

**RESOLUTION 2026-58**

**RESOLUTION ADOPTING THE 2026 TOWNSHIP OF LOPATCONG AFFORDABLE HOUSING TRUST FUND SPENDING PLAN BY THE TOWNSHIP OF LOPATCONG, COUNTY OF WARREN, AND STATE OF NEW JERSEY**

**WHEREAS**, on January 29, 2025, the Township of Lopatcong (“Township”) adopted Resolution 2025-46, which established the Township’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 30, 2025, the Township filed a Declaratory Judgment Action (“DJ Action”) in the New Jersey Superior Court captioned In the Matter of the Application of the Township of Lopatcong, WRN-L-000058-25, seeking among other things, compliance certifications; and

**WHEREAS**, on March 27, 2025, the Court entered an Order fixing the Township’s Fourth Round present need obligation as zero (0) and prospective need obligation as eighty-one (81); and

**WHEREAS**, the Planning Board of the Township of Lopatcong (“Planning Board”) held a public hearing and voted to adopt the Township’s Fourth Round Housing Element and Fair Share Plan (“Fourth HEFSP”), addressing the Township’s prior round obligations, Third Round Obligations and Fourth Round obligations as established; and

**WHEREAS**, the Planning Board adopted the Amended Fourth Round Housing Element and Fair Share Plan dated February 13, 2026; and

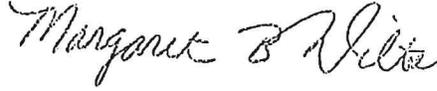
**WHEREAS**, pursuant to the Amended FHA, a municipality may not spend or commit to spend any affordable housing development fees collected and deposited into the municipal affordable housing trust fund, without first obtaining the approval of the expenditure as part of its compliance certification; and

**WHEREAS**, the Township now seeks to adopt a Spending Plan outlining 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, THEREFORE, BE IT RESOLVED** on this 4<sup>th</sup> day of March 2026, that the by the Township Council of the Township of Lopatcong, County of Warren, State of New Jersey, hereby adopts the 2026 Township of Lopatcong Affordable Housing Trust Fund Spending Plan.

**CERTIFICATION**

I, Margaret B. Dilts, Municipal Clerk of the Township of Lopatcong, County of Warren, do hereby certify the foregoing is a true and correct copy of a Resolution adopted at a regular meeting of the Township Council on Wednesday, March 4, 2026.



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Margaret B. Dilts, Municipal Clerk  
Township of Lopatcong

2026 TOWNSHIP OF LOPATCONG  
AFFORDABLE HOUSING TRUST FUND  
SPENDING PLAN

Prepared: March 3, 2026

Approved by the Lopatcong Township Council: \_\_\_\_\_

## 1) INTRODUCTION

The Township of Lopatcong has prepared a Housing Element and Fair Share Plan in accordance with the Municipal Land Use Law (NJSA 40:55D-1 et seq.), the Amended Fair Housing Act (NJSA 52:27D-301), and the applicable affordable housing regulations (NJAC 5:91-1 et seq., NJAC 5:93-1 et seq., and NJAC 5.97 et seq.). A development fee ordinance creating a dedicated revenue source for affordable housing was approved by the Department on 8/30/1999 and adopted by the municipality on 9/1/1999. The ordinance establishes the Township of Lopatcong's affordable housing trust fund for which this spending plan is prepared.

## 2) REVENUES FOR CERTIFICATION PERIOD

As of May 31, 2025, the Township of Lopatcong has a balance of \$4,092,962.86. 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 Provident Bank for the purposes of affordable housing. These funds shall be spent in accordance with NJAC 5:93-8.16, as described in the sections that follow.

To calculate a projection of revenue anticipated during the period of the fourth round (2025-2035), the Township of Lopatcong considered the following:

### (a) Development fees:

1. Residential and non-residential 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:

- To date, there are no actual or committed PIL of construction from developers. If any such funds are collected during the Fourth Round, said funds will be deposited in the Affordable Housing Trust Fund.

**(c) Other funding sources:**

Funds from other sources, including, but 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.

- Lopatcong does not anticipate collecting funds from other funding sources at the present time. If any such funds are collected during the Fourth Round, said funds will be deposited in the Affordable Housing Trust Fund.

**(d) Projected interest:**

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

- The Township projects collecting \$151,535 between 2025 and 2035.

The Township of Lopatcong projects a total of \$327,172 in revenue to be collected between 2025 and 2035. This projected amount, when added to the Township's trust fund balance as of May 31, 2025, results in an anticipated total revenue of \$4,420,135 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. See the table on the following page for a projection of the anticipated revenues.

Projected Revenues – Affordable Housing Trust Fund												
Source of Funds	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	Total

<b>(a) Development fees:</b>												
Projected Development Fees	\$17,564	\$17,564	\$17,564	\$17,564	\$17,564	\$17,564	\$17,564	\$17,564	\$17,564	\$17,564	\$17,564	\$175,637
<b>(b) Payments in Lieu of Construction</b>												\$0
<b>(c) Other Funds</b>												\$0
<b>(d) Interest</b>	\$145,300	\$624	\$624	\$624	\$624	\$624	\$624	\$624	\$624	\$624	\$624	\$151,535.29
<b>Total</b>	\$145,300	\$18,187	\$18,187	\$18,187	\$18,187	\$18,187	\$18,187	\$18,187	\$18,187	\$18,187	\$18,187	\$327,172.00

\*For purposes of projecting revenues, we have utilized historic residential Certification of Occupancy data and projected forward. Projections assume the estimated value of a new home is \$234,182. (This value was provided by the Tax Assessor's Office and is the average home value within the Township.) The value is then multiplied by 1.5%.

### 3) ADMINISTRATIVE MECHANISM TO COLLECT AND DISTRIBUTE FUNDS

The following procedural sequence for the collection and distribution of development fee revenues shall be followed:

**(a) 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 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 et seq.), applicable COAH regulations, and the proposed 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 Administration 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 the funds requires the adoption of the governing body resolution in accordance with the

Court- and/or Program-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.

**4) DESCRIPTION OF ANTICIPATED USE OF AFFORDABLE HOUSING FUNDS**

**(a) Rehabilitation and new construction programs and projects.**

The Township of Lopatcong has no rehabilitation obligation for the 2025-2035 round.

Rehabilitation program: \$0

New construction project(s): \$0

**(b) Affordability Assistance (NJAC 5:93-8.16).**

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 very low-, low- and moderate-income households in affordable units included in the Township's Fourth Round Fair Share Plan.

As shown on the chart below, based on the projections, the Township will dedicate \$1,335,816.19 from the Affordable Housing Trust Fund for Affordability Assistance, including, but not limited to, the following:

- Affordability assistance to very low-, low- and moderate-income buyers and renters of affordable housing units to lower the cost of homeownership,

AFFORDABILITY ASSISTANCE CALCULATION	
Actual development fees through 5.31.2025	\$ 3,996,568.73
Actual interest earned through 5.31.2025	+ \$ 128,979.90
Development fees projected 6.1.2025-2035	+ \$ 175,636.72
Interest projected 6.1.2025-2035	+ \$ 151,535.29
Less housing activity expenditures through 5.31.2025	- \$ -
<b>Total</b>	<b>= \$ 4,452,720.63</b>
Calculate 30 percent	x .30 = \$ 1,335,816.19
Less Affordability assistance expenditures through 5.31.2025	- \$ -
<b>Projected Minimum Affordability Assistance Requirement 6.1.2025-2035</b>	<b>= \$ 1,335,816.19</b>
<b>Projected Minimum Very Low-Income Affordability Assistance Requirement 6.1.2025-2035</b>	<b>÷ 3 = \$ 445,272.06</b>

- subsidize closing costs and down payments, security deposits, emergency repairs funding and/or reduce the capitalized basis of the rent payments.
- Assistance with homeowners' association or condominium fees and special assessments.

**(c) Administrative Expenses (NJAC 5:97-8.9).**

Municipalities are permitted to use affordable housing trust fund revenue for related administrative costs up to a 20% limitation pending funding availability after programmatic and affordability assistance expenditures. The actual administrative expense maximum is calculated on an ongoing basis in the online Affordable Housing Monitoring System platform based on actual revenues.

The Township of Lopatcong projects that \$852,487 will be available from the affordable housing trust fund to be used for administrative purposes. Projected administrative expenditures, subject to the 20% cap, include, but are not limited to:

- Township and Affordable Attorney, Engineer and Planner fees related to attaining affordable housing compliance as well as consulting fees related to the administration and implementation of the Township's affordable housing program(s).
- Salaries and benefits for municipal employees for administration and implementation of the housing plan and program(s).
- Fees for administering the Rehabilitation Program and for the Administrative Agent.
- Municipal Housing Liaison and Administrative Agent training and on-going continuing education.

ADMINISTRATIVE EXPENSE CALCULATION	
Actual dev fees and interest thru 5.31.2025	\$ 4,125,548.63
Projected dev fees and interest 6.1.2025-2035	+ \$ 327,172.00
Payments-in-lieu of construction and other deposits thru 5.31.2025	+ -
Less RCA expenditures thru 5.31.2025	= -
<b>Total</b>	<b>\$ 4,452,720.63</b>
Calculate 20 percent	x .20 = \$ 890,544.13
Less admin expenditures thru 5.31.2025	- \$ 38,057.27
<b>Projected Maximum available for administrative expenses 6.1.2025-2035</b>	<b>= \$ 852,486.86</b>

**5) EXPENDITURE SCHEDULE**

The Township of Lopatcong intends to spend affordable housing trust fund revenues pursuant to the Fair Housing Act, applicable affordable housing regulations and consistent with the housing programs outlined in the Fourth Round Housing Plan Element and Fair Share Plan. It should be noted that the amount spent in a given year for any line item may, in reality, span multiple years. The chart below provides an estimated timeline for expenditure and does not restrict the Township from spending the money sooner or later in the Fourth Round period, nor does it prohibit the Township from spending more or less money in one year assuming the funds are in place to make said expenditure.

Projects/Programs	Projected Expenditure Schedule 2025-2035											Total
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	
Affordability Assistance		\$21,333	\$21,333	\$21,333	\$21,333	\$21,333	\$21,333	\$21,333	\$21,333	\$21,333	\$21,333	\$213,330
Emergent Housing Opportunities		\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$500,000
Administration	\$40,000	\$81,249	\$81,249	\$81,249	\$81,249	\$81,249	\$81,249	\$81,249	\$81,249	\$81,249	\$81,249	\$852,487
Total	\$40,000	\$152,582	\$152,582	\$152,582	\$152,582	\$152,582	\$152,582	\$152,582	\$152,582	\$152,582	\$152,582	\$1,565,816.86

**6) EXCESS OR SHORTFALL OF FUNDS**

The Township currently has sufficient funds to cover all the commitments it has with the affordable housing providers. Any administrative costs above and beyond those that cannot be covered by the trust fund will be sourced from the general fund.

In the event more funds than anticipated are collected, or projected funds exceed the amount necessary to implement the Fair Share Plan, the Township will use those excess funds towards rehabilitation, affordability assistance, or other future affordable housing opportunities.

## 7) SUMMARY

The Township of Lopatcong intends to spend affordable housing trust fund revenues pursuant to the Fair Housing Act and consistent with the housing programs outlined in the Fourth Round Housing Plan Element and Fair Share Plan.

The Township of Lopatcong has a balance of \$4,092,962.86 as of May 31, 2025 and anticipates an additional \$327,172 in revenues through 2035 for a total of \$4,420,134.86. This Spending Plan demonstrates the Township's **commitment to expend** \$1,565,816.86 through July, 2035, including a commitment to expend with respect to the following:

- Commitment to expend up to \$213,330 towards affordability assistance; and
- Commitment to expend up to \$500,000 on emergent housing opportunities; and
- Commitment to expend up to \$852,487 towards administrative costs.

The table below provides a summary of the affordable housing trust fund spending plan.

SPENDING PLAN SUMMARY	
Balance as of May 31, 2025	\$4,092,962.86
Projected Revenue 6.1.2025-2035	
Development fees	+ \$175,636.72
Payments in lieu of construction	+ \$0.00
Other funds	+ \$0.00
Interest	+ \$151,535.29
<b>TOTAL REVENUE</b>	<b>= \$4,420,134.86</b>
Projected Expenditures 6.1.2025-2035	
Affordability Assistance	- \$213,330.00
Administration	- \$852,486.86
Emergent Housing Opportunities	- \$500,000.00
<b>Total Projected Expenditures</b>	<b>= \$1,565,816.86</b>
<b>Remaining Balance</b>	<b>= \$2,854,318.01</b>

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