

RESOLUTION 2026-107

**RESOLUTION OF THE TOWNSHIP OF LITTLE EGG HARBOR
APPROVING THE FOURTH ROUND AFFORDABLE HOUSING
SPENDING PLAN**

WHEREAS, on March 20, 2024, Governor Murphy signed into law an Amendment to the Fair Housing Act (N.J.S.A. 52:27D-301 et seq.) (hereinafter "Amended FHA"); and

WHEREAS, the Township of Little Egg Harbor approved Township Resolution 2025-072 on January 28, 2025, committing to the DCA's Round 4 Present Need Obligation of 32 units, and a modification of the DCA's Round 4 Prospective Need Obligation of 184 units to 142 units, subject to any vacant land and/or durational adjustments it may seek as part of the Housing Plan element and Fair Share Plan element it subsequently submits in accordance with the Amended FHA; and

WHEREAS, N.J.S.A. 40:55D-28 authorizes a planning board to prepare and, after public hearing, adopt or amend a master plan or component parts thereof, to guide the use of lands within a municipality in a manner which protects public health and safety and promotes the general welfare; and

WHEREAS, on June 23, 2025 at a regular meeting of the Little Egg Harbor Township Planning Board, the Board considered the "Housing Element and Fair Share Plan for the Fourth Round" ("Plan"), prepared by Ashton Jones, PP, AICP, CFM of RVE Associates; and

WHEREAS, the Planning Board of the Township of Little Egg Harbor, Ocean County, State of New Jersey, adopted the Housing Element and Fair Share Plan Amendment to the Master Plan on June 23, 2025; and

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

WHEREAS, the governing body 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; and

WHEREAS, in the event that the above funding sources prove inadequate to complete the affordable housing programs included in Little Egg Harbor Township's Court-certified Housing Element and Fair Share Plan, Little Egg Harbor Township shall provide sufficient funding to address any shortfalls.

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NOW THEREFORE BE IT RESOLVED that the Governing Body of the Township of Little Egg Harbor, County of Ocean, State of New Jersey, hereby adopts the Fourth Round Affordable Housing Spending Plan; and

BE IT FURTHER RESOLVED that the Governing Body of the Township of Little Egg Harbor, pursuant to the provisions of N.J.S.A. 52:27D-301 et seq. and N.J.A.C. 5:96-3.2(a), directs the Affordable Housing Attorney to submit this Resolution and the Spending Plan to the Affordable Housing Dispute Resolution Program.

CERTIFICATION

I, **Kelly Lettera, CMC, RMC**, do hereby certify that the foregoing is a true copy of a resolution adopted by the Governing Body of the Township of Little Egg Harbor at a meeting held on the **12th** day of **March, 2026**.



KELLY LETTERA, CMC, RMC
Township Clerk
Little Egg Harbor Township

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Little Egg Harbor Township Affordable Housing Trust Fund Spending

INTRODUCTION

The Township of Little Egg Harbor Fourth Round Housing Element and Fair Share Plan was prepared 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-30I), section 3 of P.L.2024, c.2, and N.J.A.C. 5:93-1 et seq. The municipality most recently adopted an amended development fee ordinance on May 8, 2008 by Ord. No. 2008-06. The ordinance previously establishes the Little Egg Harbor Township Affordable Housing Trust Fund for which this spending plan is prepared. This spending plan is intended to project anticipated affordable housing trust fund revenues, expenditures, and the mechanisms for expenditure through December 31, 2035.

As of December 31, 2024, Little Egg Harbor Township had collected \$1,774,926 (of which \$22,056 is interest collected to date) and expended \$1,339,824, thereby resulting in a balance of \$435,102. Pursuant to the Appellate Division authorization allowing for the adoption of a Development Fee Ordinance and restriction on expenditure of collected fees in the absence of a spending plan approved by the Court, no fees have been expended, aside from administrative costs. All development fees and interest earned by the fees were deposited in a separate interest-bearing Affordable Housing Trust Fund in Sun Bank, located at 226 Landis Avenue, Vineland City. These funds shall be spent in accordance with the Fair Housing Act ("FHA"), and applicable COAH regulations as described in the sections below.

1. REVENUES FOR CERTIFICATION PERIOD

To calculate a projection of revenue anticipated through December 31, 2035 the Township of Little Egg Harbor 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. To date, there are no actual or committed payments in lieu (PIL) of construction from developers. If any such funds are collected during the Fourth Round, said funds will be deposited in the Township's 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. If any such funds are collected during the Fourth Round, said funds will be deposited in the Township's Affordable Housing Trust Fund.

(d) Projected interest:

Affordable Housing Trust Fund interest is based on the current rate of interest of 0.27%.

Table 1 below shows the anticipated revenue to be generated from development fees. Little Egg Harbor Township projects that a subtotal of \$825,484 will be collected between January 1, 2025 and December 31, 2035 for affordable housing purposes, based on the assumptions that immediately follow the table. These projections are essentially extrapolations of historic trends. After adding in the funds currently in the account, the total is projected to be \$1,260,586.

Table 1: Projected Revenues, Housing Trust Fund- 2025 through 2035

Year Source of Funds	2024	2025	2026-2027	2028-2029	2030-2031	2032-2033	2034-2035	2025-2035 Total
Projected Residential Development	STARTING BALANCE \$435,102 (12/31/24)	\$66,560	\$133,120	\$133,120	\$133,120	\$133,120	\$133,120	\$732,160
Projected Non-Residential Development		\$8,282	\$16,564	\$16,564	\$16,564	\$16,564	\$16,564	\$91,102
Interest		\$202	\$404	\$404	\$404	\$404	\$404	\$2,223
Total	\$435,102	\$375,044	\$150,088	\$150,088	\$150,088	\$150,088	\$150,088	\$1,260,586

Based on the vacant land analysis done in 2017 all vacant parcels, not already allocated for future affordable housing, could accommodate 127 affordable units. Assuming a 20% set-aside this would equate to 635 units that could be contained in a major subdivision. If we assume that it might take 20 years for all of those parcels to be built out, we can assume that this is about 32 houses a year. Assuming 32 units were multiplied by \$208,000, the Township's approximate equalized value for an average dwelling unit as indicated by the tax assessor, approximately \$6,656,000 in yearly construction value would be created. If this figure was multiplied by 0.01 (1% residential development fee), \$66,560 would be generated in residential construction fees.

Projected non-residential development is based on an estimate derived from the trend of development fees collected by the Borough from years 2014-2024. A total of \$91,102, provided by AHMS, was collected in non-residential development fees over the past 11 years, making the estimated average annual development fee \$8,282 to be collected.

As indicated in the Table above, Little Egg Harbor Township anticipates that a total of \$825,484 in revenue will be collected between January 1, 2025 and December 31, 2035 (\$732,160+ \$91,102+\$2,222).

2. ADMINISTRATIVE MECHANISM TO COLLECT AND DISTRIBUTE FUNDS

The procedural sequence to be followed by West Deptford Township for the collection and distribution of development fee revenues is presented below.

(a) Collection of development fee revenues

Collection of development fee revenues shall be consistent with West Deptford 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

A resolution recommending the expenditure of development fee revenues as set forth in this spending plan is adopted by the Planning Board and forwarded to the Committee. The Committee then reviews the request for consistency with the spending plan and, by resolution, adopts the recommendation.

Upon adoption of the Committee's resolution, funds can be released in accordance with the Court-approved spending plan. The Chief Financial Officer releases the requested revenue from the trust fund for the specific use approved in the Committee's resolution following approval of a request by resolution.

3. DESCRIPTION OF ANTICIPATED USE OF AFFORDABLE HOUSING FUNDS

Little Egg Harbor Township may use the monies in the trust fund for any of the following items, pursuant to N.J.A.C. 5:99-2.3 through 2.5:

- New construction of affordable housing and related development costs; eligible costs for inclusionary development shall be pro-rated based on the proportion of affordable housing units that are included in the development
- Extensions and/or improvements of roads and infrastructure directly serving affordable housing sites; costs for inclusionary development shall be pro-rated based on the proportion of affordable housing units that are included in the development
- Purchase and/or improvement of land to be used for low- and moderate-income housing
- Market-to-affordable programs to pay down the cost of unrestricted units and offer them in sound condition, for sale or rent, at affordable prices to low- and moderate-income households to address all or a portion of the affordable housing obligation;
- RCAs, approved prior to July 17, 2008;
- Acquisition and/or improvement of land to be used for affordable housing;
- The extension of expiring controls;
- The construction of group homes and supportive and special needs housing;
- Rehabilitation, maintenance and repair or affordable housing units
- To defray the costs of structured parking; in the case of inclusionary developments, eligible costs shall be prorated based on the proportion of affordable housing units included in the development;
- Repayment of municipal bonds issued to finance affordable housing activity
- Affordability assistance in accordance with N.J.A.C. 5:99-2.5
- Any other activity as specified in the approved spending plan or as approved by the Division as an emergent affordable housing opportunity; or
- Any other activity approved by the Division.

4. AFFORDABILITY ASSISTANCE (N.J.A.C. 5:99-2.5)

At least a portion of all development fees collected and interest earned shall be used to provide affordability assistance to very low-, low- and moderate-income households in affordable units included in the Fair Share Plan. A portion of the development fees which provide affordability assistance shall be used to provide affordability assistance to very low-income households.

Affordability assistance for very-low-income households may include offering a subsidy to developers of inclusionary or 100 percent affordable housing developments or 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.

Table 2 below shows the amount anticipated being available for affordability assistance to low- and moderate-income households, including very low-income households.

Table 2: Projected Affordability Assistance Requirement

Actual development fees through 12/31/24		\$925,684
Other		\$827,186
Development fees projected, 2025-2035	+	\$823,262
Interest earned, July 17, 2008 to December 31, 2024	+	\$22,056
Interest projected, 2025-2035	+	\$2,222
Total	=	\$2,600,410
Calculate 30 percent	x .30 =	\$780,123
Less Affordability assistance expenditures through 12/31/2024	-	0
Projected Affordability Assistance Requirement 2025-2035	=	\$780,123
Projected Very Low-Income Affordability Assistance Requirement	÷ 3 =	\$260,041

The Township of Little Egg Harbor will dedicate \$780,123 from the affordable housing trust fund to render units more affordable, including \$260,041 to render units more affordable to households earning no more than 30 percent of median income by region. Programs and activities for which funds will be spent will be determined from the following list:

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

5. ADMINISTRATIVE EXPENSES (N.J.A.C. 5:99-2.4)

Table 3: Projected Allowed Administrative Expense

Development fees, 7/17/08 thru 12/31/24	+	\$1,752,870
Projected development fees, 2025-2035	+	\$823,262
Total	=	\$2,576,132
Calculate 20 percent	x .20 =	\$515,226
Less administrative expenditures thru 12/31/2024	-	\$214,824
Projected maximum available for administrative expenses 1/1/25 thru 12/31/35	=	\$300,402

The Township of Little Egg Harbor projects that \$300,402 will be available from the affordable housing trust fund to be used for administrative purposes. Projected administrative expenditure, which is subject to the 20 percent cap, include:

- Fees necessary to develop or implement affordable housing programs, an affirmative marketing program, and/or expenses that are reasonably necessary for compliance with the processes of the Affordable Housing Dispute Resolution Program, including, but not limited to, the costs of the municipality of resolving a challenge pursuant to the Affordable Housing Dispute Resolution Program.
- Costs associated with functions carried out in compliance with UHAC, including activities 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.
- Administrative costs to underwrite professional consulting fees relating to the preparation and implementation of the Township's Fair Share Plan and any amendments thereto;
- Professional, legal, and court fees relate to affordable housing;
- Administrative fees related to the Municipally sponsored new construction program; and
- Underwrite fees associated with the retention of a qualified administrative agent as may be found necessary.

The Township will not expend for administrative purposes in excess of the formula in Table 3 above

6. EXPENDITURE SCHEDULE

The Township of Little Egg Harbor anticipates using affordable housing trust fund revenues to the benefit of low-, moderate-, and very low-income households, as set forth in the table below. In preparing this spending plan, it should be noted that, the Township is committed to expending the funds in the municipal trust fund within four years of the date of collection or within four years after the Township receives a Compliance certification in accordance with section 3 of P.L.2024, c.2, whichever is later.

Table 4: Projected Expenditure Schedule, 2025 through 2035

Projects/Programs	2025	2026-2027	2028-2029	2030-2031	2032-2033	2034-2035	Total
Affordability Assistance	-	\$156,026	\$156,025	\$156,024	\$156,024	\$156,024	\$780,123
Rehabilitation	-	\$36,012	\$36,012	\$36,012	\$36,012	\$36,013	\$180,061
Administration	\$100,000	\$62,550	\$25,100	\$25,100	\$25,101	\$62,551	\$300,402
Total	\$100,000	\$254,588	\$217,137	\$217,136	\$217,137	\$254,588	\$1,260,586

7. SUMMARY

The Township of Little Egg Harbor intends to spend affordable housing trust fund revenues as approved under N.J.A.C. 5:99-2.3 through 2.5 and consistent with the programs described in the Township’s Housing Element and Fair Share Plan.

The Township of Little Egg Harbor has a balance of \$435,102 as of December 31, 2024, and anticipates an additional \$825,484 in revenues through December 31, 2035, for a total of \$1,260,586. The municipality will dedicate \$780,123 towards homeowner/tenant affordability assistance, \$300,402 towards administrative costs and \$180,051 towards housing rehabilitation.

Table 5: Spending Plan Summary

Balance as of December 31, 2024		\$ 435,102
PROJECTED REVENUE 2011-2018		
Development fees	+	\$ 823,262
Interest	+	\$ 2,222
TOTAL REVENUE	=	\$ 1,260,586
EXPENDITURES		
Funds used for Rehabilitation	-	\$ 180,061
Affordability Assistance	-	\$ 780,123
Administration	-	\$ 300,402
TOTAL PROJECTED EXPENDITURES	=	\$ 1,260,586
REMAINING BALANCE	=	\$ 0