

15. Amended 2026 Spending Plan

May 15, 2025, Amended February 16, 2026
Parsippany Troy Hills Township
Affordable Housing Trust Fund Spending Plan

INTRODUCTION

The Parsippany Troy Hills Township (hereinafter the "Township"), Morris 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 Amended Fair Housing Act (N.J.S.A. 52:27D-301) and the proposed new Fair Housing Act Rules promulgated by the New Jersey Department of Community Affairs (DCA) (N.J.A.C. 5:99) and the regulations of the Council on Affordable Housing ("COAH"), N.J.A.C. 5:93-1 et seq. and N.J.A.C. 5:91 Second Round and N.J.A.C. 5:97-8.10 Third Round procedural and substantive regulations. The Township began collecting development fees on January 5, 1999, to be put towards their affordable housing trust fund. The Township's most recent amendment to the development fee ordinance was approved in 2017 to adhere to the July 17, 2008 passage of amendments to the FHA (P.L. 2008, c. 46).

As of **January 1, 2025**, the Township has a balance of **\$ 8,873,539.73** in its Affordable Housing Trust fund. 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 in a separate interest-bearing affordable housing trust fund account for the purposes of affordable housing. These funds shall be spent in accordance with N.J.A.C. 5:99 and N.J.A.C. 5:93-1 et seq. and N.J.A.C. 5:91 and N.J.A.C. 5:97-8.10 as described in the sections that follow.

1. REVENUES FOR CERTIFICATION PERIOD

It is anticipated that during the period of January 1, 2025 through June 30, 2035, which encompasses the period that the Township will have a Fourth Round Judgment of Compliance and Repose (hereinafter "Fourth Round JOR"), the Township will add an additional **\$1,250,000** to its Affordable Housing Trust Fund. This is detailed below.

- (a) Development fees: The Township does anticipate non-residential development fees to be generated between January 1, 2025 and June 30, 2035. The Township does anticipate collection of residential development fees. This figure assumes that, on average, the Township will collect approximately **\$125,000** in development fees per year during the remainder of the Third Round and throughout the Fourth Round.

- (b) Payment in lieu (PIL): The Township is not anticipating a payment-in-lieu of constructing affordable units from a proposed development at this time.
- (c) Other Funds: The Township does not currently anticipate the contribution of any other funds toward the municipal Affordable Housing Trust Fund during the period of its Fourth Round JOR.
- (d) Projected interest: It is estimated that the Township will collect approximately **\$25,000** in interest between January 1, 2025, through June 30, 2035. This figure is based upon only the projected income per year and a conservative interest rate of 2 percent to account for potential market fluctuations. This estimate assumes that, on average, the Township will collect approximately **\$2,500** in interest per year throughout the Fourth Round.

PROJECTED REVENUES – AFFORDABLE HOUSING TRUST FUND												
JANUARY 1, 2025 THROUGH JUNE 30, 2035												
SOURCE OF FUNDS	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	1/1/2035-6/30/2035	Total
Development Fees	\$62,500.00	\$125,000.00	\$125,000.00	\$125,000.00	\$125,000.00	\$125,000.00	\$125,000.00	\$125,000.00	\$125,000.00	\$125,000.00	\$62,500.00	\$1,250,000.00
Payment in Lieu	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Other	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Interest	\$1,250.00	\$2,500.00	\$2,500.00	\$2,500.00	\$2,500.00	\$2,500.00	\$2,500.00	\$2,500.00	\$2,500.00	\$2,500.00	\$1,250.00	\$25,000.00
TOTAL	\$63,750.00	\$127,500.00	\$127,500.00	\$127,500.00	\$127,500.00	\$127,500.00	\$127,500.00	\$127,500.00	\$127,500.00	\$127,500.00	\$63,750.00	\$1,275,000.00

In sum, the Township projects a total of **\$1,275,000** in revenue to be collected between January 1, 2025 and June 30, 2035. This projected amount, when added to current trust fund balance of **\$ 8,873,539.73** , results in a total anticipated trust fund balance of **\$10,148,539.73** available to fund and administer the Township’s affordable housing plan. All interest earned on the account shall be used only for the purposes of affordable housing.

2. ADMINISTRATIVE MECHANISM TO COLLECT AND DISTRIBUTE FUNDS

The following procedural sequence for the collection and distribution of development fee revenues shall be followed by the Township:

- (a) Collection of development fee revenues: Collection of development fee revenues shall be consistent with the Township's development fee ordinance for both residential and non-residential developments in accordance with the Municipal Land Use Law (N.J.S.A. 40:55D-1 et seq.), the Amended Fair Housing Act (FHA-2) (N.J.S.A. 52:27D-301) and the proposed new Fair Housing Act Rules promulgated by the New Jersey Department of Community Affairs (DCA) (N.J.A.C. 5:99).
- (b) Distribution of development fee revenues: The Planning Board adopts and forwards a resolution to the Council recommending the expenditure of development fee revenues as set forth in this spending plan. The Council reviews the request for consistency with the spending plan and adopts the recommendation by resolution. The release of funds requires adoption of the governing body resolution in accordance with the spending plan. 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.

3. DESCRIPTION OF ANTICIPATED USE OF AFFORDABLE HOUSING FUNDS

Parsippany Troy Hills Township may use the funds in the Affordable Housing Trust Fund for any of the below listed items, pursuant to N.J.A.C. 5:93-8.16(a) and (c):

- Rehabilitation;
 - New construction;
 - Purchase of land for low- and moderate-income housing;
 - Improvement of land to be used for low- and moderate-income housing;
 - Extensions and/or improvements of roads and infrastructure to low- and moderate-income housing sites;
 - Acquisition and/or improvement of land to be used for affordable housing;
 - Assistance designed to render units to be more affordable; and
 - Administration of the implementation of the Housing Element and Fair Share Plan.
- (a) Parsippany Troy Hills Present Need Rehabilitation Program.
The Township has a rehabilitation obligation of 138 units. The Township's current program has been funded through a Community Development Block Grants ("CDBG") from the New Jersey Department of Community Affairs. The Township will

continue to apply for these grants to fund its program. In addition to such grants and unsure of the success in receiving such awards in the future, the Township anticipates contributing up to \$20,000 per unit funding for the 138 unit need for a total of up to \$2,760,000 over the ten year Fourth Round, which includes \$ 1,660,000 for up to 83 home ownership units assuming a rehabilitation cost of \$20,000 per unit, (83 x \$20,000 = \$1.660,000) and an expenditure of \$1,100,000 for up to 55 rental units (55 x \$20,000 = \$1,100,000) assuming a rehabilitation cost of \$20,000 per unit.

(b) Market-to-Affordable Program.

The Township proposes to implement a Market-to-Affordable program to create 12 affordable family units. Parsippany Troy Hills Township will purchase or subsidize existing housing units for the creation of 12 affordable family housing units, 6 of which will be sold or rented to low-income households and 6 will be sold or rented to moderate-income households. The Township anticipates providing \$60,000 per unit (to subsidize and possibly renovate each unit). The total program cost of approximately \$720,000 will be funded through the Township's Affordable Housing Trust Fund. The units will be deed restricted in accordance with applicable rules in the Fourth Round. The Market-to-Affordable program is proposed to be funded through the Township's Affordable Housing Trust Fund and operated by CGP&H, the Township affordable housing administrator. CGP&H will implement the program in accordance with applicable regulations.

(c) Affordability Assistance.

In prior spending plans, N.J.A.C. 5:93-8.16(c), required an allocation for affordability assistance, although as amended by the FHA-2 and N.J.A.C. 5:99-2.5, the spending plan no longer required to set aside a minimum amount of funding for this program. "Affordability assistance" means the use of funds to render housing units more affordable to low- and moderate-income households and includes, but is not limited to, down payment assistance, security deposit assistance, low interest loans, rental assistance, assistance with homeowner's association or condominium fees and special assessments, common maintenance expenses, and assistance with emergency repairs and rehabilitation to bring deed-restricted units up to code, pursuant to N.J.A.C. 5:99-2.5. The Township seeks to implement this program and will allocate \$3,044,561 towards this program and will monitor the income into the Trust Fund and should income exceed expectations consider expanding such an affordability assistance program.

AFFORDABILITY ASSISTANCE*

Actual development fees + interest through 5/19/25		\$8,873,539.73
Development fees + interest projected 2025-2035	+	\$1,275,000.00
Less housing activity expenditures through 5/15/25	-	\$0.00
Less housing activity expenditures 5/15/25	-	\$0.00
Total	=	\$10,148,539.73
30 percent requirement	x 0.30 =	\$3,044,561.92
Less affordability assistance expenditures through 5/19/25	-	\$0.00
PROJECTED MINIMUM Affordability Assistance Requirement 2025-2035	=	\$3,044,561.92
PROJECTED MINIMUM Very Low-Income Affordability Assistance Requirement 2019-2025	÷ 3 =	\$1,014,853.97

*The Borough reserves the right to adjust the affordability assistance allocation should future revenues fail to reach the anticipated levels.

(d) Market to Affordable Program.

The Township proposes to implement a Market-to-Affordable program to create 10 affordable family units to be deed restricted for at least 30 years in the Fourth Round. The Market-to-Affordable program is proposed to be funded through the Township's Affordable Housing Trust Fund and operated by CGP&H, the Township affordable housing administrator. CGP&H will implement the program in accordance with applicable regulations.

Parsippany Troy Hills will purchase or subsidize existing housing units for the creation of 10 affordable family housing units, The Township's program will be implemented such that all 10 affordable family units will receive certificates of occupancy within seven (7) years of the Court's issuance of a Fourth Round Judgment of Compliance and Repose. Pursuant to N.J.A.C. 5:97-6.9(b), each unit will be certified to be in sound condition by the Township's licensed building inspector prior to occupancy as an affordable unit.

(e) Accessory Apartment Program.

The Township will provide funding for up to 10 accessory apartments through its Affordable Housing Trust Fund and maintain an Accessory Apartment Program, including the Township's zoning regulations to permit accessory apartments in the R-1 zone district. The Township proposes to commit on average \$47,500 per accessory apartment deed restricted for income qualified families, including up to \$55,000 per accessory apartment restricted for low-income families, and up to

\$40,000 per accessory apartment restricted for moderate income families. The Township will maintain an allocation of \$550,000 in this Spending Plan.

(f) Administrative Expenses.

Per N.J.A.C. 5:99-2.4(a), no more than 20% of all affordable housing trust funds shall be expended on administration. The Township projects that a maximum of **\$2,029,707.95** is projected to be available from the affordable housing trust fund to be used for administrative purposes through June 30, 2035. Projected administrative expenditures, subject to the 20% cap, include the payment for the salaries and benefits for municipal employees and consultant fees related to costs as set forth at N.J.A.C. 5:99-2.4(b), (c) and (d).

(g) Other Emergent Housing Opportunities.

The Township will reserve the remaining trust fund balance, projected at **\$294,269.87**, for other emergent opportunities to create affordable housing that may arise during the Fourth Round. The Township shall seek approval for any emergent affordable housing opportunities not included in the Township's fair share plan in accordance with N.J.A.C. 5:99-4.1.

ADMINISTRATIVE EXPENSES

Actual development fees + interest through 5/15/25		\$8,873,539.73
Development fees + interest projected 2025-2035	+	\$1,275,000.00
Total	=	\$10,148,539.73
20 percent requirement	x 0.20 =	\$2,029,707.95
Less administrative expenditures through 5/15/25	-	\$0.00
PROJECTED MAXIMUM Administrative Expenses Requirement 2025-2035	=	\$2,029,707.95

4. EXPENDITURE SCHEDULE

The Township intends to use affordable housing trust fund revenues for the creation of housing units, affordability assistance, and administration. Where applicable, the funding schedule below parallels the implementation schedule set forth in the Housing Element and Fair Share Plan and is summarized as follows.

PROGRAMS	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	Total
Rehabilitation-Owner	\$830,000.00	\$103,750.00	\$103,750.00	\$103,750.00	\$103,750.00	\$103,750.00	\$103,750.00	\$103,750.00	\$103,750.00	\$0.00	\$1,660,000.00
Rehabilitation-Rental	\$550,000.00	\$68,750.00	\$68,750.00	\$68,750.00	\$68,750.00	\$68,750.00	\$68,750.00	\$68,750.00	\$68,750.00	\$0.00	\$1,100,000.00
Group Home	\$0.00	\$250,000.00	\$250,000.00	\$250,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$750,000.00
Market to Affordable Program	\$120,000.00	\$120,000.00	\$120,000.00	\$120,000.00	\$120,000.00	\$120,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$720,000.00
Affordability Assistance	\$304,456.19	\$304,456.19	\$304,456.19	\$304,456.19	\$304,456.19	\$304,456.19	\$304,456.19	\$304,456.19	\$304,456.19	\$304,456.19	\$3,044,561.92
Accessory Apartment Program	\$110,000.00	\$110,000.00	\$110,000.00	\$110,000.00	\$110,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$550,000.00
Administration	\$202,970.79	\$202,970.79	\$202,970.79	\$202,970.79	\$202,970.79	\$202,970.79	\$202,970.79	\$202,970.79	\$202,970.79	\$202,970.79	\$2,029,707.95
Other Emergent Opportunities	\$29,426.99	\$29,426.99	\$29,426.99	\$29,426.99	\$29,426.99	\$29,426.99	\$29,426.99	\$29,426.99	\$29,426.99	\$29,426.99	\$294,269.87
Total	\$2,146,853.97	\$1,189,353.97	\$1,189,353.97	\$1,189,353.97	\$939,353.97	\$829,353.97	\$709,353.97	\$709,353.97	\$709,353.97	\$536,853.97	\$10,148,539.73

5. EXCESS OR SHORTFALL OF FUNDS

In the event of any expected or unexpected shortfall of funds necessary to implement the Fair Share Plan, the Township will handle the shortfall of funds through an alternative funding source to be identified by the Township and/or by adopting a resolution with an intent to bond. In the event of excess funds, any remaining funds above the amount necessary to satisfy the municipal affordable housing obligation will be dedicated toward the Township's additional affordability assistance and/or any other emergent affordable housing opportunities that may arise during the Fourth Round.

6. SUMMARY

The Township intends to spend affordable housing trust fund revenues pursuant to N.J.A.C. 5:99 and consistent with the housing programs outlined in the Township's Housing Element and Fair Share Plan.

The Township has a balance of \$ 8,873,539.73 as of January 1, 2025 and anticipates an additional \$1,250,000 in revenues through June 30, 2035 for a total of \$10,148,539.73. During the period of the Township's Fourth Round JOR through June 30, 2035, the Township agrees to set aside \$2,760,000 towards rehabilitation assistance, \$750,000 towards assistance with up to 5 group home providers, \$720,000 towards a Township wide market to affordable program, \$3,044,561 towards an affordable assistance program, \$550,000 towards an accessory apartment program, up to \$2,029,707 for administrative costs (if necessary), and \$297,269 towards other emergent affordable housing opportunities that may arise during the Fourth Round, totaling \$10,148,539 in anticipated expenditures.

Any shortfall in funds will be offset by an alternative funding source to be identified by the Township. In the unlikely event that no alternative funding is available, the Township will bond or allocate funding to provide the necessary funding. The Township will dedicate any excess funds or remaining balance toward its affordability assistance and/or any other emergent affordable housing opportunities that may arise during the Fourth Round.

SPENDING PLAN SUMMARY	
Balance as of May 15, 2025	\$ 8,873,539.73
Projected REVENUE 2025-2035	
Development fees	+ \$ 1,250,000.00
Payments in lieu of construction	+ \$0.00
Other funds	+ \$0.00
Interest	+ \$25,000.00
SUBTOTAL REVENUE	= \$1,275,000.00
TOTAL REVENUE	= \$ 10,148,539.73
EXPENDITURES	
Rehabilitation -Owner	- \$1,660,000.00
Rehabilitation -Rental	- \$1,100,000.00
Group Home Funding	- \$750,000.00
Market to Affordable Program	- \$720,000.00
Affordability Assistance *	- \$3,044,561.92
Accessory Apartment Program	\$550,000.00
Administration	- \$2,029,707.95
TOTAL PROJECTED EXPENDITURES	= \$9,854,269.87
Excess Funds or Remaining Balance Reserved for Additional Affordability Assistance and/or Affordable Housing Activity Necessary to Address Fourth Round Obligation	= \$ 294,269.87

*The Borough reserves the right to adjust the affordability assistance allocation should future revenues fail to reach the anticipated levels.