

**TOWNSHIP OF HARDWICK
RESOLUTION NO. 2026-30**

**A RESOLUTION OF THE TOWNSHIP OF HARDWICK
ADOPTING FOURTH ROUND AFFORDABLE HOUSING SPENDING PLAN**

WHEREAS, on March 20, 2024, Governor Murphy signed into law P.L. 2024, c.2 which amended various provisions of the New Jersey Fair Housing Act (N.J.S.A. 52:27D-301 et seq. (“Amended FHA”)); and

WHEREAS, the Amended FHA sets forth that the Fourth Round period of affordable housing obligations shall run from July 1, 2025 through June 30, 2035 (“Fourth Round” or “Round Four”); and

WHEREAS, A municipality may not spend or commit to spend any affordable housing development fees, without first obtaining the approval of the expenditure as part of its compliance certification; and

WHEREAS, the Governing Body of the Township of Hardwick, County of Warren, State of New Jersey, adopted a development fee ordinance on September 2, 2002, and anticipates adopting an updated Development Fee Ordinance as part of its Affordable Housing Ordinance which is anticipated to be adopted by the Township; and

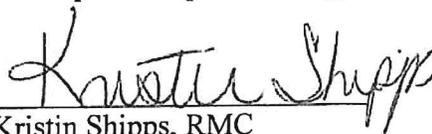
WHEREAS, the development fee ordinance establishes an affordable housing trust fund that includes development fees, payments from developers in lieu of constructing affordable units on-site, barrier free escrow funds, rental income, repayments from affordable housing program loans, recapture funds, proceeds from the sale of affordable units, and/or any other funds collected for affordable housing purposes; and

WHEREAS, the Township has prepared an Affordable Housing Trust Fund Fourth Round Spending Plan, dated March 6, 2026; and

NOW THEREFORE, BE IT RESOLVED by the Governing Body of the Township of Hardwick, Warren County, New Jersey, that the Township of Hardwick hereby adopts the Township of Hardwick Affordable Housing Trust Fund Fourth Round Spending Plan, dated March 6, 2026, prepared by Heyer, Gruel & Associates, which is attached hereto and incorporated herein.

BE IT FURTHER RESOLVED that this Resolution shall take effect immediately. I hereby certify that the above Resolution was adopted by the Township Committee at their regular meeting held on March 11, 2026, at the Hardwick Township Municipal Building, 40 Spring Valley Road, Hardwick, New Jersey.

Date: March 11, 2026


Kristin Shipps, RMC
Township Clerk

Township of Hardwick Affordable Housing Trust Fund Fourth Round Spending Plan

March 6, 2026

Adopted by the Township Committee on June 18, 2025

Amended on March 6, 2026, and adopted by the Township Committee on March 11, 2026

Township of Hardwick
Warren 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 cursive script that reads 'Fred Heyer'. The signature is written in black ink and is positioned above a horizontal line.

Fred Heyer, PP, AICP #3581

With contributing content by Megan Adam, AICP Candidate

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INTRODUCTION

On September 2, 2002, Hardwick Township adopted its first development fee ordinance (Ordinance No. 2002-02, which established the Township's Affordable Housing Trust Fund. All development fees, payments in lieu of constructing affordable units on site, and interest generated by the fees collected by the municipality in connection with its affordable housing program are deposited into this separate Affordable Housing Trust Fund for the purposes of affordable housing. Since adopting its development fee ordinance, the Township has actively been collecting and utilizing monies from its Affordable Housing Trust Fund in accordance with applicable rules and regulations.

The Township's development fee ordinance has undergone amendments and was subsequently replaced on March 19, 2025, via Ordinance 2025-01.

Most recently, the Township prepared an updated Development Fee/ Affordable Housing/ Mandatory Set-Aise Ordinance, which is anticipated to be adopted on March 11, 2026 (see Appendix A). This amended ordinance establishes standards for the collection, maintenance, and expenditure of development fees consistent with the Fair Housing Act (P.L.2024, c.2), N.J.A.C. 5:99, and N.J.S.A. 52:27D-329 as most recently amended.

As of February 14, 2026, the Township had collected a total of \$108,895.32 in development fees, interest, and other income over the lifetime of its trust fund. The Township has spent a total of \$76,906.78 during that time, leaving a balance of \$31,988.54. These funds shall be spent in accordance with N.J.A.C. 5:99 and other applicable regulations, as described in the sections that follow.

1. REVENUES FOR CERTIFICATION PERIOD**METHODOLOGY**

To calculate a projection of revenue anticipated during the period of the Fourth Round, the Township of Hardwick considered the following:

(a) Projected 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. All interest earned on the account shall accrue to the account to be used only for the purposes of affordable housing.

PROJECTED REVENUES CHART

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 2/14/2026)	(a) Projected Development Fees	(b) Projected Interest	Total
Current Balance	\$31,988.54	--	--	\$31,988.54
2026	--	\$4,500.00	\$20	\$4,520.00
2027	--	\$9,000.00	\$41	\$9,041.00
2028	--	\$9,000.00	\$41	\$9,041.00
2029	--	\$9,000.00	\$41	\$9,041.00
2030	--	\$9,000.00	\$41	\$9,041.00
2031	--	\$9,000.00	\$41	\$9,041.00
2032	--	\$9,000.00	\$41	\$9,041.00
2033	--	\$9,000.00	\$41	\$9,041.00
2034	--	\$9,000.00	\$41	\$9,041.00
2035	--	\$4,500.00	\$20	\$4,520.00
TOTAL	\$31,988.54	\$81,000.00	\$368.00	\$113,356.54

The Township projects that a total of \$81,000.00 in development fees and other revenue will be collected between March 15, 2026 and June 30, 2035. An additional \$368.00 in interest is projected to be earned. In conjunction with the existing Affordable Housing Trust Fund balance of \$31,988.54, the Township projects total Affordable Housing Trust Fund revenues and interest of \$113,356.54 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 Hardwick:

COLLECTION OF DEVELOPMENT FEE REVENUES

Collection of development fee revenues shall be consistent with the Township'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").

DISTRIBUTION OF DEVELOPMENT FEE REVENUES

The Municipal Housing Liaison 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 for the distribution of the funds.

COLLECTION AND DISTRIBUTION OF BARRIER FREE FUNDS

N.J.A.C. 5:99-2.6 establishes that an Affordable Housing Trust Fund may include fees collected to adapt affordable unit entrances to be accessible in accordance with the Fair Housing Act (P.L.2024, c.2) and the Barrier Free Subcode (N.J.A.C. 5:23-7). Municipalities choosing to collect funds for this purpose must

ensure that the funds remain identifiable from other funds. Collection and distribution of barrier free funds, as applicable, shall be consistent in accordance with the appropriate regulations.

3. DESCRIPTION OF ANTICIPATED USE OF AFFORDABLE HOUSING FUNDS

METHODOLOGY

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

(a) Affordability Assistance (N.J.A.C. 5:99-2.5)

As per the requirements regarding the use of funds for affordability assistance laid out in N.J.A.C. 5:99-2.5, municipalities are required to dedicate a portion of all development fees collected and interest earned to provide affordability assistance to very-low-, low-, and moderate-income households in affordable units included in the municipality's Fair Share Plan pursuant to N.J.S.A. 52:27D-329.1.

N.J.S.A. 52:27D-329.2 specifies that affordability assistance programs may include down payment assistance, security deposit assistance, low-interest loans, common maintenance expenses for units located in condominiums, rental assistance, and any other program authorized by the department. Further, N.J.A.C. 5:99-2.5 stipulates that affordability assistance offered specifically to very-low-income households may include the following:

1. Offering a subsidy to developers of inclusionary or 100% affordable housing developments; or
2. Buying down the cost of low- or moderate-income units in a municipal fair share plan to make them affordable to very-low-income households, including special needs and supportive housing opportunities.

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 throughout the lifetime of the Trust Fund. That total is multiplied by 30% to determine the projected affordability assistance amount that will be set aside. The actual affordability assistance expenditures from the inception of the fund are then subtracted from the overall 30% being set aside for affordability assistance. This final outcome is the total remaining funds that will be dedicated to affordability assistance for the period moving forward.

Hardwick Township has collected \$108,895.32 in development fees and interest through February 14, 2026. The Township projects an additional \$81,000.00 in development fees and \$368.00 in interest through 2035. To date, the Township has expended \$76,906.78 from the Affordable Housing Trust Fund for affordability assistance.

Table 2. Affordability Assistance (N.J.A.C. 5:99-2.5)		
Actual development fees and interest earned through February 14, 2026		\$108,895.32
Projected Development fees 2026-2035	+	\$81,000.00
Projected Trust Fund Interest 2026-2035	+	\$368.00
Less Housing Activity through [date] (including new construction and rehabilitation)	-	\$45,000.00
Total	=	\$145,263.32
30% Affordability Assistance Contribution	x 0.30 =	\$43,579.00
Less Affordability Assistance Expenditures through February 14, 2026	-	\$15,000.00
Projected Affordability Assistance through 06/30/2035	=	\$28,579.00

The Township will reserve \$28,579.00 from the Affordable Housing Trust Fund to render units more affordable for very-low, low-, and moderate-income households.

(b) Administrative Expenses (N.J.A.C. 5:99-2.4)

N.J.A.C. 5:99-2.4 sets forth that no more than 20% of revenues collected from development fees, exclusive of those collected prior to July 17, 2008 to fund a RCA, shall be expended on administration. These funds may apply to costs including, but not limited to:

1. Those reasonably related to the determination of the fair share obligation or development of a municipal Housing Element/Fair Share Plan;
2. Fees necessary to develop or implement affordable housing programs or an affirmative marketing program;
3. Expenses reasonably necessary for compliance with the processes of the Program;
4. Costs associated with functions carried out in compliance with UHAC, including those related to the marketing program and waitlist management, administering the placement of occupants in housing units, income qualification of households, monitoring the turnover of sale and rental units, preserving existing affordable housing, and compliance with the Division's monitoring requirements; and
5. The proportion of a municipal employee's salary related to the Municipal Housing Liaison or Regional Contribution Agreement administrator functions and fees for required educational programs.

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

Hardwick Township has collected \$108,895.32 in development fees and interest through February 14, 2026. The Township projects an additional \$81,000.00 in development fees and \$368.00 in interest through 2035. The Township has never taken part in an RCA. Hardwick Township has spent \$16,906.78 on administrative expenses between the inception of the Trust Fund and February 14, 2026.

Table 3. Administrative Expenses (N.J.A.C. 5:99-2.4)		
Actual development fees collected and interest earned through February 14, 2026		\$108,895.32
Projected Development fees 2026-2035	+	\$81,000.00
Projected Trust Fund Interest 2026-2035	+	\$368.00
RCA Contributions	-	\$0
Total	=	\$190,263.32
20% Maximum Permitted on Administrative Expenses through 6/30/2035	x 0.20 =	\$38,052.66
Less Administrative Expenditures through February 14, 2026	-	\$16,906.78
Projected Allowed Administrative Expenditures	=	\$21,145.88

As of February 14, 2026, the Township has spent \$16,906.78 on administrative expenses. Therefore, moving forward the Township projects that a maximum of \$21,145.88 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 of the Affordable Housing Trust Fund at any given time on administrative fees. As additional income is collected, money becomes available for administrative expenses. Projected administrative expenditures, subject to the 20% cap, include 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 Hardwick
- Affirmative Marketing;
- Income qualification; and
- Administration of the Township's affordable housing units.

(c) Housing Activity (New Construction and Market-to-Affordable)

As indicated in its Fourth Round Housing Element/Fair Share Plan, Hardwick Township has successfully implemented a market-to-affordable program in the past, through the conversion of the Habitat for Humanity Home along Millbrook-Stillwater Road into a low-income unit. The Township will therefore allocate funds for future market-to-affordable conversions.

Further, although there are no projects planned at this time in part due to Hardwick's lack of infrastructure, the Township will also set aside funds to support any new construction of affordable housing units that become viable in the Township.

The Township will dedicate the remaining \$61,631.66 from its Affordable Housing Trust Fund for market-to-affordable developments and new construction.

EXPENDITURE SCHEDULE

TABLE 4: PROJECTED EXPENDITURE SCHEDULE 2026 THROUGH 2035				
Year	Program			
	(a) Affordability Assistance	(b) Administration	(c) New Construction	Total
2026	\$1,587.72	\$1,174.77	\$3,535.09	\$6,297.59
2027	\$3,175.44	\$2,349.54	\$7,070.18	\$12,595.17
2028	\$3,175.44	\$2,349.54	\$7,070.18	\$12,595.17
2029	\$3,175.44	\$2,349.54	\$7,070.18	\$12,595.17
2030	\$3,175.44	\$2,349.54	\$7,070.18	\$12,595.17
2031	\$3,175.44	\$2,349.54	\$7,070.18	\$12,595.17
2032	\$3,175.44	\$2,349.54	\$7,070.18	\$12,595.17
2033	\$3,175.44	\$2,349.54	\$7,070.18	\$12,595.17
2034	\$3,175.44	\$2,349.54	\$7,070.18	\$12,595.17
2035	\$1,587.72	\$1,174.77	\$3,535.09	\$6,297.59
TOTAL	\$28,579.00	\$21,145.88	\$63,631.66	\$113,356.54

4. EXCESS OR SHORTFALL OF FUNDS

In the event funding sources as identified within this Spending Plan for the projects detailed in the Housing Element/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.

5. SUMMARY

As of February 14, 2026, the Township's Trust Fund had a balance of \$31,988.54. Hardwick Township anticipates an additional \$81,368.00 in revenues and interest by June 30, 2035, resulting in a projected balance of \$113,356.54 for the Fourth Round. The Township will commit \$28,579.00 for affordability assistance efforts, \$21,145.88 for administrative expenses, and the remaining \$63,631.66 for housing activity, specifically new construction and market-to-affordable efforts.

Table 5: SPENDING PLAN SUMMARY		
Balance as of February 14, 2026		\$31,988.54
Projected REVENUE 2026 to June 30, 2035		
Development fees	+	\$81,000.00
Other funds	+	\$0.00
Interest	+	\$368.00
TOTAL REVENUE + CURRENT BALANCE	=	\$113,356.54
EXPENDITURES		
Affordability Assistance	-	\$28,579.00
Administration	-	\$21,145.88
Housing Activity (New Construction + Market-to-Affordable)	-	\$63,631.66
Excess Funds for Additional Housing Activity	=	\$0.00
TOTAL PROJECTED EXPENDITURES	=	\$113,356.54
REMAINING BALANCE	=	\$0.00