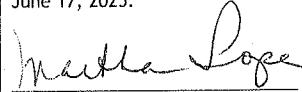


	MOVED	SECONDED	AYES	NAYS	ABSENT	ABSTAIN
Councilman Rene Dierkes			✓			
Councilman Steven Matejek			✓			
Councilwoman Donna Pacifico			✓			
Councilman Donald Rinaldo			✓			
Councilman Alex Van Deusen	✓		✓			
Councilwoman Valerie Wass		✓	✓			
Mayor Paul Mirabelli						

I hereby certify that the above Resolution was adopted by the Borough Council of the Borough of Mountainside at a Meeting held on June 17, 2025.



Martha Lopez, Borough Clerk

### RESOLUTION 85-2025

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 "FHA II"); and

WHEREAS, FHA II established a procedure by which municipalities can secure approval of a Housing Element and Fair Share Plan ("HEFSP"); and

WHEREAS, that procedure contemplated that municipalities would adopt a resolution by January 31, 2025, committing to a fair share number and filing a declaratory relief action with the Superior Court Affordable Housing Dispute Resolution Program ("the Program"), and then filing a HEFSP by June 30, 2025, with the Program; and

WHEREAS, in accordance with this statutory procedure, and the Program, the Borough adopted a binding resolution on January 21, 2025, committing to a Fourth Round Present Need of 120 and Round 4 Prospective Need obligation of 137, subject to applicable adjustments; and

WHEREAS, pursuant to the requirements of the FHA II and Administrative Directive #14-24, on January 22, 2025, the Borough filed a Fourth Round Declaratory Judgment action (which included its January 21, 2025 adopted binding resolution) with the Superior Court Affordable Housing Dispute Resolution Program under Docket No. UNN-L-317-25, asking the Court to declare the Borough's Fourth Round HEFSP constitutionally compliant, and seeking protection and repose against exclusionary zoning litigation for a ten (10) year period (July 1, 2025 to June 30, 2035); and

WHEREAS, objections were filed challenging the Borough's calculations provided for in the Borough's adopted January 22, 2025 binding resolution; and

WHEREAS, by Order of the Honorable Daniel R. Lindemann, J.S.C. dated April 30, 2025, as amended on May 6, 2025, the Superior Court of New Jersey, Union County, issued findings: 1. that the "present need" obligation of the Borough be fixed as one-hundred-and-twenty (120) affordable units for the Fourth Round housing cycle; and 2. that the "prospective need" obligation of the Borough be fixed as one-hundred-and-thirty-seven (137) affordable units for the Fourth Round housing cycle;

WHEREAS, the filing of the HEFSP will provide the Borough and its Planning Board immunity; and

WHEREAS, the Borough's affordable housing planning consultants, John T. Chadwick IV PP and Kendra Lelie, PP, AICP, LLA, have prepared a HEFSP to meet the Borough's affordable housing obligations under FHA II; and

WHEREAS, the Mountainside Borough Planning Board adopted the HEFSP by Resolution passed on June 10, 2025, a copy of which is attached hereto as Exhibit A; and

WHEREAS, the Borough Council now wishes to endorse the Housing Element and Fair Share Plan adopted by the Mountainside Planning Board that is attached to the Planning Board Resolution passed on June 10, 2025, and seek approval of the HEFSP by the Program and Court.

NOW, THEREFORE, BE IT RESOLVED by the Council of the Borough of Mountainside, County of Union, State of New Jersey, as follows:

1. The Borough Council hereby endorses the Fourth Round HEFSP previously adopted by the Mountainside Planning Board and attached to the Planning Board Resolution of June 10, 2025, Exhibit A hereto.
2. The Borough Council hereby directs the Borough Attorney to (a) file this resolution with the Program, along with any additional documents the professionals deem necessary or desirable; and (b) seek a Compliance Certification from the Program or Vicinage area judge as may be appropriate formally approving the Plan.
3. The Borough reserves the right to further amend the HEFSP attached Exhibit A hereto should that be necessary.

**EXHIBIT A****RESOLUTION OF THE PLANNING BOARD FOR THE BOROUGH OF MOUNTAINSIDE  
ADOPTING A FOURTH ROUND HOUSING ELEMENT AND FAIR SHARE PLAN AND  
AMENDING THE MASTER PLAN FOR THE BOROUGH OF MOUNTAINSIDE**

**WHEREAS**, on March 20, 2024, Governor Murphy signed an Amendment to the Fair Housing Act into law ("Amended FHA") that created new procedures and laws. Pursuant to the Amended FHA, by January 31, 2025 municipalities adopted a "binding resolution" filed as a declaratory relief lawsuit with the Court and "the Program". In addition, the municipality must file a Housing Element and Fair Share Plan with the Court and the Program by June 30, 2025, and comply with a series of other requirements. The Borough took the first step required by the Amended FHA by adopting the binding resolution and filing the declaratory relief action to establish the Fourth Round obligation; and

**WHEREAS**, in accordance with the Amended FHA and related proceedings regarding same, the Borough Planners drafted a Fourth Round Housing Element and Fair Share Plan dated May 30, 2025 which is attached hereto as "Exhibit A"; and

**WHEREAS**, the adoption of the Fourth Round Housing Element and Fair Share Plan also requires the amendment to the Master Plan for the Borough of Mountainside to refer to and incorporate same; and

**WHEREAS**, upon notice duly provided pursuant to N.J.S.A. 40:55D-13, the Planning Board held a public hearing on the Fourth Round Housing Element and Fair Share Plan and proposed and required amendment to the Master Plan for the Borough of Mountainside on June 10, 2025; and

**WHEREAS**, the Planning Board determined that the attached Fourth Round Housing Element and Fair Share Plan is consistent with the goals and objectives of the Borough's current Master Plan, and that adoption and implementation of the Fourth Round Housing Element and Fair Share Plan is in the public interest and protects public health and safety and promotes the general welfare; and

**NOW, THEREFORE, BE IT RESOLVED** by the Planning Board for the Borough of Mountainside, County of Union, State of New Jersey, that the Planning Board hereby adopts the Fourth Round Housing Element and Fair Share Plan attached hereto as "Exhibit A" and hereby approves the amendment of the Master Plan for the Borough of Mountainside to incorporate the Fourth Round Housing Element and Fair Share Plan therein.

---

John Tomaine, Chairman of the Planning Board

**CERTIFICATION**

I CERTIFY THAT THE FOREGOING Resolution was duly adopted by the Planning Board of the Borough of Mountainside at a special meeting held on the 10<sup>th</sup> day of June, 2025.

---

Kiana Taveras, Planning Board Secretary

# Exhibit A

**FOURTH ROUND  
HOUSING ELEMENT  
AND  
FAIR SHARE PLAN**

**BOROUGH OF MOUNTAINSIDE  
UNION COUNTY  
NEW JERSEY**

**Prepared By:**

**John T. Chadwick IV PP**



NEW JERSEY PROFESSIONAL PLANNER LICENSE #995  
JOHN T. CHADWICK IV PP

**Kendra Lelie, PP, AICP, LLA**



NEW JERSEY PROFESSIONAL PLANNER LICENSE #5537  
KYLE + MCMANUS ASSOCIATES

**The original of this document was signed and sealed according to law**

**May 30, 2025**

## **BOROUGH OF MOUNTAINSIDE MAYOR & COUNCIL - 2025**

Paul N. Mirabelli - Mayor  
Rene Dierkes - Councilman  
Donna Pacifico - Councilwoman  
Steven Matejek – Councilman  
Donald Rinaldo Jr - Councilman  
Valerie Wass - Councilwoman  
Alex Van Deusen - Councilman  
John N. Post - Borough Attorney

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## **BOROUGH OF MOUNTAINSIDE PLANNING BOARD - 2025**

John Tomaine, Chairman  
Paul N. Mirabelli, Mayor  
Valerie Wass, Councilwoman  
Todd Garran  
Karen Dillon  
Ted Zawislak  
Thomas Jakositz  
Steve Matlin  
Mark Gioioso, Alternate 1  
Coady Brown, Alternate 2  
  
Vincent Loughlin, Esq., Board Attorney  
Kiana Taveras, Secretary  
Michael Disko Jr P.E. Borough Engineer  
John T. Chadwick, IV, P.P., Planning Consultant

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## INTRODUCTION

In accordance with the Fair Housing Act (as amended) this Housing Element and Fair Share Plan includes the following:

- a. An inventory of the municipality's housing stock by age, condition, purchase or rental value, occupancy characteristics, and type, including the number of units affordable to low- and moderate-income households and substandard housing capable of being rehabilitated (see appendix);
- b. A projection of the municipality's housing stock, including the probable future construction of low and moderate income housing for the next ten (10) years, taking into account, but not necessarily limited to, construction permits issued, approvals of applications for development, and probable residential development of lands (see appendix);
- c. An analysis of the municipality's demographic characteristics, including, but not necessarily limited to, household size, income level, and age (see appendix);
- d. An analysis of the existing and probable future employment characteristics of the municipality (see appendix);
- e. A determination of the municipality's present and prospective fair share of low- and moderate-income housing and its capacity to accommodate its present and prospective housing needs, including its fair share of low- and moderate-income housing;
- f. A consideration of the lands most appropriate for construction of low- and moderate-income housing and of the existing structures most appropriate for conversion to, or rehabilitation for, low- and moderate-income housing, including a consideration of lands of developers who have expressed a commitment to providing low and moderate income housing;
- g. An analysis of the extent to which municipal ordinances and other local factors advance or detract from the goal of preserving multigenerational family continuity as expressed in the recommendations of the Multigenerational Family Housing Continuity Commission, adopted pursuant to paragraph (1) of subsection f. of section 1 of P.L.2021, c. 273 (C.52:27D-329.20); and
- h. An analysis of consistency with the State Development and Redevelopment Plan, including water, wastewater, stormwater, and multi-modal transportation based on guidance and technical assistance from the State Planning Commission.

Items a through d are included as an appendix item and items e through g are included in the body of this Fair Share Plan. Item h will be addressed when the State's plan is finalized and adopted (The State Plan remains in progress)



## **AFFORDABILITY REQUIREMENTS**

Affordable housing is defined under New Jersey's FHA as a dwelling, either for sale or rent, which is within the financial means of households of very-low-, low-, or moderate-income, as is measured within each housing region. The Borough of Mountainside is in Region 2, which includes Essex, Morris, Union, and Warren counties. Moderate-income households are those with annual incomes greater than 50%, but less than 80% of the regional median income. Low-income households are those with annual incomes that are 50% or less than the regional median income. Very-low-income households are a subset of "low-income" households and are defined as those with incomes 30% or less than the regional median income.

Uniform Housing Affordability Controls (UHAC) at N.J.A.C. 5:80-26.3, et seq., requires that the maximum rent for a qualified unit be affordable to households with incomes 60% or less than the median income for the region. The average rent must be affordable to households with incomes no greater than 52% of the median income. The maximum sale prices for affordable units must be affordable to households with incomes 70% or less than the median income. The average sale price must be affordable to a household with an income of 55% or less than the median income.

The regional median income uses the federal income limits established by Department of Housing and Urban Development (hereinafter "HUD") on an annual basis. In the spring of each year, HUD releases updated regional income limits. It is from these income limits that the rents and sale prices for affordable units are derived.

## **PRESENT AND PROSPECTIVE NEED OBLIGATIONS**

The fair share affordable housing obligation consists of a rehabilitation component (present need) and a new construction component (prospective need). After the review of the DCA methodology for the Fourth Round present and prospective need obligations, the Borough determined that the DCA calculation was in error and proposed 137 units as its present and prospective need for the Fourth Round.

On April 30, 2025 Judge Daniel R. Lindemann declared the Borough Fourth Round obligation to be 137.

### **Rehabilitation Obligation:**

The rehabilitation obligation can be defined as an estimate of the number of deteriorated housing units occupied by low- and moderate-income households. A housing survey is being accomplished as per requirements. The survey will provide estimates of homes in need of repair. The Borough is a member of the Union County CBDG program and will conduct outreach in addition to County actions to address housing needs. The Borough's Spending Plan shall also provide funding for this program.

### **Fourth Round Obligation: 137 units**

The Fourth Round obligation can be defined as the cumulative July 1, 2025 through June 30, 2035, new construction affordable housing obligation.



### **Vacant Land and Realistic Development Potential Analysis**

If there is a lack of sufficient land to meet the new construction obligation, a municipality is entitled to rely on COAH regulations to adjust the new construction obligation downward pursuant to N.J.S.A 52:27D- 311 (m). The adjusted number is known as the realistic development potential (RDP). The Borough of Mountainside has no developable land and therefore a 0 RDP.

### **Unmet Need Determination**

The Borough of Mountainside has 0 developable land as per DCA criteria.

### **HOUSING ELEMENT AND FAIR SHARE PLAN**

This Housing Element and Fair Share Plan has been prepared to supersede and replace the existing court certified Housing Element and Fair Share Plan (Plan) adopted by the Planning Board on May 27, 2014.

### **Fourth Round Compliance Process**

On March 20, 2024, Governor Murphy signed an amendment to the Fair Housing Act into law (“Amended FHA”) that created new procedures and laws. Pursuant to the Amended FHA, by January 31, 2025, municipalities adopted a “binding resolution”; and filed a declaratory relief lawsuit with the Court and “the Program”. In addition, the municipality must file a Housing Element and Fair Share Plan with the Court and Program by June 30, 2025, and comply with a series of other requirements.

The Borough took the first step required by the Amended FHA by adopting the binding resolution and filing the declaratory relief action to establish the Fourth Round obligation.

### **Satisfaction of the Affordable Housing Obligation**

The Borough is addressing its affordable housing obligation through an overlay zone.

The overlay zone requirements are:

- Developable Site – In accordance with N.J.A.C. 5:93-1.3, a developable site has access to appropriate sewer and water infrastructure and is consistent with the areawide water quality management plan. The sites are served by public water and sewer mains.
- Approvable Site – Pursuant to N.J.A.C. 5:93-1.3, an approvable site may be developed for low- and moderate-income housing in a manner consistent with the rules or regulations of all agencies with jurisdiction over the site. The site is approvable and will be developed in accordance with Borough, County and State regulations.
- Administrative Entity – The Borough will enter into an agreement with an experienced Administrative Agent to administer the Borough’s affordable housing units pursuant to COAH’s regulations.

- Low/Moderate Income Split – At least half of all the affordable units developed at the site will be affordable to low-income households (13% of all affordable units will be very low-income) and an odd number of affordable units will always be split in favor of the low-income unit per UHAC at N.J.A.C. 5:80-26.1.
- Affirmative Marketing – The Borough's Administrative Agent or the developer will affirmatively market the units in accordance with UHAC per N.J.A.C. 5:80-26.1.
- Controls on Affordability – The Borough's agreement with the developer of the sites will require a minimum 30-year affordability control deed restrictions on the units in accordance with N.J.A.C. 5:93 et seq. and N.J.A.C. 5:80-26.1.
- Bedroom Distribution – The units controlled by the developer of the project will be required to be developed in accordance with UHAC requirements regarding bedroom distribution in accordance with N.J.A.C. 5:80-26.1.

### **Mandatory Set-aside Ordinance**

The Borough will adopt a mandatory set-aside ordinance that requires, where via use variance, rezoning, or redevelopment, the Borough permits multi-family residential housing with 3 units or greater at a density greater than otherwise permitted compared to the existing zoning permitted, than an affordable housing set-aside will be imposed on the development. All affordable units shall be restricted, regulated, and administered consistent with the Borough's affordable housing regulations, the Uniform Housing Affordability Controls rules (N.J.A.C. 5:80-26.1 et seq.) and the New Jersey Fair Housing Act (N.J.S.A. 52:27D-301 et seq.). This shall include but is not limited to income distribution, bedroom distribution, and phasing. Addressing the Fourth Round Obligation

### **Addressing Fourth Round Unmet Need**

#### ***Unmet Need:***

No vacant or developable land exists within the Borough's land use jurisdiction. The remaining obligation is known as the Fourth Round Unmet Need.

The Amended FHA requires a municipality that receives an adjustment of the prospective need to identify sufficient parcels that are potential redevelopment sites during the Fourth Round to address 25 percent of the adjusted prospective need (unmet need) with realistic or meaningful zoning. In compliance with the FHA, the Borough will provide realistic or meaningful zoning to address a minimum of 34 units of unmet need ( $137 \times 0.25 = 34$ ).

### ***Route 22 Overlay District - Proposed***

The Borough proposes to adopt a second overlay district for the parcels that abut Route 22 for multi-family housing with densities of 6 dwelling units per acre. The Route 22 Overlay District is approximately 29.8 acres in size. An overlay zone is a zoning option that allows an applicant to develop at higher densities for residential development provided they set aside at least 25% of the units as affordable housing available to low-and moderate-income households. The overlay zone

has the potential to yield 45 affordable units. This type of zoning is known as inclusionary zoning. The proposed ordinance amendment is included in the appendix and represents a meaningful zoning option for future affordable housing opportunities.

### **PRESERVATION OF MULTIGENERATIONAL FAMILY CONTINUITY**

The 2024 FHA requires an analysis of the extent to which municipal ordinances and other local factors advance or detract from the goal of preserving multigenerational family continuity as expressed in the recommendations of the Multigenerational Family Housing Continuity Commission, adopted pursuant to paragraph (1) of subsection f. of section 1 of P.L.2021, c. 273 (C.52:27D-329.20). The Commission has the primary goal of enabling senior citizens to reside at the homes of their extended families, thereby preserving and enhancing multigenerational family continuity. A review of the Borough's ordinance indicates that there are no ordinances that would specifically create a detraction from meeting the Commission's goal of enabling senior citizens to reside at the homes of their extended families. In fact, the Borough defines a family that is permitted to live in a single family dwelling in such a way that a senior citizen may live in that single family dwelling unit with their extended family which is a permitted use in the residential zoning districts. The Mountainside ordinances advance the multigenerational family continuity goal.

### **STATE DEVELOPMENT AND REDEVELOPMENT PLAN CONSISTENCY**

This Housing Element and Fair Share Plan is consistent with the 2001 State Development and Redevelopment Plan (SDRP) as the proposed projects and zoning mechanisms will provide a meaningful opportunity for the construction of affordable housing. Pursuant to the SDRP, PA2 is the preferred location for redevelopment for compact growth. Mountainside is designated as PA2. The development of affordable housing in PA2 is consistent with the overall State Development and Redevelopment Plan goal to direct redevelopment and growth into existing mature suburbs where infrastructure can support the development and support services such as open space, retail shopping, public transportation, schools are within walking distance.

### **AFFORDABLE HOUSING ADMINISTRATION & AFFIRMATIVE MARKETING**

Mountainside Borough has adopted an Affordable Housing Ordinance in accordance with COAH's substantive rules and UHAC. The Affordable Housing Ordinance governs the establishment of affordable units in the Borough as well as regulating the occupancy of such units. The Borough's Affordable Housing Ordinance covers the phasing of affordable units, the low/moderate income split, bedroom distribution, occupancy standards, affordability controls, establishing rents and prices, affirmative marketing, income qualification, etc.

The Borough established the position of the Municipal Housing Liaison (Borough Administrator). The Borough will rely on an affordable housing administrator to contract for the administration and affirmative marketing of its affordable housing sites. The affirmative marketing plans are designed to attract buyers and/or renters of all majority and minority groups, regardless of race, creed, color, national origin, ancestry, marital or familial status, gender, affectional or sexual orientation, disability, age, or number of children to the affordable units located in the Borough. Additionally, the affirmative marketing plan is intended to target those potentially eligible persons who are least likely to apply for affordable units and who reside in the Borough's housing region, Region 2, consisting of Essex, Morris, Union, and Warren Counties.

The affirmative marketing plans will include regulations for qualification of income eligibility, price and rent restrictions, bedroom distribution, affordability control periods, and unit marketing in accordance with N.J.A.C. 5:80-26.1 et seq. All newly created affordable units will comply with the 30-year affordability control required by UHAC, N.J.A.C. 5:80-26.5 and 5:80-26.11. This plan must be adhered to by all private, non-profit, and municipal developers of affordable housing units and must cover the period of deed restriction or affordability controls on each affordable unit.

#### **AFFORDABLE HOUSING TRUST FUND**

A development fee ordinance has been adopted to create a dedicated revenue source for affordable housing.

The future Spending Plan will cover anticipated revenues, collection of revenues, and the use of revenues, which will be prepared in accordance with COAH's applicable substantive rules. All collected revenues will be placed in the Borough's Affordable Housing Trust fund and may be dispensed for the use of eligible affordable housing activities including, but not limited to:

- New construction of affordable housing units and related development costs;
- Extensions or improvements of roads and infrastructure directly serving affordable housing development sites;
- Acquisition and/or improvement of land to be used for affordable housing;
- Purchase of affordable housing units for the purpose of maintaining or implementing affordability controls,
- Maintenance and repair of affordable housing units;
- Repayment of municipal bonds issued to finance low- and moderate-income housing activity; and
- Any other activity as specified in the approved spending plan.

At least 30% of collected development fees, excluding expenditures made since July 17, 2008, when affordability assistance became a statutory requirement in the Fair Housing Act, shall be used to provide affordability assistance to low- and moderate-income households in affordable units included in a municipal Fair Share Plan. At least one-third (1/3) of the affordability assistance

must be expended on very-low income units. Additionally, no more than 20% of the revenues collected from development fees each year, shall be expended on administration, including, but not limited to, salaries and benefits for municipal employees or consultant fees necessary to prepare or implement a rehabilitation program, a new construction program, a housing element and fair share plan, and/or an affirmative marketing program.

### **COST GENERATION**

The Borough's Land Development Ordinance has been reviewed to eliminate unnecessary cost generating standards. The Borough will adopt, if needed, Planning Board rules for expediting the review of development applications containing affordable housing. Such expedition may consist of, but is not limited to, scheduling of pre-application conferences and special monthly public hearings. Furthermore, development applications containing affordable housing shall be reviewed for consistency with the Land Development Ordinance, Residential Site Improvement Standards (N.J.A.C. 5:21-1 et seq.) and the mandate of the FHA regarding unnecessary cost generating features. Mountainside Borough shall comply with COAH's requirements for unnecessary cost generating requirements, N.J.A.C. 5:93-10.1, procedures for development applications containing affordable housing, N.J.A.C. 5:93-10.4, and requirements for special studies and escrow accounts where an application contains affordable housing.

# **APPENDIX**

**DEMOGRAPHIC, HOUSING AND ECONOMIC DATA**

**VACANT LAND ANALYSIS**

**DRAFT ORDINANCE**

**DRAFT SPENDING PLAN**



## **DEMOGRAPHIC, HOUSING AND ECONOMIC DATA**

The Borough of Mountainside is a fully developed community. There is no remaining developable land. The Borough proposes an overlay zone to satisfy its required unmet need.

NJTPA is the designated agency for publication of demographic housing and economic data. Review of the data shows the Borough's population is projected to increase by approximately 3% over the next 25 years.

Over the past 10 years population has increased by approximately 125 persons. The 2024 estimate of total population is 6898 persons. Most of the population growth is the result of development of inclusionary developments.

98% of the homes within the Borough are single-family dwellings. Most of the homes were developed in the 1970s on lots ranging from 7500 to 15,000 sq. ft. All the inclusionary projects are townhomes.

DCA estimated that 120 homes occupied by lower income household qualified for rehabilitation assistance. The Borough has conducted a housing survey in accordance with DCA requirements. The purpose of the survey is to focus on actual need and provide assistance either through Union County CDBG funding and/or Borough Housing Trust Fund resources. The survey showed 1 dwelling in need of rehabilitation.

The Borough's population is a well-educated upper-middle-class community. Over 50% of the population has achieved a bachelor's degree or higher. The median household income substantially exceeds median household income for the County.

The workforce has remained relatively constant over the past two decades. No new major employers have located to the Borough. The latest estimate of jobs in the Borough is 2564 jobs.

## **VACANT LAND ANALYSIS**

The Borough is fully developed. Vacant land analysis was conducted as part of the affordable housing planning process. The analysis concluded that no developable land pursuant to fair housing legislation criteria existed in the Borough.



### **DRAFT ORDINANCE**

Additional land is proposed to address 25% of the unmet need in accordance with fair housing law requirements.

The draft ordinance continues all standards and requirements set forth in ordinance 1219-2014. That ordinance was adopted to implement the Housing Element and Fair Share Plan pursuant to Superior Court of New Jersey Law Division by way of order entered February 26, 2014.

The draft ordinance designates block 24J, lots 1, 2, and 3 as L-1/AH/2. Further, the ordinance shall stipulate that the new overlay zone shall have a 25% affordable housing unit requirement (see attached).

### **DRAFT SPENDING PLAN**

The Borough has adopted a development fee ordinance. A consultant prepares monitoring reports in compliance with COAH requirements.

The Borough has a current balance of \$163,511.07 in its Affordable Housing account. A draft spending plan will be submitted with the final submission.

**DRAFT**

**BOROUGH OF MOUNTAINSIDE  
AFFORDABLE HOUSING TRUST FUND SPENDING PLAN**

**INTRODUCTION**

The Borough of Mountainside has prepared a Housing Element and Fair Share Plan 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 affordable housing regulations of the New Jersey Department of Community Affairs (the Department) (N.J.A.C. 5:97-1 et seq. and N.J.A.C. 5:96-1 et seq.). A development fee ordinance creating a dedicated revenue source for affordable housing was approved by the Department on January 21, 2021 and adopted by the municipality on June 17, 2014. The ordinance establishes the Borough of Mountainside affordable housing trust fund for which this spending plan is prepared.

**DRAFT****1. REVENUES FOR CERTIFICATION PERIOD**

As of May 16, 2025, the Borough of Mountainside has collected \$187,484 and expended \$53,364, resulting in a balance of \$134,120. 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 in Valley National Bank for the purposes of affordable housing. These funds shall be spent in accordance with N.J.A.C. 5:97-8.7-8.9, as described in the sections that follow.

To calculate a projection of revenue anticipated during the period of third round substantive certification, the Borough of Mountainside 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):

Actual and committed payments in lieu (PIL) of construction from developers as follows:

1. Adoni Property
2. Alpine Builders

(c) Other funding sources:

No other funds have been or are anticipated to be collected.

(d) Projected interest:

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

## DRAFT

SOURCE OF FUNDS		PROJECTED REVENUES-HOUSING TRUST FUND - 2025 THROUGH 2034											
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	Total		
(a) Development fees:											\$ 150,000.00		
Approved Development													
Development Pending Approval													
Projected Development	25,000	20,000	20,000	20,000	15,000	10,000	10,000	10,000	10,000	10,000	\$ 150,000.00		
(b) Payments in Lieu of Construction													
(c) Other Funds (Specify source(s))													
(d) Interest	750	600	600	600	450	300	300	300	300	300	\$ 4,500.00		
Total	25,750	20,600	20,600	20,600	15,450	10,300	10,300	10,300	10,300	10,300	\$ 154,500.00		

The Borough of Mountainside projects a total of \$154,500 in revenue to be collected between June 1, 2025 and December 31, 2034. This projected amount, when added to the Borough of Mountainside's trust fund balance as of May 31, 2025, results in an anticipated total revenue of \$341,984 available to fund and administer its affordable housing plan. All interest earned on the account shall be used only for the purposes of affordable housing.

**DRAFT****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 Mountainside.

(a) Collection of development fee revenues:

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

(b) Distribution of development fee revenues:

It is anticipated that fees shall be paid for administration, affordability assistance, and rehabilitation.

**3. DESCRIPTION OF ANTICIPATED USE OF AFFORDABLE HOUSING FUNDS**

(a) **Rehabilitation and new construction programs and projects (N.J.A.C. 5:97-8.7)**

The Borough of Mountainside will dedicate \$20,000 to rehabilitation or new construction programs (see detailed descriptions in Fair Share Plan) as follows:

**Rehabilitation program:** \$20,000.

**New construction project(s):** \$0

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

<b>AFFORDABILITY ASSISTANCE CALCULATION</b>		
Actual fees thru 5/31/2025		<b>\$ 187,484.00</b>
Actual interest thru 5/31/2025	+	\$ -
Projected Development Fees, 2025 thru 2034	+	<b>\$ 150,000.00</b>
Projected Trust Fund Interest, 2025 thru 2034	+	<b>\$ 4,500.00</b>
Less housing Activity thru 5/31/2025	-	<b>\$ 53,364.00</b>
Total	=	<b>\$ 288,620.00</b>
30% Requirement	x .30	<b>\$ 86,586.00</b>
Less Affordability assist. expenditures thru 6/2025-2034	-	\$ -
Projected Min. Afford Asst, 6/2025-2034	=	<b>\$ 86,586.00</b>
Proj Min Afford. Asst for Very Low Income, 6/2025-2034	x 1/3	<b>\$ 28,862.00</b>

The Borough of Mountainside will dedicate \$86,586 from the affordable housing trust fund to render units more affordable, including \$86,586 to render units more affordable to households earning 30 percent or less of median income by region, as follows:

- *Rental assistance*
- *Owner assistance*

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

<b>ADMINISTRATIVE EXPENSE CALCULATION</b>		
Actual fees and interest thru 5/2025		<b>\$ 187,484.00</b>
Projected Development Fees and interest 6/2025 thru 2034	+	<b>\$ 154,500.00</b>
Payments-In-Lieu of contruction and other deposits	+	\$ -
Less RCA expenditures	-	\$ -
Total For Admin. Calculation, 1/1/2012 to 12/31/2034	=	<b>\$ 341,984.00</b>
20% Maximum for Admin Expense	x .20	<b>\$ 68,396.80</b>
Less Admin thru 5/2025	-	<b>\$ 53,364.00</b>
Available for Admin 6/2025 Thru 2034	=	<b>\$ 15,032.80</b>

**DRAFT**

The Borough of Mountainside projects that \$15033 will 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:

**Program review, advancement, rehabilitation program management, and low income program advancement.**



## DRAFT

## 4. EXPENDITURE SCHEDULE

The Borough of MountainSide intends to use affordable housing trust fund revenues for the creation and/or rehabilitation of housing units.

PROJECTS/PROGRAMS		Projected Expenditure Schedule 2012-2018											
	Number of Units Projected	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	Total	
Rehabilitation	2				\$10,000						\$10,000	\$20,000	
New Construction	0												
1. [list individual projects/ programs]													
2.													
3.													
4.													
5.													
Total												\$ -	
Affordability Assistance		\$8,658	\$8,658	\$8,658	\$8,658	\$8,658	\$8,658	\$8,658	\$8,658	\$8,658	\$8,658	\$86,580	
Administration		\$1,503	\$1,503	\$1,503	\$1,503	\$1,503	\$1,503	\$1,503	\$1,503	\$1,503	\$1,503	\$15,030	
Total	2	10161	10161	10161	20161	10161	10161	10161	10161	10161	20161	\$121,612	

## DRAFT

### 5. EXCESS OR SHORTFALL OF FUNDS

In the event of any expected or unexpected shortfall if the anticipated revenues are not sufficient to implement the plan, The Borough of Mountainside has an intention to bond.

In the event more funds than anticipated are collected, projected funds exceed the amount necessary to implement the Fair Share Plan, or The Borough of Mountainside is reserving funds for affordable housing projects to meet a future affordable housing obligation, these excess funds will be used to address lower income.

### 6. BARRIER FREE ESCROW

Collection and distribution of barrier free funds shall be consistent with the Borough of Mountainside's Affordable Housing Ordinance in accordance with N.J.A.C. 5:97-8.5.

*[Reference section of Affordable Housing Ordinance that explains the collection and distribution of barrier free funds here.]*

### SUMMARY

The Borough of Mountainside intends to spend affordable housing trust fund revenues pursuant to N.J.A.C. 5:97-8.7 through 8.9 and consistent with the housing programs outlined in the Housing Plan Element dated May 28, 2025.

The Borough of Mountainside has a balance of \$134,120 as of May 31, 2025 and anticipates an additional \$154,500 in revenues through 2034 for a total of \$288,620. The municipality will dedicate \$86,586 towards *housing activities*.

## DRAFT

SPENDING PLAN SUMMARY		
Balance as of 5/2025		\$ 134,120.00
PROJECTED REVENUE 6/2025-2034		
Development fees	+	\$ 150,000.00
Payments in lieu of construction	+	\$ -
Other funds	+	
Interest	+	\$ 4,500.00
TOTAL AVAILABLE FUNDS (5/25 balance + Projected thru 2034)		
	=	\$ 288,620.00
PROJECTED EXPENDITURES 6/2025-2034		
Funds used for Rehabilitation		\$ 20,000.00
Funds used for New Construction		
1. (list individual projects/programs)	+	\$ -
2.	+	\$ -
3.	+	\$ -
4.	+	\$ -
Affordability Assistance*	+	\$ 86,586.00
Administration **	+	\$ 15,033.00
Excess Funds or Remaining Balance Reserved for Additional Affordable Housing Activity	=	\$
1. [list individual projects/programs]	-	\$
2.	-	\$
TOTAL PROJECTED EXPENDITURES	=	\$ 121,619.00
REMAINING BALANCE		
	=	\$ 167,001.00