

BOROUGH OF RARITAN
RESOLUTION 2026-03-062

**ADOPTING THE FOURTH ROUND SPENDING PLAN DATED
FEBRUARY 12, 2026 BY THE BOROUGH OF RARITAN, COUNTY
OF SOMERSET, AND STATE OF NEW JERSEY**

WHEREAS, on January 21, 2025, Raritan Borough (“Borough”) adopted Resolution 2025-20, which established the Borough’s Fourth Round present and prospective need obligations pursuant to the amended Fair Housing Act (“FHS”) at N.J.S.A. 52:27D-301 et. seq., per P.L. 2024, c.2; and

WHEREAS, on January 23, 2025, the Borough filed a Declaratory Judgment Action (“DJ Action”) in the New Jersey Superior Court captioned In the Matter of the Borough of Raritan, SOM-L-107-25, seeking among other things, compliance certifications; and

WHEREAS, on March 26, 2025, the Court entered an Order fixing the Borough’s Fourth Round present need obligation as nine (9) and prospective need obligation as ninety-nine (99); and

WHEREAS, the Borough of Raritan’s Land Use Board (“LUB”) held a public hearing and voted to adopt the Borough’s 2025 Fourth Round Housing Element and Fair Share Plan (“Fourth HEFSP”), addressing the Borough’s prior round obligations, Third Round Obligations and Fourth Round obligations as established; and

WHEREAS, the Borough of Raritan’s Land Use Board (“LUB”) held a public hearing and voted to adopt the Borough’s Amended 2025 Fourth Round Housing Element and Fair Share plan (“Amended Fourth HEFSP”); and

WHEREAS, pursuant to the Amended FHA, 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 the approval of the expenditure as part of its compliance certification; and

WHEREAS, the Borough now seeks to adopt the Fourth Round Spending Plan dated February 12, 2026, which complies with the new N.J.A.C. 5:99 rules, and outlines how the municipality intends to allocate development fees and other funds, and how the municipality proposes to expend funds for affordability assistance, especially those funds earmarked for very low-income affordability assistance;

NOW, THEREOFRE, be it resolved on this 13th day of March 2026, that the Borough of Raritan, County of Somerset and State of New Jersey, hereby adopts the Fourth Round Spending Plan.

ATTEST:



Kimberly Mathewson
Acting Borough Clerk



Don Tozzi
Mayor

I HEREBY CERTIFY that the foregoing Resolution was adopted by the Borough Council of the Borough of Raritan, County of Somerset, State of New Jersey at a Regular Meeting held in the Meeting Room of the Municipal Building, 9 West Somerset Street, Raritan, NJ 08869, on March 13, 2026.



Kimberly Mathewson
Acting Borough Clerk

MOTION	SECOND	MEMBER	YEA	NAY	ABSTAIN	ABSENT	RECUSED
		Agrawal	✓				
		DiGraziano	✓				
✓		Fritzinger	✓				
	✓	Giraldi	✓				
		Harwood				✓	
		Martinez	✓				

Borough of Raritan
Somerset County, NJ

Fourth Round Spending Plan

February 12, 2026



James T. Kyle, PP, AICP
New Jersey Professional Planning License No. 5667
Kyle McManus Associates
PO Box 236, Hopewell, NJ 08525

The original copy has been signed and sealed in accordance with N.J.A.C. 13:41-1.3

Borough of Raritan
County of Somerset
Spending Plan
February 2026

INTRODUCTION

The Borough of Raritan has prepared a Housing Element and Fair Share plan that addresses its regional fair share of 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) and the regulations of the Council on Affordable Housing (COAH) (N.J.A.C. 5:97-1 et seq. and N.J.A.C. 5:96-1 et seq.).

Raritan has collected development fees since its first development fee ordinance was approved by COAH. As of February 12, 2026, the Borough had a balance of \$390,937 in its affordable housing trust fund account.

1. REVENUES FOR CERTIFICATION PERIOD

To calculate a projection of revenue anticipated during the period the Fourth Round, Raritan 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. Anticipated future development and redevelopment.

(b) Projected interest:

Interest on the projected revenue in the municipal affordable housing trust fund at the current annual percentage yield earned of 0.76% .

As most residential development in the future is expected to include affordable housing units, residential development fees are not expected to be significant over the next 10 years. It is not anticipated that nonresidential development fees will contribute to the trust fund, although one redevelopment project will include nonresidential space that has been accounted for. Table 1, on the following page, summarizes development fees and projected interest.

Borough of Raritan
County of Somerset
Spending Plan
February 2026

Table I – Projected Development Fees and Interest

Source of Funds											Total	
	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035		
(a) Development Fees												
1. Development Pending Approval	\$50,000											\$50,000
2. Development Projected		\$68,000	\$5,000									\$73,000
(b) Interest	\$3,351	\$3,360	\$3,157	\$2,891	\$2,625	\$2,359	\$2,093	\$1,827	\$1,561	\$1,295		\$24,519
Total	\$53,351	\$71,360	\$8,157	\$2,891	\$2,625	\$2,359	\$2,093	\$1,827	\$1,561	\$1,295		\$147,519

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 Raritan consistent with the Borough's Development Fee Ordinance.

(a) Collection of development fee revenues:

Collection of development fee revenues shall be consistent with Raritan's development fee ordinance for both residential and non-residential developments in accordance with COAH's rules, P.L.2008, c.46, sections 8 (C. 52:27D-329.2) and 32-38 (C. 40:55D-8.1 through 8.7) and P.L. 2009, c. 90 (C. 40:55D-8.1 through 8.7).

(b) Distribution of development fee revenues:

The Mayor and Council will review all requests/proposals for funding from the Borough's Housing Trust Fund to determine consistency with the approved Housing Element / Fair Share Plan and approved Spending Plan. All distributions from the Housing Trust Fund shall be authorized by a Resolution adopted by the governing body.

Borough of Raritan
County of Somerset
Spending Plan
February 2026

3. DESCRIPTION OF ANTICIPATED USE OF AFFORDABLE HOUSING FUNDS

(a) **Affordability Assistance (N.J.A.C. 5:97-8.8)**

- Affordability assistance: \$107,537 (includes the “very low” assistance requirement of \$32,261). The projected minimum affordability assistance requirement is as follows:

Table II Minimum Affordability Assistance - 2025-2035	
Actual Development Fees through 2/11/2026	\$390,937
Development Fees Projected through 6/30/2035	\$123,000
Interest Projected 2025-2035	\$24,519
Total	\$538,456
Less money collected for specific mechanisms	\$180,000
Total	\$358,456
30% Affordability Assistance	\$107,537
Projected Minimum Very-Low Income Affordability Assistance	\$32,261

The Borough will dedicate a total of \$107,537 from the affordable housing trust fund to render units more affordable, including a minimum of \$32,261 to render units more affordable to households earning 30 percent or less of median income by region, as follows:

- i. Down payment assistance
- ii. Payment of closing costs
- iii. Payment of lender fees
- iv. Security deposit assistance
- v. First month’s rent assistance

(b) **Administrative Expenses (N.J.A.C. 5:97-8.9)**

Table III Administrative Expenses Maximum - 2025-2035	
Actual Development Fees Through 2/12/2026	\$390,937
Projected Development Fees Projected - 2025-2035	\$123,000
Total	\$513,937
20% Maximum	\$102,787

Borough of Raritan
County of Somerset
Spending Plan
February 2026

4. EXPENDITURE SCHEDULE

Raritan intends to use affordable housing trust fund revenues to support its rehabilitation program, to render units more affordable through offering of affordability assistance and administrative costs associated with these programs. The Borough also anticipates administrative expenses in 2035 related to preparation of its Fifth Round HEFSP. The Borough proposes to allocate its Housing Trust Funds to projects in Table IV within the required time period subsequent to approval of this Spending Plan.

The projected revenues of \$147,519 from anticipated developer fees and interest (Table I) combined with the present balance of \$390,937 in the Borough's Housing Trust Fund will, if development projections are reasonably accurate, provide an estimated total of \$538,456 over the course of the fourth round period through June of 2035. Table IV presents an estimated schedule for expenditure of the projected revenues.

Table IV – Expenditure Schedule

Program	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	Total
Affordability Assistance	\$10,754	\$10,754	\$10,754	\$10,754	\$10,754	\$10,754	\$10,754	\$10,754	\$10,754	\$10,754	\$107,540
Rehabilitation Program	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000		\$180,000
Administrative Expenses	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$30,000	\$66,000
Total	\$34,754	\$40,754	\$353,540								