

RESOLUTION NO. 26-107

RESOLUTION OF THE BOROUGH OF SEASIDE HEIGHTS APPROVING THE FOURTH ROUND AFFORDABLE HOUSING SPENDING PLAN

WHEREAS, on January 15, 2025, pursuant to the new amendments to the Fair Housing Act, the Borough adopted Resolution # 25-62 accepting a present need obligation of 20 units, and a Fourth Round prospective obligation of 36 units; and

WHEREAS, N.J.S.A. 40:55D-28 authorizes a planning board to prepare and, after public hearing, adopt or amend a master plan or component parts thereof, to guide the use of lands within a municipality in a manner which protects public health and safety and promotes the general welfare; and

WHEREAS, on June 30, 2025 at a regular meeting of the Borough Planning Board, the Board considered the " Fourth Round Housing Element and Fair Share Plan" ("Plan"), prepared by Malvika Apte, PP, AICP, of CME Associates; and,

WHEREAS, the Borough filed the "2025 Housing Element and Fair Share Plan" ("Plan") with the Affordable Housing Dispute Resolution Program; and

WHEREAS, Fair Share Housing Element 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, pursuant to the Amended Fair Housing Act, a municipality may not spend or commit to spend any affordable housing development fees collected and deposited into the municipal affordable housing trust fund without first obtaining approval of the expenditure as part of its compliance certification; and

WHEREAS, the governing body seeks to adopt a Spending Plan outlining how the municipality intends to allocate development fees and other funds, and how the municipality proposes to expend funds for affordability assistance.

NOW THEREFORE BE IT RESOLVED that the Governing Body of the Borough of Seaside Heights, County of Ocean, State of New Jersey, hereby adopts the Fourth Round Affordable Housing Spending Plan; and

BE IT FURTHER RESOLVED that the Governing Body of the Borough of Seaside Heights, pursuant to the provisions of N.J.S.A. 52:27D-301 et seq. and N.J.A.C. 5:96-3.2(a), directs the Affordable Housing Attorney to submit this Resolution and the Spending Plan to the Affordable Housing Dispute Resolution Program.

rmshc

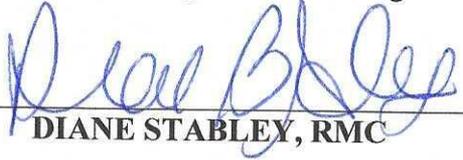
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CERTIFICATION

I, **DIANE STABLEY, RMC**, do hereby certify that the foregoing is a true copy of a resolution adopted by the Borough Council of the Borough of Seaside Heights at a meeting held on the 4th day of **March, 2026**.



DIANE STABLEY, RMC

rmshc

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Borough of Seaside Heights Affordable Housing Trust Fund Fourth Round Spending Plan

Amended on February 10, 2026

Borough of Seaside Heights
Ocea, New Jersey

Prepared By:



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Community Planning Consultants
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The original of this report was signed and sealed in accordance with N.J.S.A. 45:14A-12

Malvika Apte, PP, AICP
NJ Professional Planner License # 6056

With contributing content by Gabrielle Thurm, AICP

INTRODUCTION

The Borough of Seaside Heights, Ocean 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 (UN.J.S.A.U. 40:55D-1 et seq.), the Fair Housing Act (UN.J.S.A.U. 52:27D-301), and in accordance N.J.A.C 5:99 as applicable.

A development fee ordinance creating a dedicated revenue source for affordable housing was adopted by Borough Council in 2025.

Most recently, the Borough prepared an updated development fee ordinance. This amended ordinance establishes standards for the collection, maintenance, and expenditure of development fees consistent with the Fair Housing Act (P.L.2024, c.2), N.J.A.C. 5:99, and N.J.S.A. 52:27D-329 as most recently amended. The Spending Plan will be amended as needed to respond to affordable housing needs or opportunities that may emerge, and may also be amended if there are significant changes to anticipated revenue.

This plan supplements but does not replace the annual reporting; which is available for review upon request.

1. REVENUES FOR CERTIFICATION PERIOD

As of December 31, 2025, the Borough of Seaside Heights has collected \$43,004.66 and expended \$1,072.50, resulting in a balance of \$41,932.16. The Borough has adopted a development fee ordinance to provide funds for the 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 for the purposes of affordable housing. These funds shall be spent in accordance with applicable affordable housing regulations as described in the sections that follow.

To calculate a projection of revenue anticipated, the Borough of Seaside Heights considered the following:

(a) Development fees:

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) of on-site construction:

Payments in lieu (PIL) of construction from residential developers that have or are expected to enter into an agreement with the Borough to make a specific payment to the Affordable Housing Trust Fund in lieu of providing affordable housing units onsite.
At this time, the Borough is not anticipating any payments in lieu of construction.

(c) Other funding sources

Potential funds from other sources include the sale of units with extinguished controls, repayment of affordable housing program loans (such as rehabilitation or down payment assistance), rental income, and proceeds from the sale of affordable units.
Any such payments will be accepted, but at this time the Borough is not anticipating any alternative sources of revenue, and no projections of revenue derive from such payments

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 Borough of Seaside Heights:

- (a) Collection of development fee revenues:
 Collection of development fee revenues shall be consistent with the Borough of Seaside Heights's adopted development fee ordinance for both residential and non-residential developments and the Statewide Nonresidential Development Fee Act, N.J.S.A. 40:55D8.1 through 8.7 ("SNDFA").
- (b) Distribution of development fee revenues:
 Development fee revenues are distributed under the same procedures for any bill or purchase in the Borough. Purchase orders are requested and processed and approved by the Governing Body.

Table 1. Projected Revenues 2026 - 2035

	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	Total
Starting Balance (12/31/2025)	\$41,932.16										
SOURCE OF FUNDS	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	Total
(a) Development Fees:	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$5,000	\$95,000
1. Approved Development											
2. Development Pending Approval											
3. Projected Development	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$5,000	\$95,000
(b) Payments in Lieu of Construction											
(c) Other Income											
(d) Interest on Total Account Balance	\$45.00	\$45.00	\$45.00	\$45.00	\$45.00	\$45.00	\$45.00	\$45.00	\$45.00	\$22.50	\$427.50
Total	\$10,045.00	\$5,022.50	\$95,427.50								

Seaside Heights projects a total revenue of \$95,427.50 to be collected from January 1, 2026 through July 2035. Adding the projected revenue to the trust fund balance of \$41,932.16 as of December 31, 2025, results in an estimated total potential revenue of \$137,359.66 available to fund, support, and administer affordable housing in the Borough.

3. DESCRIPTION OF ANTICIPATED USE OF AFFORDABLE HOUSING FUNDS

(a) Rehabilitation and new construction programs and projects (N.J.A.C. 5:99-2.3)

The Borough of Seaside Heights has a rehabilitation obligation of 67 units. The Borough shall dedicate \$83,488.30 to rehabilitate up to 15 units. Per the N.J.A.C. 5:99, summary of public comments the purpose of the rehabilitation program is to raise the condition of deficient units to be code compliant condition. Therefore any minimum requirements for an average rehabilitation cost would be arbitrary. For calculation of these purposes, we are estimate a total of \$83,488.30 to be dedicated at an average of \$5,5,65.89. The other are anticipated to be rehabilitated through County and CDBG program.

- Rehabilitation (up to 15 units) \$83,488.30

(b) Affordability Assistance (N.J.A.C. 5:99-2.5)

As per the requirements regarding the use of funds for affordability assistance laid out in N.J.A.C. 5:99-2.5, municipalities are required to dedicate a portion of all development fees collected and interest earned to provide affordability assistance to very-low-, low-, and moderate-income households in affordable units included in the municipality's Fair Share Plan pursuant to N.J.S.A. 52:27D-329.1.

N.J.S.A. 52:27D-329.2 specifies that affordability assistance programs may include down payment assistance, security deposit assistance, low-interest loans, common maintenance expenses for units located in condominiums, rental assistance, and any other program authorized by the department. Further, N.J.A.C. 5:99-2.5 stipulates that affordability assistance offered specifically to very-low-income households may include the following:

1. Offering a subsidy to developers of inclusionary or 100% affordable housing developments; or
2. Buying down the cost of low- or moderate-income units in a municipal fair share plan to make them affordable to very-low-income households, including special needs and supportive housing opportunities.

To project the funding amount that is dedicated to affordability assistance, all actual expenditures spent on new construction activities as well as any rehabilitation activities from the inception of the fund are subtracted from the sum of the actual and projected development fees and interest throughout the lifetime of the Trust Fund. That total is multiplied by 20% to determine the projected affordability assistance amount that will be set

aside. The actual affordability assistance expenditures from the inception of the fund are then subtracted from the overall 20% being set aside for affordability assistance. This final outcome is the total remaining funds that will be dedicated to affordability assistance for the period moving forward.

The Borough of Seaside Heights will dedicate a minimum of \$27,471.93 for affordability assistance as calculated below.

Table 2. Minimum Affordability Assistance	
Actual development fees and interest through 12/31/2025	\$41,932.16
Development fees projected 2026-2035	+ \$95,000
Interest projected 2026-2035	+ \$427.50
Other income	+ \$0.00
Less housing activity expenditures through 12/31/2025	- \$0.00
Less projected Rehabilitation Program expenditures through 2035	- \$0.00
Total	= \$137,359.66
30 percent requirement	x 0.20 = \$27,471.93
Less affordability assistance expenditures through 12/31/2025	- \$0.00
Projected Minimum Affordability Assistance Requirement through 06/30/2035	= \$27,471.93
Projected Minimum Very Low-Income Affordability Assistance Requirement through 06/30/2035	x 0.34 = \$9,340.46

The programs identified to provide affordability assistance to low and moderate income households are as follows:

1. Down Payment Assistance Program: \$27,471.93

This program provides down payment and closing cost assistance to qualifying buyers of deed restricted low- or moderate-income units. The down payment assistance is in the form of an interest free loan that is forgiven if the borrower continues to occupy the affordable unit as their primary residence for 10 years following the date of purchase. The Borough shall consider to adopt this ordinance in order to provide affordability assistance. The Borough's Down Payment Assistance Program will require that home meet HUD Housing Quality Standards prior to disbursement of the down payment funds.

This program shall enable the Administrative Agent to coordinate with the buyer and seller to ensure that the required repairs and improvements are made prior to closing.

2. Very-Low Income Units: \$9,340.46

The Borough is required to ensure that thirteen percent (13%) of all affordable units approved after July 2025 are “very low income” units. Very low-income households are defined as those with a total gross annual household income equal to 30 percent or less of the regional median household income. The very-low Income affordability assistance program enables a developer of low- and moderate-income units to be provided a subsidy for providing very low-income units. The subsidy will be an up-front payment for re-pricing units that otherwise would be “low” income units as “very low income” units. The appropriate subsidy will be determined on a case-by-case basis at the Borough’s discretion and as funds allow. For rental units the subsidy would represent the present-day value of the difference between the “low” income rent and the “very low” income rent for the restriction period. For ownership units, the subsidy would be the difference in the “low” and “very low” income affordable sales price.

(c) Administrative Expenses (N.J.A.C. 5:99-2.4)

Table 3. Administrative Expense Calculation	
Actual development fees and interest through 12/31/2025	\$41,932.16
Development fees and interest projected 2026-2035	+\$95,427.50
Less Payment in Lieu Funds	-\$0.00
Total	=\$137,359.66
Calculate 20 percent	x .20
	=\$27,471.93
Less administrative expenditures through 12/31/2025	-\$1,072.50
Projected maximum allowable for administrative expenses through 06/30/2035	=\$26,399.43

The Borough of Seaside Heights projects that a total \$26,399.43 will be available from the affordable housing trust fund. N.J.A.C. 5:99-2.4 sets forth that no more than 20% of revenues collected from development fees, exclusive of those collected prior to July 17, 2008 to fund a RCA, shall be expended on administration. These funds may apply to costs including, but not limited to:

1. Those reasonably related to the determination of the fair share obligation or development of a municipal Housing Element/Fair Share Plan;
2. Fees necessary to develop or implement affordable housing programs or an affirmative marketing program;
3. Expenses reasonably necessary for compliance with the processes of the Program;
4. Costs associated with functions carried out in compliance with UHAC, including those related to the marketing program and waitlist management, administering the placement of occupants in housing units, income qualification of households, monitoring the turnover of sale and rental units, preserving existing affordable housing, and compliance with the Division's monitoring requirements; and
5. The proportion of a municipal employee's salary related to the Municipal Housing Liaison or Regional Contribution Agreement administrator functions and fees for required educational programs.

The calculation of allowable administrative expenses is performed by considering the lifetime of the Trust Fund. To project the funding amount that will be available for administrative costs, the sum of all development fees actually collected and all interest earned since the inception of the account is added to the sum of all projected development fees and interest projected to be collected throughout the Fourth Round. From this amount, any

Regional Contribution Agreement (RCA) expenditures made or contractually obligated from the inception of the account are subtracted. This final amount is multiplied by 20% and then any actual administrative expenditures made since the inception of the Trust Fund are subtracted out. The final outcome of this calculation, as depicted in the following table, equates to the total remaining funds that will be available for administrative expenses through the end of the Fourth Round.

4. EXPENDITURE SCHEDULE

TABLE 4: PROJECTED EXPENDITURE SCHEDULE 2026 THROUGH 2035				
Year	Program			Total
	(a) Affordability Assistance	(b) Administration	(c) Rehabilitation	
2026	\$1,526.22	\$1,466.64	\$4,638.24	\$7,631.09
2027	\$3,052.44	\$2,933.27	\$9,276.48	\$15,262.18
2028	\$3,052.44	\$2,933.27	\$9,276.48	\$15,262.18
2029	\$3,052.44	\$2,933.27	\$9,276.48	\$15,262.18
2030	\$3,052.44	\$2,933.27	\$9,276.48	\$15,262.18
2031	\$3,052.44	\$2,933.27	\$9,276.48	\$15,262.18
2032	\$3,052.44	\$2,933.27	\$9,276.48	\$15,262.18
2033	\$3,052.44	\$2,933.27	\$9,276.48	\$15,262.18
2034	\$3,052.44	\$2,933.27	\$9,276.48	\$15,262.18
2035	\$1,526.22	\$1,466.64	\$4,638.24	\$7,631.09
TOTAL	\$27,471.93	\$26,399.43	\$83,488.30	\$137,359.66

Seaside Heights intends to use affordable housing trust fund revenues for the rehabilitation program, for affordability assistance, and for administration as set forth above. The Borough will commit funds to specific programs as outlined above, or the plan will be amended.

5. EXCESS OR SHORTFALL OF FUNDS

The Borough will address any expected or unexpected revenue shortfalls due to available appropriations. In the event more funds than anticipated are collected, projected funds exceed the amount necessary to implement the Spending Plan, these excess funds will be used to fund additional rehabilitation and affordability assistance programs, as well as for additional administrative expenditures up to the 20 percent cap.

SUMMARY

The Borough of Seaside Heights has a balance of \$41,932.16 as of December 31, 2025 and anticipates an additional \$95,000 in revenues, including interest, for a total of \$137,359.66. The municipality will dedicate a total of \$83,488.30 towards rehabilitation projects. In addition, the Borough has dedicated an additional \$26,399.43 for administrative costs, within the threshold of the 20% cap on administrative costs. In addition, Borough shall dedicate, \$27,471.93 towards affordability assistance including \$9,340.46 as very low income assistance. Total projected expenditures amount to \$137,359.66.

Table 5: SPENDING PLAN SUMMARY	
Balance as of 12/31/2025	\$41,932.16
Projected REVENUE 2026 to June 30, 2035	
Development fees	+ \$95,000.00
Other funds	+ \$0.00
Interest	+ \$427.50
TOTAL REVENUE + CURRENT BALANCE	= \$137,359.66
EXPENDITURES	
Affordability Assistance	- \$27,471.93
Administration	- \$26,399.43
Rehabilitation	- \$83,488.30
Excess Funds for Additional Housing Activity	= \$0.00
TOTAL PROJECTED EXPENDITURES	= \$137,359.66
REMAINING BALANCE	= \$0.00

