

BOROUGH OF SPRING LAKE
COUNTY OF MONMOUTH

R-26-046

**RESOLUTION APPROVING FOURTH ROUND AFFORDABLE HOUSING TRUST FUND
SPENDING PLAN**

WHEREAS, the Borough of Spring Lake, County of Monmouth, State of New Jersey, (hereinafter, "Borough" or "Spring Lake") 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 Borough of Spring Lake, County of Monmouth, Superior Court of New Jersey, Law Division, Docket No. MON-L-2522-15 thereby immunizing the Borough 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 DCA issued a report on October 18, 2024 ("DCA Report") wherein it reported its estimate of the Present Need and the Round 4 Prospective Need obligation for all municipalities based upon its interpretation of the standards in the Act; and

WHEREAS, the DCA Report calculates Spring Lake's Round 4 (2025-2035) Present Need (Rehabilitation) Obligation as 10 units and its Round 4 Prospective Need Obligation as 68 units; and

WHEREAS, the Borough filed a timely declaratory judgment complaint in accordance with AOC Directive #14-24 known as In the Matter of the Application of the Borough of Spring Lake County of Monmouth, State of New Jersey, Docket No. MON-L-000264-25 seeking a declaration as to the Borough's Fourth Round affordable housing obligation and the approval of the Borough's Housing Element and Fair Share Plan which sets forth the affordable housing mechanisms the Borough will implement to satisfy its Fourth Round affordable housing obligation; and

WHEREAS, the Court entered an order on April 14, 2025 setting the Borough's Fourth Round fair share obligations as a Present Need of 10 units and a Prospective Need of 68 units and ordered the Borough to file a Housing Element and Fair Share Plan ("HEFSP") by June 30, 2025; and

WHEREAS, the Borough having filed its Housing Element and Fair Share Plan on June 4 2025 (the "HEFSP"); and

WHEREAS, FSHC having filed a challenge pursuant to N.J.S.A. 52:27D-304.1(f)(2)(b) regarding the Borough's HEFSP on August 31, 2025; and

WHEREAS, the Borough and FSHC having entered into a Mediation Agreement with Fair Share Housing Center, which amongst other actions, requires the Borough to approve an updated Affordable Housing Trust Fund Spending Plan; and

WHEREAS, the Borough Council of the Borough of Spring Lake believes it is in the best interest of the Borough to approve the Affordable Housing Trust Fund Spending Plan in order to obtain compliance certification from the Program/Court thereby protecting the Borough from exclusionary zoning litigation for ten years until 2035.

NOW THEREFORE BE IT RESOLVED by the Borough Council of the Borough of Spring Lake, County of Monmouth, State of New Jersey, that it hereby approves the Affordable Housing Trust Fund Spending Plan dated March 10, 2026.



 MAYOR JENNIFER NAUGHTON

I hereby certify that the above Resolution was duly adopted by the Mayor and Borough Council of the Borough of Spring Lake at a meeting held on March 10, 2026.



 DINA M. ZAHORSKY, BOROUGH CLERK

	M O V E D	S E C O N D E D	A Y E S	N A Y S	A B S E N T	A B S T A I N
MR. ERBE			✓			
MR. HALE	✓		✓			
MR. JUDGE					✓	
MISS MCDONOUGH		✓	✓			
MR. SAGUI			✓			
MS. WHALLEY					✓	
MAYOR NAUGHTON						

I hereby certify that the above Resolution was duly adopted by the Mayor & Borough Council of the Borough of Spring Lake at a meeting held on March 10, 2026.



 Borough Clerk

Affordable Housing Trust Fund Spending Plan

**Spring Lake Borough
Monmouth County, New Jersey**

March 10, 2026

Prepared by:
Spring Lake Borough Council
423 Warren Avenue
Spring Lake, NJ 08527

Prepared by:
Leon S. Avakian, Inc.



Jennifer Beahm, P.P., AICP
New Jersey Professional Planner
License No. 5625

Affordable Housing Trust Fund Spending Plan

Spring Lake Borough, Monmouth County, New Jersey

March 10, 2026

1 — Introduction

Spring Lake Borough, Monmouth County, 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) and the affordable housing regulations of the New Jersey Department of Community Affairs (NJDCA; N.J.A.C. 5:97-1 et seq. and N.J.A.C. 5:96-1 et seq.). A development fee ordinance creating a dedicated revenue source for affordable housing was originally adopted by the municipality on December 7, 1998 and subsequently amended on April 18, 2005, November 10, 2009 and February 24, 2026. The development fee ordinance establishes the affordable housing trust fund for which this spending plan is prepared.

2 — Revenues for Certification Period

As of December 31, 2024 Spring Lake Borough had a balance of \$3,481,804.09 in its affordable housing trust fund. The affordable housing trust fund, into which all development fees, payments in lieu of constructing affordable units on site, funds from the sale of units with extinguished controls, and interest generated by the fees are deposited, is a separate, interest-bearing account of the municipality in Ocean First Bank that is used exclusively for the purposes of affordable housing. These monies in the affordable housing trust fund shall be spent in accordance with N.J.A.C. 5:97-8.7 through N.J.A.C. 5:97-8.9, as described in the sections that follow.

Affordable Housing Trust Fund Spending Plan
Spring Lake Borough, Monmouth County, New Jersey
March 10, 2026

3 — Revenue Schedule

The projection of revenues is detailed below: **Beginning Balance as of December 31, 2024: \$ 3,481,804**

Revenue Schedule (2025-2035)												
Source	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	Total
Development Fees												
— Approved	\$681,123											\$681,123
Development Fees												
— Pending	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Development Fees												
— Projected	\$384,096	\$384,096	\$384,096	\$384,096	\$384,096	\$384,096	\$384,096	\$384,096	\$384,096	\$384,096	\$384,096	\$3,840,960
Payments-in-lieu-of-Construction	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Funds —	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interest	\$100,245	\$67,000	\$67,000	\$67,000	\$67,000	\$67,000	\$67,000	\$67,000	\$67,000	\$67,000	\$67,000	\$770,245
Subtotal												\$5,292,328
Initial Balance 12/31/24												\$3,481,804
Total	\$334,627	\$333,036	\$350,472	\$280,100	\$214,602	\$356,827	\$338,892	\$327,752				\$8,774,132

Affordable Housing Trust Fund Spending Plan
Spring Lake Borough, Monmouth County, New Jersey
March 10, 2026

1) Rehabilitation Program:

a) A total of \$150,000 will be allocated to the Borough's rehabilitation program, which is described in the Borough's Housing Element and Fair Share Plan. This amount provides an average of \$15,000 per unit to fulfill the Borough's total rehabilitation obligation of 10 units.

2) New Construction Programs:

a) The Borough spent \$1,500,000 to purchase a structure located at 1123 Third Ave. within the Borough for the creation of households for low- and moderate-income households. This expenditure is reflected in the expenditure table showing the Borough paying down the debt service. That expenditure has been approved by the Court. Bond Service Payments including principal and interest, the Borough will allocate a total of \$1,290,500 to cover bond service payments associated with the 1123 Third Ave. purchase according to the following schedule:

- i) \$236,650 in 2026 for 2026 and 2027 bond service payments; and
- ii) \$119,200 in 2027 for 2028 Bond Payment; and
- iii) \$934,650 in 2028 thru 2035 for 2029 thru 2036 Bond Payments.

b) The Borough anticipates spending 2,200,000 to complete the construction of the three low- and moderate-income units at the 1123 Third Avenue Project

i) \$500,000 of Borough provided construction/improvements/remediation. This expenditure is anticipated to be a total of 1,000,000 for utility connections, remediation costs of contamination on the property, improvements to the

Affordable Housing Trust Fund Spending Plan

Spring Lake Borough, Monmouth County, New Jersey

March 10, 2026

5.3 — Administrative Expenses (N.I.A.C. 5:97-8.9)

As detailed below, Spring Lake Borough may spend a maximum of twenty percent (20%) from its affordable housing trust fund to fund the administration of its affordable housing program. As illustrated below that number is \$1,043,524. However, since 1/1/2025 the Borough has spent \$14,942.

Administrative Expenses Calculation

Actual Development Fees through 1/1/2025 through 12/31/25			\$681,123
Actual Interest Earned through 1/1/2025 through 12/31/25	+		\$100,245
Projected Development Fees from 01/01/26 through 12/31/35	+		\$3,840,960
Projected Interest from 01/01/26 through 12/31/35	+		\$670,000
Payments-in-Lieu-of-Construction and Other Deposits through 12/31/2025	+		\$0
Total RCA Expenditures	=		\$5,292,328
Total			
20 Percent of Total	× 0.2 =		\$1,058,466
Administrative Expenses through 1/1/2025 through 12/31/25	-		\$14,942
Projected Maximum for Administrative Expenses from 01/01/26 through 12/31/35	=		\$1,043,524

Affordable Housing Trust Fund Spending Plan
Spring Lake Borough, Monmouth County, New Jersey
March 10, 2026

6 — Expenditure Schedule

The projected expenditures are detailed below:

		Expenditure Schedule (2025-2035)													
Programs	Units	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	Total		
Rehabilitation Program	10	\$0	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$150,000
New Construction-Debt	0	\$0	\$236,650	\$119,200	\$116,200	\$118,200	\$116,250	\$118,000	\$114,500	\$116,000	\$117,250	\$118,250	\$1290,500		
New Construction	3	\$0	\$2,200,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,200,000
Affordability Assistance	TBD	\$0	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$237,698	\$1,587,698	
Administration	—	\$14,942	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$514,942	
Total	TBD	\$14,942	\$2,651,650	\$334,200	\$331,200	\$333,200	\$331,250	\$333,000	\$329,500	\$331,000	\$332,250	\$420,948	\$5,743,140		

7 — Excess or Shortfall of Funds

In the event of any expected or unexpected shortfall if the anticipated revenues are not sufficient to implement the plan, Spring Lake Borough will address the shortfall through annual fee receipts or other available funding sources.

If more funds than anticipated are collected, projected funds exceed the amount necessary to implement the Fair Share Plan, or Spring Lake Borough is reserving funds for affordable housing projects to meet a future affordable housing obligation, these excess funds will be used to fund an eligible affordable housing activity pursuant to applicable rules and regulations as follows:

Affordable Housing Trust Fund Spending Plan
 Spring Lake Borough, Monmouth County, New Jersey
 March 10, 2026

Spending Plan Summary

Balance as of 12/31/24			\$3,481,804
Projected Development Fees from 01/01/25 through 12/31/35	+		\$4,522,083
Projected Payments-in-Lieu-of-Construction from 01/01/25 through 12/31/35	+		\$0
Projected Other Funds from 01/01/25 through 12/31/35	+		\$0
Projected Interest from 01/01/25 through 12/31/35	+		\$770,245
Total Revenue	=		\$8,774,132
Projected Rehabilitation Expenditures from the Affordable Housing Trust Fund	-		\$150,000
Projected New Construction Project Expenditures (Total for all Projects)	-		\$3,490,500
Projected Affordability Assistance Expenditures	-		\$1,587,698
Projected Administrative Expenses	-		\$514,942
Total Projected Expenditures	=		\$5,743,140
Remaining Balance	=		\$3,030,992

Spring Lake Borough had a balance of \$3,481,804 in its affordable housing trust fund as of December 31, 2024, and it anticipates an additional \$5,292,328 in revenue 2025 through 2035 for a total of \$8,774,132. The municipality will dedicate \$150,000 toward rehabilitation, \$3,490,500 toward new construction, \$1,587,698 toward affordability assistance, and \$514,942 toward administrative cost. The Borough will have additional Debt payment expenses of \$683,250 from 2036 through 2042, after this 4th round period, attributable to the purchase of 1123 Third Ave.