

2026
Hardyston Township
Affordable Housing Trust Fund
Spending Plan

March 2016

Hardyston Township
Sussex County, New Jersey

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Township Planner

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INTRODUCTION

The Township of Hardyston (hereinafter the "Township"), Sussex 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 (FHA-2) (N.J.S.A. 52:27D-301) and the new Fair Housing Act Rules promulgated by the New Jersey Department of Community Affairs (DCA) (N.J.A.C. 5:99). A development fee ordinance creating a dedicated revenue source for affordable housing and establishing the Township of Hardyston Affordable Housing Trust Fund was adopted by the Township in 1993.

As of February 28, 2026, the Township of Hardyston had a balance of \$1,299,082¹ 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 market to affordable units, 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 as described in the sections that follow.

1. REVENUES FOR CERTIFICATION PERIOD

It is anticipated that during the period of March 1, 2026 through June 30, 2036, 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 \$940,483 to its Affordable Housing Trust Fund. This is detailed below.

- (a) Development fees: Based on development fee collection trends in the Township of Hardyston over the past five years, the Township anticipates that approximately \$524,000 in development fees will be generated between March 1, 2026 through June 30, 2036.
- (b) Payment in lieu (PIL): The Township of Hardyston does not anticipate the contribution of any payments in lieu toward the municipal Affordable Housing Trust Fund during the Fourth Round.

¹ All figures rounded to the nearest dollar.

- (c) Other Funds: The Township of Hardyston anticipates an additional \$158,000 from the sale of a market to affordable unit to be contributed toward the municipal Affordable Housing Trust Fund during the Fourth Round.

- (d) Projected interest: It is estimated that the Township of Hardyston will collect approximately \$258,483 in interest from March 1, 2026 through June 30, 2036. This figure assumes that, on average, the Township will collect approximately \$25,848 in interest per year during the remainder of the Third Round and throughout the Fourth Round.

SOURCE OF FUNDS	3/1/2026-12/31/2026		2027	2028	2029	2030	2031	2032	2033	2034	2035	Total
	(a) Development Fees	\$34,000	\$233,500	\$12,000	\$211,500	\$5,500	\$5,500	\$5,500	\$5,500	\$5,500	\$5,500	\$5,500
(b) Payments in Lieu of Construction	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(c) Other Funds	\$158,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(d) Interest	\$31,527	\$31,490	\$27,790	\$29,077	\$25,840	\$24,727	\$23,615	\$22,502	\$21,390	\$20,527	\$258,483	
Total	\$223,527	\$264,990	\$39,790	\$240,577	\$31,340	\$30,227	\$29,115	\$28,002	\$26,890	\$26,027	\$940,483	

In sum, the Township of Hardyston projects a total of \$940,483 in revenue to be collected between March 1, 2026 and June 30, 2036. This projected amount, when added to Hardyston's current trust fund balance of \$1,299,082, results in a total anticipated trust fund balance of \$2,169,565 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 Hardyston'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 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 release of funds requires adoption of a 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

- (a) Rehabilitation. The Township has a Present Need (rehabilitation) obligation of 22 units. In order to address its rehabilitation obligation, the Township administers the Hardyston's municipal Home Improvement Program, available to qualified homeowners. The Township will utilize funds from the Township's affordable housing trust fund to fund these programs. The Township will set aside \$25,000 per unit, which will require a total contribution of \$550,000

COAH's rules require municipalities to set aside sufficient funds to address one-third of their rehabilitation obligation within one year of approval of their plan. In addition, municipalities are required to set aside sufficient funds to address one-sixth of their rehabilitation obligation each subsequent year of the compliance certification period. As such, the Township will set aside \$75,000 for 2026, and an additional \$200,000 in 2027, and \$75,000-\$100,000 each subsequent year until the program is fully funded.

- (b) Municipal Contribution to Scattered Site Municipal Partnership Program. As also set forth in the Housing Element and Fair Share Plan, the Township is currently working with Habitat for Humanity and other affordable housing developers to identify sites throughout the Township for the construction of new affordable housing units. The Township will commit \$950,000 from its Affordable Housing Trust Fund to assist with

construction costs for this project. The Township will also commit \$50,000 per unit for a total of 19 units.

- (c) Affordability Assistance. Pursuant to 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 for the purpose of providing affordability assistance to low- and moderate-income households in affordable units included in the Township's fair share plan. 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, provided that no such trust fund monies will be expended to refund any homeowner's association fees, maintenance fees, condominium fees, special assessments, common maintenance expenses for the benefit of any market-rate unit owners and/or to fund or refund a homeowner's association for litigation costs and attorney's brought against the Township and/or any low-and moderate-income unit owners to extinguish any affordability controls or increase or equalize the maintenance fees or special assessments of the affordable unit owners. This may also include offering a subsidy to developers of inclusionary or 100% affordable housing developments or buying down the cost of low- or moderate-income units in the Township's fair share plan to make them affordable to very low-income households, including special needs and supportive housing opportunities. The Township will set aside \$300,000 from the Affordable Housing Trust Fund for this purpose through June 30, 2035.
- (d) Administrative Expenses. Per N.J.A.C. 5:99-2.4(a), no more than 20% of all affordable housing trust funds, exclusive of those collected prior to July 17, 2008, to fund an RCA, shall be expended on administration. The Township of Hardyston projects that a maximum of \$215,892 will be available from the affordable housing trust fund to be used for administrative purposes through June 30, 2036. Projected administrative expenditures, subject to the 20% cap, include 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).

Actual development fees + interest through 2/28/26		\$2,839,398
Payments in lieu of construction & other deposits through 2/28/26	+	\$0
Projected development fees + interest 3/1/26 through 6/30/35	+	\$782,483
Less RCA expenditures through 7/17/08	-	\$0
Total	=	\$3,621,881
20 percent requirement	x 0.20 =	\$724,376
Less administrative expenditures through 2/28/26		\$508,484
PROJECTED MAXIMUM Available for Administrative Expenses 3/1/26 through 6/30/35	=	\$215,892

(e) Other Emergent Housing Opportunities. The Township will spend the remaining trust fund balance, projected at \$154,565, on 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.

4. EXPENDITURE SCHEDULE

The Township of Hardyston intends to use affordable housing trust fund revenues for rehabilitation activities, accessory apartments, housing activity related to new construction, extension of affordability controls, affordability assistance, administration, and emergent housing opportunities that may arise during the Fourth Round. 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.

PROJECTS/ PROGRAMS	PROJECTED EXPENDITURES – AFFORDABLE HOUSING TRUST FUND											Total	
	3/1/26 to 12/31/26	2027	2028	2029	2030	2031	2032	2033	2034	1/1/35 to 6/30/35			
HOUSING ACTIVITY:													
Rehabilitation	\$75,000	\$200,000	\$100,000	\$100,000	\$75,000	\$0	\$0	\$0	\$0	\$0	\$0	\$550,000	
Municipal Partnership Scattered Site Program		\$475,000											
AFFORDABILITY ASSISTANCE:													
Affordability Assistance Program	\$12,000	\$32,000	\$32,000	\$32,000	\$32,000	\$32,000	\$32,000	\$32,000	\$32,000	\$32,000	\$32,000	\$300,000	
ADMINISTRATION:													
Administration	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$15,000	\$15,000	\$15,000	\$10,000	\$10,000	\$10,000	\$215,000	
MISCELLANEOUS:													
Other Emergent Opportunities		\$17,000	\$17,000	\$17,000	\$17,000	\$17,000	\$17,000	\$17,000	\$17,000	\$18,565	\$18,565	\$154,565	
Total	\$117,000	\$754,000	\$654,000	\$179,000	\$154,000	\$64,000	\$64,000	\$64,000	\$59,000	\$60,565	\$60,565	\$2,169,565	

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 of Hardyston 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 rehabilitation program, additional funding for subsidies and/or repairs and upgrades in connection with extensions of controls, additional affordability assistance, additional administrative expenditures (up to the 20% cap) and/or any other emergent affordable housing opportunities that may arise during the Fourth Round.

6. BARRIER FREE ESCROW

Collection and distribution of barrier free funds shall be consistent with the Township's Affordable Housing Ordinance and in accordance with applicable regulations. A process describing the collection and distribution procedures for barrier free escrow is detailed within the Township's Affordable Housing Ordinance.

SUMMARY

The Township of Hardyston 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 of Hardyston had a balance of \$1,229,082 as of February 28, 2026 and anticipates an additional \$940,483 in revenues through June 30, 2035 for a total of \$2,169,565. During the period of the Township's Fourth Round JOR through June 30, 2035, the Township agrees to fund \$550,000 towards a rehabilitation program, \$950,000 towards a scattered site municipal partnership program, \$300,000 towards affordability assistance, \$215,000 towards administrative expenses, and \$154,565 towards other emergent affordable housing opportunities that may arise during the Fourth Round, totaling \$2,169,565 in anticipated expenditures.

Any shortfall of funds will be offset by an alternative funding source to be identified by the Township and/or, the Township of Hardyston will bond to provide the necessary funding. The Township will dedicate any excess funds or balance toward the Township's rehabilitation program, additional funding for subsidies and/or repairs and upgrades in connection with extensions of controls, additional affordability assistance, additional administrative expenditures (up to the 20% cap) and/or any other emergent affordable housing opportunities that may arise during the Fourth Round.

SPENDING PLAN SUMMARY		
Balance as of February, 2026		\$1,229,082
PROJECTED REVENUE THROUGH 6/30/35		
Development fees	+	\$524,000
Payments in lieu of construction	+	\$0
Other funds	+	\$158,000
Interest	+	\$258,483
SUBTOTAL REVENUE	=	\$940,483
TOTAL REVENUE = \$2,169,565		
EXPENDITURES		
Rehabilitation Program	-	\$550,000
Scattered Site Municipal Partnership Program	-	\$900,000
Affordability Assistance	-	\$300,000
Administration	-	\$215,000
Other Emergent Opportunities	-	\$154,565
TOTAL PROJECTED EXPENDITURES	=	\$2,169,565
REMAINING BALANCE	=	\$0