2004, after its initial Development Fee Ordinance was adopted by the Borough on May 6, 2004, which was approved by COAH. The balance of the Affordable Housing Trust fund as of May 31, 2025 was \$3,527,118.

As of May 31, 2025, Rumson collected a total of \$8,105,791 in development fees, interest, and other income. It has spent a total of \$4,578,672. All development fees, “other” income, and interest generated by the fees are deposited in one (1) separate interest-bearing account dedicated toward the creation of affordable housing. These funds shall be spent in accordance with N.J.A.C. 5:93-8.16, as described in the sections that follow.

This updated Spending Plan is submitted to the Superior Court of New Jersey for approval to expend Affordable Housing Trust Fund monies that will contribute to 100% affordable housing projects and the market to affordable program. Additionally, the Borough will expend funds on affordability assistance, including expenditures to create very-low income units or to render existing units more affordable, and toward administrative expenses.

REVENUES FOR CERTIFICATION PERIOD

To calculate a projection of revenue anticipated during the period of Fourth Round Judgment of Repose, Rumson considered the following:

(a) Development fees: \$4,000,000

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.

(b) Payment in lieu (PIL): \$1,450,000

Payment in lieu funds mean actual and committed payments in lieu of construction from developers. The Borough anticipates a payment in lieu of construction from a developer constructing an inclusionary development at 91 Rumson Road and 132 Bingham Avenue. The payment in lieu funds will be dedicated to the construction of a 100% affordable housing development at 62 Carton Street and West River Road within the Borough.

(c) Other funding sources: \$0

The Borough does not anticipate future funds from this category at this time. Funds from other sources, include, but are not limited to the sale of units with extinguished controls, repayment of affordable housing program loans, rental income, and proceeds from the sale of affordable units.

(d) Projected interest: \$200,000

Based on interest earned in recent years and projected rates of development fee revenue, Rumson anticipates collecting \$200,000 in interest through 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 Rumson Borough:

a) Collection of development fee revenues:

All collection of development fee revenues will be consistent with local regulations which follow COAH administrative models for both residential and non-residential developments and in accordance with N.J.S.A. 40:55D-8.1 through 8.7.

(b) Distribution of development fee revenues:

The governing body may hear and decide upon a request for development fee revenues for the purpose of creating affordable housing. The governing body reviews the request for consistency with the Spending Plan and adopts the recommendation by resolution.

The release of funds requires the adoption of the governing body resolution. 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

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

Rumson Borough is required to spend a minimum of 30 percent of development fee revenue to render affordable units more affordable and at least one-third of that amount must be dedicated to very low-income households or to create very low-income units (i.e. households with incomes less than 30 percent of the

regional median income). The actual affordability assistance minimums should be calculated based on actual revenues.

Projected Minimum Affordability Assistance Requirement		
Actual Development Fees Collected through 5/31/25		\$7,371,161
Actual Interest earned through 5/31/25	+	\$356,243
Development Fees Projected 2025-2035	+	\$4,000,000
Interest Projected 2025-2035	+	\$200,000
Less Housing Activity Expenditures per N.J.A.C. 5:93-8.16(c) including new construction	-	\$1,882,434
Total	=	\$10,044,970
30 Percent Requirement	x 0.30 =	\$3,013,491
Less Affordability Assistance Expenditures through 4/30/25	-	\$1,000,000
Projected Minimum Affordability Assistance Requirement	=	\$2,013,491
Projected Minimum Very Low-Income Requirement	÷ 3 =	\$671,163

Based on fees and interest collected to date and projected revenues, Rumson Borough must dedicate at least \$2,013,491 from the affordable housing trust fund to render units more affordable, including \$671,163 to render units more affordable to households with income at 30 percent or less of median income by region. Please refer to the affordability assistance program manual provided as an appendix to the Spending Plan for details of how the affordability assistance funds are anticipated to be used. It may use a variety of vehicles to do this including, but not limited to the following:

- Emergency Repair Program;
- Down-payment assistance;
- Rental assistance;
- Security deposit assistance;

- Moving expenses;
- Low interest loans;
- Assistance with homeowners' association or condominium fees and special assessments; and/or
- Converting low-income units to very-low-income units or creating new very-low income units, etc.

The Borough will work with its affordable housing providers and administrator to expand outreach to ensure the existing and new households of very-low-, low- and moderate-income programs can take advantage of affordability assistance programs. Additionally, the Borough will work with affordable housing providers to convert low income units to very low-income units.

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

Rumson Borough may use Affordable Housing Trust Fund revenue for related administrative costs up to a 20 percent limitation pending funding availability after programmatic and affordability assistance expenditures. The actual administrative expense maximum is calculated on an ongoing basis based on actual revenues.

Projected Administrative Expenses		
Actual Development Fees Collected through 5/31/25		\$7,371,161
Actual Interest Collected through 5/31/25	+	\$356,243
Payments-in-lieu of construction and other deposits through 5/31/25	+	\$378,386
Development Fees Projected 2025-2035	+	\$4,000,000
Payments In Lieu Projected 2025-2035	+	\$1,450,000
Interest Projected 2025-2035	+	\$200,000
Total	=	\$13,755,790
20 Percent Maximum Permitted Administrative Expenses	x 0.20 =	\$2,751,158

2025 Spending Plan

Borough of Rumson, Monmouth County, NJ

Less Administrative Expenditures through 4/30/25	–	\$1,029,456
Projected Allowed Administrative Expenditures	=	\$1,721,702

Rumson Borough projects that \$1,721,702 may be available from the affordable housing trust fund to be used for administrative purposes. Projected administrative expenditures, subject to the 20 percent cap, are as follows:

- Borough Attorney, Engineer, and Planner fees related to plan preparation and implementation, and to obtaining Judgment of Compliance and Repose;
- Administration fees related to rehabilitation, extension of expiring controls, affordability assistance programs, and municipally-sponsored construction programs;
- Affirmative Marketing;
- Income qualification of households; and
- Administration of Borough's Affordable Housing Units.

EXPENDITURE SCHEDULE

Rumson Borough intends to use Affordable Housing Trust Fund revenues for its municipally-sponsored construction program, accessory apartments, market to affordable program, affordability assistance including the creation of very-low income units and making existing units more affordable, and administration expenses. Additionally, this expenditure schedule meets the requirement that trust fund revenues are expended within four years of their collection.

Projected Expenditure Schedule 2025 Through 2035

Program	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	Total
Affordability Assistance	\$100k	\$200k	\$200k	\$200k	\$200k	\$200k	\$200k	\$200k	\$200k	\$200k	\$100k	\$2.0M
New Construction	\$500k	\$1M	\$228k	\$228k	\$228k	\$228k	\$228k	\$228k	\$228k	-	-	\$3.1M
Bond Repayment* (Purchase of W.River Road)	\$400k	\$300k	\$300k	\$300k	\$300k	\$300k	\$300k	\$300k	-	-	-	\$2.5M
Administration	\$250k	\$350k	\$42k	\$42k	\$42k	\$42k	\$42k	\$42k	\$42k	\$250k	\$350k	\$1.5M
TOTAL	\$1.25M	\$1.85M	\$770k	\$770k	\$770k	\$770k	\$770k	\$770k	\$470k	\$450k	\$450k	\$9.1M

EXCESS OR SHORTFALL OF FUNDS

In the event that a shortfall of anticipated revenues occurs, Rumson will bond to satisfy the gap in funding. In the event that funds exceed projected expenditures, the Borough will devote any excess funds on additional affordability assistance above the 30 percent minimum requirement. Alternatively, the Borough reserves the opportunity to amend its Housing Element and Fair Share Plan, as well as this Spending Plan, to create additional affordable housing opportunities.

SUMMARY

The Borough of Rumson intends to spend Affordable Housing Trust Fund revenues pursuant to the extent regulations governing such funds and consistent with the housing programs outlined in the 2025 Fourth Round Housing Plan Element and Fair Share Plan. Rumson had a balance of \$3,527,118 as of May 31, 2025 and anticipates an additional \$5,650,000 in revenues and interest before the expiration of a Fourth Round Judgment of Repose for a total of \$9,177,118. At this time, the Borough estimates that approximately

\$2,013,491 of Trust Funds will be spent to create very low-income units, and to make units more affordable and \$3,163,627 on new construction of affordable housing.

Spending Plan Summary	
Revenues	
Balance as of May 31, 2025	\$3,527,118
Projected Revenue from 2025 through 2035	\$5,650,000
1. Development Fees	+ \$4,000,000
2. Payments-In-Lieu of Construction	+ \$1,450,000
3. Other Funds	+ \$0
Interest	+ \$200,000
Total Projected Balance	= \$9,177,118
Expenditures	
Bond Repayment	- \$2,500,000
Affordability Assistance	- \$2,013,491
New Construction	- \$3,163,627
Administration	- \$1,500,000
Total Projected Expenditures	= \$9,177,118
Remaining Balance	= \$0.00