

RESOLUTION 25-068**PIESGROVE TOWNSHIP****RESOLUTION OF THE TOWNSHIP COMMITTEE OF THE TOWNSHIP OF
PIESGROVE APPROVING A FOURTH ROUND AFFORDABLE HOUSING TRUST
FUND SPENDING PLAN AND REQUESTING PROGRAM AND COURT APPROVAL
OF THE SPENDING PLAN**

WHEREAS, the Township of Pilesgrove (hereinafter "Township" or "Pilesgrove") has an approved Development Fee Ordinance that was adopted on December 30, 2008, which established standards for the collection, maintenance, and expenditure of development fees; and

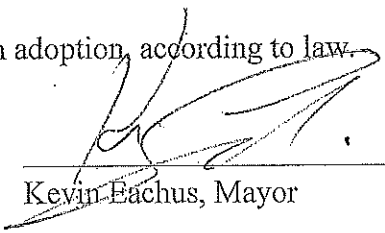
WHEREAS, on March 20, 2024, Governor Murphy signed into law P.L. 2024, c.2, which amended the 1985 New Jersey Fair Housing Act (hereinafter the "Amended FHA") which governs how municipalities will comply with their affordable housing obligations for the Fourth Round (2025-2035); and

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

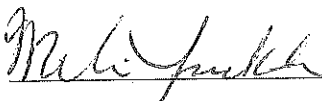
WHEREAS, the Township has prepared a Fourth Round Spending Plan consistent with the Amended FHA, AOC Directive #14-24, and applicable regulations, which projects anticipated revenues to the Township's Affordable Housing Trust Fund and describes the anticipated expenditures of funds.

NOW, THEREFORE, BE IT RESOLVED by the Committee of the Township of Pilesgrove, County of Salem, State of New Jersey, as follows:

1. The Township Committee of the Township of Pilesgrove 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 Township's Fourth Round Spending Plan.
2. This Resolution shall take effect immediately upon adoption, according to law.


 Kevin Eachus, Mayor

ATTEST:




Melissa Fackler, Clerk

August 12, 2025

CERTIFICATION

I hereby certify this to be a true copy of a resolution adopted by the Township Committee of the Township of Pilesgrove at a meeting held the 12th day of August, 2025.



Melissa Fackler, Clerk

Township of Pilesgrove

Affordable Housing Trust Fund

Fourth Round Spending Plan

August 2025

Adopted by the Township Committee on _____

Township of Pilesgrove
Salem County, New Jersey

Prepared By:



Heyer, Gruel & Associates
Community Planning Consultants
236 Broad Street, Red Bank, NJ 07701
(732) 741-2900

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

A handwritten signature in black ink, appearing to read 'Michael Davis', is written over a horizontal line.

Michael Davis, AICP, PP #6533

With contributing content by Hanah Davenport, AICP

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INTRODUCTION

On December 9, 2003, Pilesgrove Township adopted its first Development Fee Ordinance (Ordinance No. 224), which established the Township's Affordable Housing Trust Fund. The ordinance was subsequently repealed and replaced on December 16, 2008 via Ordinance No. 08-17 (see Appendix A).

The 2008 Development Fee Ordinance established standards for the collection, maintenance, and expenditure of development fees consistent with: (a) COAH rules; (b) P.L.2008, c.46, Sections 8 and 32-38 (C.52:27D-329.1 et al.); and (c) the Statewide Non-Residential Development Fee Act (C. 40:55D-8.1 through 8.7). All development fees, payments in lieu of constructing affordable units on site, and any other source of income are deposited into this separate Affordable Housing Trust Fund for the sole purpose of providing affordable housing.

The Township's Affordable Housing Trust Fund was established in 2005. As of June 30, 2025, the Affordable Housing Trust Fund established by the Township had a balance of \$2,106,193.91. All development fees and interest generated by the fees are deposited in this separate, interest-bearing Affordable Housing Trust Fund for the purposes of affordable housing. These funds shall be spent in accordance with N.J.A.C. 5:99, or applicable regulations, as described in the sections that follow.

Pilesgrove Township Spending Plan – August 2025

1. REVENUES FOR CERTIFICATION PERIOD

To calculate a projection of revenue anticipated during the period of the Third Round, the Township of Pilesgrove 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 land use board 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) Projected interest

1. Interest on the projected revenue in the municipal affordable housing trust fund at the current average interest rate.

(c) Projected Revenues

To calculate the projection of revenue anticipated from the general development fees, previous transactions within the Affordable Housing Trust Fund dating back to 2015 were reviewed. All interest earned on the account shall accrue to the account to be used only for the purposes of affordable housing. Projected revenues through 2035 are outlined in Table 1 below.

TABLE 1: PROJECTED REVENUES				
Year	Source of Funds			
	Historical Balance (as of 6/30/2025)	(a) Projected Development Fees	(c) Projected Interest	Total
Current Balance	\$2,106,193.91	--	--	\$2,106,193.91
2025	--	\$16,107.44	\$72.48	\$16,179.92
2026	--	\$32,214.88	\$144.97	\$32,359.85
2027	--	\$32,214.88	\$144.97	\$32,359.85
2028	--	\$32,214.88	\$144.97	\$32,359.85
2029	--	\$32,214.88	\$144.97	\$32,359.85
2030	--	\$32,214.88	\$144.97	\$32,359.85
2031	--	\$32,214.88	\$144.97	\$32,359.85
2032	--	\$32,214.88	\$144.97	\$32,359.85
2033	--	\$32,214.88	\$144.97	\$32,359.85
2034	--	\$32,214.88	\$144.97	\$32,359.85
2035	--	\$16,107.44	\$72.48	\$16,179.92
TOTAL	\$2,106,193.91	\$322,148.80	\$1,449.67	\$2,429,792.38

Pilesgrove Township Spending Plan – August 2025

The Township projects a total of \$322,148.80 in development fees will be collected between July 1, 2025 and June 30, 2035. An additional \$1,449.67 in interest is projected to be earned. All interest earned on the account shall accrue to the account to be used only for the purposes of affordable housing. In conjunction with the existing Affordable Housing Trust Fund balance of \$2,106,193.91, the Township projects total Affordable Housing Trust Fund revenues and interest of \$2,429,792.38 through June 30, 2035.

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 of Pilesgrove:

(a) Collection of development fee revenues

Collection of development fee revenues shall be consistent with Pilesgrove's Development Fee Ordinance for both residential and non-residential developments and in accordance with the Statewide Nonresidential Development Fee Act, N.J.S.A. 40:55D8.1 through 8.7 ("SNDFA").

(b) Distribution of development fee revenues

The Municipal Housing Liaison ("MHL") will manage the projects outlined in this Spending Plan and the Housing Element and Fair Share Plan, and will coordinate with the Township's CFO/Deputy CFO for the distribution of the funds.

(c) Collection and distribution of barrier free funds

Collection and distribution of barrier free funds shall be consistent in accordance with applicable regulations.

3. DESCRIPTION OF ANTICIPATED USE OF AFFORDABLE HOUSING FUNDS

The following represent the anticipated affordable housing projects within the Township of Pilesgrove that will utilize Trust Fund monies.

(a) Affordability Assistance

As per the requirements regarding the use of funds for affordability assistance laid out in N.J.A.C. 5:99-2.5, the Township is required to set aside a portion of all development fees collected and interest earned to provide affordability assistance to very low-, low- and moderate-income households. The Township will set aside 30% for this purpose for the Fourth Round.

The calculation of available affordability assistance funds is performed by considering the lifetime of the Trust Fund. 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. That

Pilesgrove Township Spending Plan – August 2025

total is then used to determine the affordability assistance requirement. The actual affordability assistance expenditures from the inception of the fund are then subtracted from the overall percentage that the Township wishes to set aside for affordability assistance. This final outcome is the total remaining funds that must be dedicated to affordability assistance for the Fourth Round period.

Pilesgrove Township had a balance of \$2,106,193.91 in the Affordable Housing Trust Fund through June 30, 2025. The Township projects an additional \$322,148.80 in development fees and \$1,449.67 in interest through 2035.

TABLE 2: AFFORDABILITY ASSISTANCE		
Actual Development Fees and Interest Balance through June 30, 2025		\$2,106,193.91
Projected Development fees 2025-2035	+	\$322,148.80
Projected Trust Fund Interest 2025-2035	+	\$1,449.67
Less Housing Activity through June 30, 2025	-	\$226,200.00
Total	=	\$2,203,592.38
30% Set Aside	x 0.30 =	\$661,077.71
Less Affordability Assistance Expenditures through June 30, 2025	-	\$0.00
Projected Affordability Assistance through June 30, 2035	=	\$661,077.71

The Township will reserve \$661,077.71 from the Affordable Housing Trust Fund to render units more affordable. These funds will be utilized for the following affordability assistance purposes:

- For-Sale units in the form of down-payment loan assistance, payment of closing costs, and payment of lender fees.
- For-rent units in the form of moving expense assistance, first month's rent subsidy, utility deposit assistance, and security deposit assistance (available to very-low income households only).

Pilesgrove Township Spending Plan – August 2025

(b) Administrative Expenses

No more than 20% of revenues collected from development fees shall be expended on administration, including, but not limited to, salaries and benefits for municipal employees or consultant fees necessary to develop and implement: a Housing Element and Fair Share Plan or any amendment thereto; a rehabilitation program; a new construction program; and an affirmative marketing program. Administrative funds may also be used for income qualification of households, monitoring the turnover of sale and rental units, and compliance with monitoring requirements.

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 will be 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, is the total remaining funds that will be available for administrative expenses through the end of the Fourth Round.

The Township had a balance of \$2,106,193.91 in development fees and interest through June 30, 2025. The Township projects an additional \$322,148.80 in development fees and \$1,449.67 in interest through 2035. The Township has never taken part in an RCA. Pilesgrove Township has spent \$64,662.31 on administrative expenses between the inception of the Trust Fund and June 30, 2025.

TABLE 3: ADMINISTRATIVE EXPENSES		
Actual Development Fees and Interest Earned through June 30, 2025		\$2,106,193.91
Projected Development Fees 2025-2035	+	\$322,148.80
Projected Interest 2025-2035	+	\$1,449.67
RCA Contributions	+	\$0.00
Total	=	\$2,429,792.38
20% Maximum Permitted on Administrative Expenses through June 30, 2035	x 0.20 =	\$485,958.48
Less Administrative Expenditures through June 30, 2025	-	\$64,662.31
Projected Allowed Administrative Expenditures	=	\$421,296.17

The Township projects that a maximum of \$421,296.17 is available from the Affordable Housing Trust Fund for administrative expenses for the Fourth Round. Because the actual administrative expense maximum is calculated on an ongoing basis based on actual revenues, the Township shall be permitted to spend 20% of the actual balance at any given time on administrative fees. Money becomes available for administrative expenses as additional income is collected.

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Projected administrative expenditures, subject to the 20% cap, included but are not limited to:

- Administration and expenses associated with the Township's affordable housing units;
- Expenses associated with the preparation and implementation of the Housing and Fair Share Plan and monitoring of the current and future housing programs for the Township of Pilesgrove;
- Affirmative marketing; and
- Income qualification.

Legal or other fees related to litigation opposing affordable housing sites are not eligible uses of the affordable housing Trust Fund.

(c) Market to Affordable Program

In the market to affordable program, units are purchased at market rate prices and then sold or rented to low- and moderate-income households. The new affordable units must have 30-year or 40-unit deed restrictions and comply with the Uniform Housing Affordability Controls.

Pilesgrove Township plans to meet a portion of the Township's total prospective need with six (6) market to affordable units. The Township will utilize trust fund monies to purchase structurally sound houses, make necessary repairs to the units, and then re-sell those units to income qualified households at the low to moderate income sales prices with 30-year deed restrictions. The money received from the sale of the units is deposited back into the Affordable Housing Trust Fund, effectively establishing a revolving fund for the purchase of affordable units.

4. EXPENDITURE SCHEDULE

TABLE 4: PROJECTED EXPENDITURE SCHEDULE THROUGH 2035				
Year	Program			
	Affordability Assistance	Administration	Market to Affordable Program	Total
2025	\$33,053.89	\$21,064.81	\$67,370.92	\$121,489.62
2026	\$66,107.77	\$42,129.62	\$134,741.85	\$242,979.24
2027	\$66,107.77	\$42,129.62	\$134,741.85	\$242,979.24
2028	\$66,107.77	\$42,129.62	\$134,741.85	\$242,979.24
2029	\$66,107.77	\$42,129.62	\$134,741.85	\$242,979.24
2030	\$66,107.77	\$42,129.62	\$134,741.85	\$242,979.24
2031	\$66,107.77	\$42,129.62	\$134,741.85	\$242,979.24
2032	\$66,107.77	\$42,129.62	\$134,741.85	\$242,979.24
2033	\$66,107.77	\$42,129.62	\$134,741.85	\$242,979.24
2034	\$66,107.77	\$42,129.62	\$134,741.85	\$242,979.24
2035	\$33,053.89	\$21,064.81	\$67,370.92	\$121,489.62
TOTAL	\$661,077.71	\$421,296.17	\$1,347,418.50	\$2,429,792.38

5. EXCESS OR SHORTFALL OF FUNDS

In the event funding sources as identified within this Spending Plan for the projects detailed in the Housing Element and Fair Share Plan prove inadequate to complete the affordable housing programs, the Township shall provide sufficient funding to address any shortfalls through bonding in accordance with State regulations and law.

In the event that more funds than anticipated are collected or projected funds exceed the amount necessary to implement the Township's affordable housing projects, these excess funds will be used to fund eligible affordable housing activity pursuant to applicable rules and regulations.

SUMMARY

As of June 30, 2025, the Township's Trust Fund had a balance of \$2,106,193.91. Pilesgrove Township anticipates an additional \$323,598.47 in revenues and interest by June 30, 2035, resulting in a projected balance of \$2,429,792.38 for the Fourth Round. The Township will commit \$661,077.71 for affordability assistance efforts, \$1,449.67 for administrative expenses, and the remaining \$1,347,418.50 for its market to affordable program.

TABLE 5: SPENDING PLAN SUMMARY	
Balance as of June 30, 2025	\$2,106,193.31
PROJECTED REVENUE THROUGH JUNE 30, 2035	
Development fees	+ \$322,148.80
Interest	+ \$1,449.67
TOTAL REVENUE + CURRENT BALANCE	= \$2,429,792.38
PROJECTED EXPENDITURES THROUGH JUNE 30, 2025	
Affordability Assistance	- \$661,077.71
Administration	- \$421,296.17
Market to Affordable Program	= \$1,347,418.50
Excess Funds for Additional Housing Activity	= \$0.00
TOTAL PROJECTED EXPENDITURES	= \$2,429,792.38
REMAINING BALANCE	= \$0.00

APPENDIX A

Pilesgrove Township

Development Fee Ordinance (Ordinance No. 08-17)

*Duke***ORDINANCE NO. 08-17****DEVELOPMENT FEE ORDINANCE
OF THE TOWNSHIP OF PILESGROVE****1. Purpose**

- a) In Holmdel Builder's Association V. Holmdel Township, 121 N.J. 550 (1990), the New Jersey Supreme Court determined that mandatory development fees are authorized by the Fair Housing Act of 1985 (the Act), N.J.S.A. 52:27d-301 et seq., and the State Constitution, subject to the Council on Affordable Housing's (COAH's) adoption of rules.
- b) Pursuant to 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), COAH is authorized to adopt and promulgate regulations necessary for the establishment, implementation, review, monitoring and enforcement of municipal affordable housing trust funds and corresponding spending plans. Municipalities that are under the jurisdiction of the Council or court of competent jurisdiction and have a COAH-approved spending plan may retain fees collected from non-residential development.
- c) This ordinance establishes standards for the collection, maintenance, and expenditure of development fees pursuant to COAH's regulations and in accordance P.L.2008, c.46, Sections 8 and 32-38. Fees collected pursuant to this ordinance shall be used for the sole purpose of providing low- and moderate-income housing. This ordinance shall be interpreted within the framework of COAH's rules on development fees, codified at N.J.A.C. 5:97-8.

2. Basic requirements

- a) This ordinance shall not be effective until approved by COAH or the Court pursuant to N.J.A.C. 5:96-5.1, except that residential fees may be collected pursuant to the previously approved fee ordinance until such time as this ordinance takes effect, and non residential fees shall be collected in accordance with the Statewide Non-Residential Development Fee Act, N.J.S.A. 40:55D-8.1 et seq.
- b) The Township of Pilesgrove shall not spend development fees until COAH or the Court has approved a plan for spending such fees in conformance with N.J.A.C. 5:97-8.10 and N.J.A.C. 5:96-5.3.

3. Definitions

- a) The following terms, as used in this ordinance, shall have the following meanings:

- i. **"Affordable housing development"** means a development included in the Housing Element and Fair Share Plan, and includes, but is not limited to, an inclusionary development, a municipal construction project or a 100 percent affordable development.
- ii. **"COAH" or the "Council"** means the New Jersey Council on Affordable Housing established under the Act which has primary jurisdiction for the administration of housing obligations in accordance with sound regional planning consideration in the State.
- iii. **"Development fee"** means money paid by a developer for the improvement of property as permitted in N.J.A.C. 5:97-8.3.
- iv. **"Developer"** means the legal or beneficial owner or owners of a lot or of any land proposed to be included in a proposed development, including the holder of an option or contract to purchase, or other person having an enforceable proprietary interest in such land.
- v. **"Equalized assessed value"** means the assessed value of a property divided by the current average ratio of assessed to true value for the municipality in which the property is situated, as determined in accordance with sections 1, 5, and 6 of P.L.1973, c.123 (C.54:1-35a through C.54:1-35c).
- vi. **"Green building strategies"** means those strategies that minimize the impact of development on the environment, and enhance the health, safety and well-being of residents by producing durable, low-maintenance, resource-efficient housing while making optimum use of existing infrastructure and community services.

4. **Residential Development fees**

- a) **Imposed fees**
 - i. Within the Township of Pilesgrove district(s), residential developers, except for developers of the types of development specifically exempted below, shall pay a fee of one and a half percent (1.5%) of the equalized assessed value for residential development provided no increased density is permitted.
 - ii. When an increase in residential density pursuant to N.J.S.A. 40:55D-70d(5) (known as a "d" variance) has been permitted, developers may be required to pay a development fee of six (6) percent of the equalized assessed value for each additional unit that may be realized. However, if the zoning on a site has changed during the two-year period preceding the filing of such a variance application, the base density for the purposes of calculating the bonus development fee shall be the highest density permitted by right during the two-year period preceding the filing of the variance application.

- b) Eligible exactions, ineligible exactions and exemptions for residential development
 - i. Affordable housing developments and developments where the developer has made a payment in lieu of on-site construction of affordable units shall be exempt from development fees.
 - ii. Developments that have received preliminary or final site plan approval prior to the adoption of a municipal development fee ordinance shall be exempt from development fees, unless the developer seeks a substantial change in the approval. Where a site plan approval does not apply, a zoning and/or building permit shall be synonymous with preliminary or final site plan approval for this purpose. The fee percentage shall be vested on the date that the building permit is issued.
 - iii. Development fees shall be imposed and collected when an existing structure undergoes a change to a more intense use, is demolished and replaced, or is expanded, if the expansion is not otherwise exempt from the development fee requirement. The development fee shall be calculated on the increase in the equalized assessed value of the improved structure.
 - iv. Structural alterations that do not increase gross floor area of a building or structure or increase the equalized assessed value of a property shall be exempted from paying a development fee.
 - v. Nonprofit organizations constructing residential projects which have received tax exempt status pursuant to Section 501(c)(3) of the Internal Revenue Code, providing current evidence of that status is submitted to the Municipal Clerk, together with a certification that services of the organization are provided at reduced rates to those who establish an inability to pay existing charges, shall be exempted from paying a development fee.
 - vi. Residential reconstruction projects resulting from fire, flood, or natural disaster.

5. Non-residential Development fees

- a) Imposed fees
 - i. Within all zoning districts, non-residential developers, except for developers of the types of development specifically exempted, shall pay a fee equal to two and one-half (2.5) percent of the equalized assessed value of the land and improvements, for all new non-residential construction on an unimproved lot or lots.

- ii. Non-residential developers, except for developers of the types of development specifically exempted, shall also pay a fee equal to two and one-half (2.5) percent of the increase in equalized assessed value resulting from any additions to existing structures to be used for non-residential purposes.
 - iii. Development fees shall be imposed and collected when an existing structure is demolished and replaced. The development fee of two and a half percent (2.5%) shall be calculated on the difference between the equalized assessed value of the pre-existing land and improvement and the equalized assessed value of the newly improved structure, i.e. land and improvement, at the time final certificate of occupancy is issued. If the calculation required under this section results in a negative number, the non-residential development fee shall be zero.
- b) Eligible exactions, ineligible exactions and exemptions for non-residential development
 - i. The non-residential portion of a mixed-use inclusionary or market rate development shall be subject to the two and a half (2.5) percent development fee, unless otherwise exempted below.
 - ii. The 2.5 percent fee shall not apply to an increase in equalized assessed value resulting from alterations, change in use within existing footprint, reconstruction, renovations and repairs.
 - iii. Non-residential developments shall be exempt from the payment of non-residential development fees in accordance with the exemptions required pursuant to P.L.2008, c.46, as specified in the Form N-RDF "State of New Jersey Non-Residential Development Certification/Exemption" Form. Any exemption claimed by a developer shall be substantiated by that developer.
 - iv. A developer of a non-residential development exempted from the non-residential development fee pursuant to P.L.2008, c.46 shall be subject to it at such time the basis for the exemption no longer applies, and shall make the payment of the non-residential development fee, in that event, within three years after that event or after the issuance of the final certificate of occupancy of the non-residential development, whichever is later.
 - v. If a property which was exempted from the collection of a non-residential development fee thereafter ceases to be exempt from property taxation, the owner of the property shall remit the fees required pursuant to this section within 45 days of the termination of the property tax exemption. Unpaid non-residential development fees under these circumstances may be enforceable by the Township of Pilesgrove as a lien against the real property of the owner.

6. Collection procedures

- a) Upon the granting of a preliminary, final or other applicable approval, for a development, the applicable approving authority shall direct its staff to notify the construction official responsible for the issuance of a building permit.
- b) For non-residential developments only, the developer shall also be provided with a copy of Form N-RDF "State of New Jersey Non-Residential Development Certification/Exemption" to be completed as per the instructions provided. The Developer of a non-residential development shall complete Form N-RDF as per the instructions provided. The construction official shall verify the information submitted by the non-residential developer as per the instructions provided in the Form N-RDF. The Tax assessor shall verify exemptions and prepare estimated and final assessments as per the instructions provided in Form N-RDF.
- c) The construction official responsible for the issuance of a building permit shall notify the local tax assessor of the issuance of the first building permit for a development which is subject to a development fee.
- d) Within 90 days of receipt of that notice, the municipal tax assessor, based on the plans filed, shall provide an estimate of the equalized assessed value of the development.
- e) The construction official responsible for the issuance of a final certificate of occupancy notifies the local assessor of any and all requests for the scheduling of a final inspection on property which is subject to a development fee.
- f) Within 10 business days of a request for the scheduling of a final inspection, the municipal assessor shall confirm or modify the previously estimated equalized assessed value of the improvements of the development; calculate the development fee; and thereafter notify the developer of the amount of the fee.
- g) Should the Township of Pilesgrove fail to determine or notify the developer of the amount of the development fee within 10 business days of the request for final inspection, the developer may estimate the amount due and pay that estimated amount consistent with the dispute process set forth in subsection b. of section 37 of P.L.2008, c.46 (C.40:55D-8.6).
- h) Fifty percent of the development fee shall be collected at the time of issuance of the building permit. The remaining portion shall be collected at the issuance of the certificate of occupancy. The developer shall be responsible for paying the difference between the fee calculated at building permit and that determined at issuance of certificate of occupancy.

i) **Appeal of development fees**

- 1) A developer may challenge residential development fees imposed by filing a challenge with the County Board of Taxation. Pending a review and determination by the Board, collected fees shall be placed in an interest bearing escrow account by Township of Pilesgrove. Appeals from a determination of the Board may be made to the tax court in accordance with the provisions of the State Tax Uniform Procedure Law, R.S.54:48-1 et seq., within 90 days after the date of such determination. Interest earned on amounts escrowed shall be credited to the prevailing party.
- 2) A developer may challenge non-residential development fees imposed by filing a challenge with the Director of the Division of Taxation. Pending a review and determination by the Director, which shall be made within 45 days of receipt of the challenge, collected fees shall be placed in an interest bearing escrow account by Township of Pilesgrove. Appeals from a determination of the Director may be made to the tax court in accordance with the provisions of the State Tax Uniform Procedure Law, R.S.54:48-1 et seq., within 90 days after the date of such determination. Interest earned on amounts escrowed shall be credited to the prevailing party.

7. Affordable Housing trust fund

- a) There is hereby created a separate, interest-bearing housing trust fund to be maintained by the chief financial officer for the purpose of depositing development fees collected from residential and non-residential developers and proceeds from the sale of units with extinguished controls.
- b) The following additional funds shall be deposited in the Affordable Housing Trust Fund and shall at all times be identifiable by source and amount:
 1. payments in lieu of on-site construction of affordable units;
 2. developer contributed funds to make ten percent (10%) of the adaptable entrances in a townhouse or other multistory attached development accessible;
 3. rental income from municipally operated units;
 4. repayments from affordable housing program loans;
 5. recapture funds;
 6. proceeds from the sale of affordable units; and
 7. any other funds collected in connection with Township of Pilesgrove's affordable housing program.
- c) Within seven days from the opening of the trust fund account, Township of Pilesgrove shall provide COAH with written authorization, in the form of a three-party escrow agreement between the municipality, the bank, and COAH to permit

COAH to direct the disbursement of the funds as provided for in N.J.A.C. 5:97-8.13(b).

- d) All interest accrued in the housing trust fund shall only be used on eligible affordable housing activities approved by COAH.

8 Use of funds

- a) The expenditure of all funds shall conform to a spending plan approved by COAH. Funds deposited in the housing trust fund may be used for any activity approved by COAH to address the Township of Pilesgrove's fair share obligation and may be set up as a grant or revolving loan program. Such activities include, but are not limited to: preservation or purchase of housing for the purpose of maintaining or implementing affordability controls, rehabilitation, new construction of affordable housing units and related costs, accessory apartment, market to affordable, or regional housing partnership programs, conversion of existing non-residential buildings to create new affordable units, green building strategies designed to be cost saving and in accordance with accepted national or state standards, purchase of land for affordable housing, improvement of land to be used for affordable housing, extensions or improvements of roads and infrastructure to affordable housing sites, financial assistance designed to increase affordability, administration necessary for implementation of the Housing Element and Fair Share Plan, or any other activity as permitted pursuant to N.J.A.C. 5:97-8.7 through 8.9 and specified in the approved spending plan.
- b) Funds shall not be expended to reimburse Township of Pilesgrove for past housing activities.
- c) At least 30 percent of all development fees collected and interest earned shall be used to provide affordability assistance to low- and moderate-income households in affordable units included in the municipal Fair Share Plan. One-third of the affordability assistance portion of development fees collected shall be used to provide affordability assistance to those households earning 30 percent or less of median income by region.
 - i. Affordability assistance programs may include down payment assistance, security deposit assistance, low interest loans, rental assistance, assistance with homeowners association or condominium fees and special assessments, and assistance with emergency repairs.
 - ii. Affordability assistance to households earning 30 percent or less of median income may include buying down the cost of low or moderate income units in the municipal Fair Share Plan to make them affordable to households earning 30 percent or less of median income.

- iii. Payments in lieu of constructing affordable units on site and funds from the sale of units with extinguished controls shall be exempt from the affordability assistance requirement.
- d) Township of Pilesgrove may contract with a private or public entity to administer any part of its Housing Element and Fair Share Plan, including the requirement for affordability assistance, in accordance with N.J.A.C. 5:96-18.
- e) No more than 20 percent of all revenues collected from development fees, may be expended 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, a Housing Element and Fair Share Plan, and/or an affirmative marketing program. In the case of a rehabilitation program, no more than 20 percent of the revenues collected from development fees shall be expended for such administrative expenses. Administrative funds may be used for income qualification of households, monitoring the turnover of sale and rental units, and compliance with COAH's monitoring requirements. Legal or other fees related to litigation opposing affordable housing sites or objecting to the Council's regulations and/or action are not eligible uses of the affordable housing trust fund.

9. Monitoring

- a) Township of Pilesgrove shall complete and return to COAH all monitoring forms included in monitoring requirements related to the collection of development fees from residential and non-residential developers, payments in lieu of constructing affordable units on site, funds from the sale of units with extinguished controls, barrier free escrow funds, rental income, repayments from affordable housing program loans, and any other funds collected in connection with Township of Pilesgrove's housing program, as well as to the expenditure of revenues and implementation of the plan certified by COAH or approved by the Court. All monitoring reports shall be completed on forms designed by COAH.

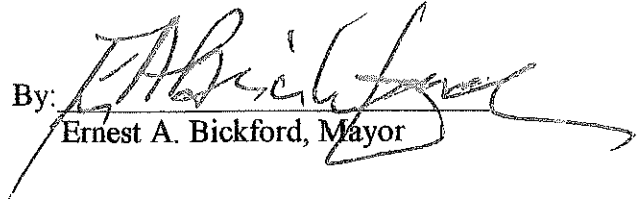
10. Ongoing collection of fees

- a) The ability for the Township of Pilesgrove to impose, collect and expend development fees shall expire with its substantive certification or judgment of compliance unless the Township of Pilesgrove has filed an adopted Housing Element and Fair Share Plan with COAH or the Court, has petitioned for substantive certification or filed a declaratory action pursuant to Section 313 of the New Jersey Fair Housing Act, and has received COAH's or the Court's approval of its development fee ordinance. If the Township of Pilesgrove fails to renew its ability to impose and collect development fees prior to the expiration of substantive certification or judgment of compliance, it may be subject to forfeiture of any or all funds remaining within its municipal trust fund. Any funds so forfeited shall be deposited into the "New Jersey Affordable Housing Trust Fund" established pursuant to section 20 of P.L.1985, c.222 (C.52:27D-320). The Township of Pilesgrove shall not impose a residential development fee on a development that receives preliminary or final site plan approval after the expiration of its

substantive certification or judgment of compliance, nor shall the Township of Pilesgrove retroactively impose a development fee on such a development. The Township of Pilesgrove shall not expend development fees after the expiration of its substantive certification or judgment of compliance.

NOW, THEREFORE, BE IT ORDAINED, by the governing body of the Township of Pilesgrove, this Ordinance shall become effective upon final passage and publication as provided by law.

TOWNSHIP OF PILESGROVE

By: 
Ernest A. Bickford, Mayor

Attest:


Maureen Abdill, Municipal Clerk

Date of Introduction: December 16, 2008

Date of Adoption: December 30, 2008