

Resolution No. 115-2025**RESOLUTION****Of The Township Of Pittsgrove
In The County Of Salem, State Of New Jersey****RESOLUTION OF THE TOWNSHIP COMMITTEE OF THE TOWNSHIP
OF PITTSBORO APPROVING A FOURTH ROUND AFFORDABLE
HOUSING TRUST FUND SPENDING PLAN AND REQUESTING
PROGRAM AND COURT APPROVAL OF THE SPENDING PLAN**

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

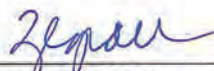
WHEREAS, the Township has prepared a Fourth Round Spending Plan consistent with the Amended FHA and other applicable regulations, which projects anticipated revenues to the Township's Affordable Housing Trust Fund and describes the anticipated expenditure of funds.

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

1. The Township Committee of the Township of Pittsgrove 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. The Township of Pittsgrove shall promptly submit the Fourth Round Spending Plan to the Program and Court for its approval.
3. This Resolution shall take effect immediately upon adoption, according to law.

ATTEST:


Charlet Cheeseman, Municipal Clerk


Fiore J. Copare, MD, Mayor

July 23, 2025
Date

Roll Call:

Harz	<u>Aye</u>
Schmidt	<u>Aye</u>
Spinelli	<u>Aye</u>
Yeagle	<u>Aye</u>
Copare	<u>Aye</u>

CERTIFICATION

I, the Municipal Clerk of the Township of Pittsgrove, do hereby certify that the foregoing Resolution was duly adopted at the Regular Meeting of the Township of Pittsgrove, held this 23rd day of July 2025.

7/23/2025
Date


Municipal Clerk

SPENDING PLAN FOURTH ROUND HOUSING ELEMENT AND FAIR SHARE PLAN TOWNSHIP OF PITTSBGROVE

Introduction

Pittsgrove Township has prepared a Fourth Round Housing Element and Fair Share Plan ("HEFSP") 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 (N.J.S.A. 52:27D-301) as amended by P.L. 2024, c.2, and the remaining valid regulations of the Council on Affordable Housing ("COAH") found at N.J.A.C. 5:93-1 and N.J.A.C. 5:97-8.

Pittsgrove Township received Second Round Judgment of Repose from the Superior Court on August 20, 2001. On May 15, 2007, the Township filed a Third Round HEFSP with the Superior Court. The Township filed an Amended HEFSP on December 30, 2008. Neither of these Third Round plans were approved by COAH. Notwithstanding, the Township prepared a Spending Plan in 2012 to commit its affordable housing trust fund and to facilitate a municipally sponsored project. The Spending Plan was approved by the Superior Court on June 28, 2012, and by COAH on January 8, 2014.

A development fee ordinance creating a dedicated revenue source for affordable housing was approved by COAH on February 11, 2003, and adopted by the Township in March 2003. The ordinance established the Pittsgrove Township affordable housing trust fund for which this Spending Plan is prepared. The Township adopted an amended Ordinance on December 23, 2008 (Ordinance 12-2008) that was subsequently approved by the Superior Court on February 4, 2009. This development fee ordinance established residential development fees in the amount of 1.5% of the equalized assessed value of residential development and nonresidential development fees in the amount of 2.5% of the equalized assessed value of nonresidential development.

As of December 31, 2024, the Township collected a total of \$317,425.19 in revenue, including \$314,604.33 in development fees and \$2,820.86 in interest, while the Township has spent a total of \$1,237.97 on administration, leaving a balance in the trust fund of \$316,187.22.

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All development fees, payments in lieu of constructing affordable units, other income, and interest generated are deposited in a separate, interest-bearing affordable housing trust account.

Pittsgrove Township acknowledges that the expenditure of funds contemplated in this spending plan constitute a "commitment" for expenditure pursuant to N.J.S.A. 52:27D-329.2.d., with the four-year time period beginning to run with the date of collection of the funds as may be extended by virtue of the date of the Superior Court's approval of this Fourth Round Spending Plan.

These funds will be spent in accordance with N.J.A.C. 5:93-8.16, as described in this Spending Plan. The Township will rely on N.J.A.C. 5:93 or 5:97, as N.J.S.A. 52:27D-329.2.a(4) provides that "[m]unicipalities may continue to rely on regulations on development fees and spending plans previously adopted by the council until new rules and regulations are adopted by the department."

1. REVENUES FOR CERTIFICATION PERIOD

To calculate a projection of revenue anticipated during the Fourth Round (2025-2035), Pittsgrove Township has considered the following:

- (a) Development fees: \$200,000
 - 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): \$0

Actual and committed payments in lieu ("PIL") of construction from developers. The Township has not previously received any PILs, and no revenues from PILs are expected during the Fourth Round as the FHA was amended by P.L. 2024, c.2 to eliminate N.J.S.A. 52:27D-329.3 which had enabled PILs.

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(c) Other funding sources: \$0

Pittsgrove Township had previously collected \$633.69 from other sources, but 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. All monies in the Affordable Housing Trust fund are anticipated to come from development fees and interest.

(d) Projected interest: \$38,500

Based on the current average interest rate and projected development fee revenue, Pittsgrove Township anticipates collecting \$38,500 in interest through 2035.

As shown in Table SP-1, Pittsgrove Township projects a total revenue of \$238,500 during the Fourth Round (2025-2035) from residential and non-residential development fees and accrued interest. Projected residential development fees are based on the 10-year housing stock projection according to CO data contained in the HEFSP and the average equalized assessed value of residential property with units constructed between 2013 and 2023. Projected non-residential development fees are based on recent approvals of non-residential development projects and minimal assumed additional future non-residential development in the Township. Projected interest assumes an average interest rate of 2.0%.

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Table SP-1. Projected Fourth Round Affordable Housing Trust Fund Revenues

Year Source of Funds		2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2025-2035 Total
Projected Residential Development	\$316,187.22 STARTING BALANCE (12/31/2024)	\$4.6k	\$4.6k	\$4.6k	\$4.6k	\$4.6k	\$4.6k	\$4.6k	\$4.6k	\$4.6k	\$4.6k	\$4.6k	\$50k
Projected Non- Residential Development		\$13.6k	\$13.6k	\$13.6k	\$13.6k	\$13.6k	\$13.6k	\$13.6k	\$13.6k	\$13.6k	\$13.6k	\$13.6k	\$150k
Interest		\$6k	\$5.5k	\$5k	\$4.5k	\$4k	\$3.5k	\$3k	\$2.5k	\$2k	\$1.5k	\$1k	\$38.5k
Total		\$24.2k	\$23.7k	\$23.2k	\$22.7k	\$22.2k	\$21.68k	\$21.2k	\$20.7k	\$20.2k	\$19.7k	\$19.2k	\$238.5k

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2. ADMINISTRATIVE MECHANISM TO COLLECT AND DISTRIBUTE FUNDS

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

(a) Collection of development fee revenues:

All collection of development fee revenues will be consistent with local regulations which follow COAH administrative models for residential development in accordance with the FHA as amended by P.L. 2024, c.2, and non-residential developments in accordance with N.J.S.A. 40:55D-8.1 through 8.7.

(b) Distribution of development fee revenues:

The Planning Board adopts and forwards a resolution to the governing body recommending the expenditure of development fee revenues as set forth in this spending plan. 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 in accordance with the COAH-approved 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. ANTICIPATED USE OF AFFORDABLE HOUSING FUNDS

Pittsgrove Township anticipates expending funds from the affordable housing trust fund to implement a municipally-sponsored affordable unit, provide affordability assistance, and cover administrative expenses.

(a) New Construction (N.J.A.C. 5:93-5.2)

Municipally-Sponsored Construction Program

The Township will commit funds from the Affordable Housing Trust Fund for the creation of one (1) municipally-sponsored affordable units on a municipally owned site. The Township shall provide the land to a developer, such as Habitat for Humanity, and at least \$125,000 per affordable unit as subsidy to fund actual construction costs and/or to provide compensation for reduced rental rates.

Accessory Apartment Program

The Township is proposing two (2) accessory apartments to address its Third Round Prospective Need. The program was included in the Court-approved Third Round HEFSP. Pursuant to N.J.A.C. 5:93-5.9, the Township meets the minimum subsidy required of at least \$10,000 for each affordable unit created. It is

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anticipated that both units will be very low-income in order to meet the Township's obligation for very low-income family dwellings. The subsidy provided from the affordable housing trust fund will be at least \$75,000.

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

Pittsgrove Township is required to spend a minimum of 30 percent of development fee revenue to render existing 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 earning less than 30 percent of the regional median income).

As shown in Table SP-2, the Township projects that it must dedicate at least \$166,777.56 from the affordable housing trust fund to render units more affordable. The Township will exceed this requirement by providing a \$167,000 subsidy (\$83,500 per unit) to facilitate the construction of two (2) very low-income family affordable rental accessory apartment units through the Accessory Apartment Program, which would satisfy the minimum affordability assistance requirement and minimum very low-income affordability assistance requirement through June 30, 2035. If additional funds become available for additional affordability assistance expenditure, the Township may use a variety of mechanisms to provide affordability assistance, including but not limited to:

- Down-payment assistance;
- Rental assistance;
- Security deposit assistance;
- Low interest loans;
- Assistance with homeowners' association or condominium fees and special assessments; and/or
- Conversion of low-income units to very-low-income units or the creation of new very-low income units, etc.

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Table SP-2. Projected Minimum Affordability Assistance Requirements

Actual development fees collected through 12/31/2024		\$314,604.33
Actual interest earned through 12/31/2024	+	\$2,820.86
Projected development fees (1/1/2025 - 6/30/2035)	+	\$200,000.00
Projected interest (1/1/2025 - 6/30/2035)	+	\$38,500.00
Total	=	\$555,925.19
30 percent requirement	x 0.30 =	\$166,777.56
Less affordability assistance expenditures through 12/31/2024	-	\$0.00
Projected Minimum Affordability Assistance Requirement	=	\$166,777.56
1/3 requirement	÷ 3 =	\$55,592.52
Less very low-income affordability assistance expenditures through 12/31/2024	-	\$0.00
Projected Minimum Very Low-Income Affordability Assistance Requirement	=	\$55,592.52

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

Pittsgrove Township 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.

As shown in Table SP-3, the Township projects that \$109,947.07, 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:

- Municipal Housing Liaison (MHL), Township Attorney, Engineer, and Planner fees related to plan preparation and implementation;

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Table SP-3. Projected Allowed Administrative Expenses

Actual development fees collected through 12/31/2023		\$314,604.33
Actual interest earned through 12/31/2023	+	\$2,820.86
Actual payments-in-lieu through 12/31/2023	+	\$0.00
Projected development fees (1/1/2025 – 6/30/2035)	+	\$200,000.00
Projected interest (1/1/2025 – 6/30/2035)	+	\$38,500.00
Total	=	\$555,925.19
20 percent maximum permitted administrative expenses	x 0.20 =	\$111,185.04
Less administrative expenditures through 12/31/2024	–	\$1,237.97
Projected allowed administrative expenditures	=	\$109,947.07

4. EXPENDITURE SCHEDULE

The Township intends to use affordable housing trust funds revenues to finance the creation of one (1) municipally-sponsored affordable family for-sale unit and two (2) affordable family rental accessory apartments for very low-income households, and administrative expenses. Where applicable, the Projected Expenditure Schedule in Table SP-4 will reflect the implementation schedule to be set forth in the Fourth Round HEFSP.

Table SP-4. Projected Expenditure Schedule, 2025-2035

Program	Units	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	Total
Municipally-Sponsored Construction Program -- 1 affordable family unit (383 Porchtown Rd)	1	\$0	\$278k	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$278k
Accessory Apartment Program -- 2 VLI affordable family rental units	2	\$0	\$0	\$0	\$83.5k	\$0	\$0	\$83.5k	\$0	\$0	\$0	\$0	\$167k
Administration		\$10k	\$10k	\$10k	\$10k	\$10k	\$10k	\$10k	\$10k	\$10k	\$10k	\$10k	\$110k
TOTAL		\$10k	\$288k	\$10k	\$93.5k	\$10k	\$10k	\$93.5k	\$10k	\$10k	\$10k	\$10k	\$555k

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5. EXCESS OR SHORTFALL OF FUNDS

While no shortfall of funds is anticipated, the Township commits to adopting a resolution of intent to fund all programs detailed in this Spending Plan, including via all outside funding sources and municipal funding including but not limited to municipal bonding. Any excess in funds collected over what has been projected will be dedicated to bond payments to the extent required.

6. MONITORING

In accordance with the requirements of N.J.S.A. 52:27D-301 *et seq.* as amended by P.L. 2024 c.2, by February 15 of each year of the Fourth Round, the Township will provide data entry in DCA's new AHMS monitoring system including a detailed accounting of all residential and non-residential fees collected, interest earned, and other income collected and deposited into the Township's affordable housing trust fund during the prior calendar year. The Township will also provide a detailed accounting of all expenditures of affordable housing trust funds during the prior calendar year, including purposes and amounts, and documentation of the balance remaining in the affordable housing trust fund as of December 31 of that year.

7. SUMMARY

Pittsgrove Township intends to spend affordable housing trust fund revenues pursuant to the regulations governing such funds and consistent with the Fourth Round HEFSP. As of December 31, 2024, the Township had a balance of \$314,604.33 and projects an additional \$238,500 in revenues during the Fourth Round for a total of \$554,687.22 by June 30, 2025. The Township will expend up to \$167,000 to subsidize the construction of two (2) affordable family rental units for very low-income households through the Accessory Apartment Program and one (1) affordable family for-sale unit on a municipally-sponsored site. The Township will satisfy its affordability assistance requirements through the creation of the two (2) very low-income accessory apartments. The Township may also expend up to \$109,947.07 of the trust fund on administrative costs during the Fourth Round. Table SP-5 provides a summary of the Township's Spending Plan for the Fourth Round.

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Table SP-5. Spending Plan Summary

Revenues	
Balance as of 12/31/2023	\$316,187.22
Projected Revenues through 6/30/2035	
1. Development fees	+ \$200,000.00
2. Interest	+ \$0.00
3. Other funds	+ \$38,500.00
Total Projected Revenue	= \$554,687.22
Expenditures	
Municipally-Sponsored Affordable Units	- \$277,740
Accessory Apartment Program	- \$167,000
Administration	- \$109,947.07
Total Projected Expenditures	= \$554,687.22