

**RESOLUTION R:164-2018**

**RESOLUTION OF THE COUNCIL OF THE TOWNSHIP OF  
MONROE ADOPTING AN “AFFORDABLE HOUSING TRUST FUND  
SPENDING PLAN” FOR THE TOWNSHIP OF MONROE, COUNTY  
OF GLOUCESTER, STATE OF NEW JERSEY**

**WHEREAS**, in accordance with applicable Council on Affordable Housing (“COAH”) regulations, the New Jersey Uniform Housing Affordability Controls (“UHAC”)(N.J.A.C. 5:80-26., et seq.), and the terms of a Settlement Agreement between the Township of Monroe and Fair Share Housing Center (“FSHC”), which was entered into as part of the Township’s Declaratory Judgment action entitled In the Matter of the Township of Monroe, County of Gloucester, Docket No. GLO-L-930-15, which was filed in response to Supreme Court decision In re N.J.A.C. 5:96 and 5:97, 221 N.J. 1, 30 (2015) (“Mount Laurel IV”), the Township of Monroe is required to adopt an “Affordable Housing Trust Spending Plan”; and

**WHEREAS**, the Township of Monroe adopted a mandatory development fee ordinance that establishes standards for the collection, maintenance, and expenditure of development fees to be used for providing low- and moderate-income housing in the Township; and

**WHEREAS**, the development fee ordinance establishes an affordable housing trust fund that includes development fees, payments from developers in lieu of construction of affordable units on-site, barrier free escrow funds, repayments from affordable housing program loans, recapture funds, proceeds from the sale of affordable units; and

**WHEREAS**, N.J.A.C. 5:93-8.18 requires a municipality with an affordable housing trust fund to receive approval of a spending plan from the Council on Affordable Housing or a court of competent jurisdiction prior to spending any of the funds in its housing trust fund; and

**WHEREAS**, N.J.A.C. 5:932-5.1(c) requires a spending plan to include the following:

1. A projection of revenues anticipated from imposing fees on development, based on historic development activity;
2. A description of the administrative mechanism that the municipality will use to collect and distribute revenues;
3. A description of the anticipated use of all development fees;
4. A schedule for the creation or rehabilitation of housing units;
5. If the municipality envisions being responsible for public sector or non-profit construction of housing, a pro-forma statement of the anticipated costs and revenues associated with the development; and

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6. The manner through which the municipality will address any expected or unexpected shortfall if the anticipated revenues from development fees are not sufficient to implement the plan.

**WHEREAS**, the Township of Monroe has prepared a spending plan consistent with N.J.A.C. 5:93-5.1(c) and P.L. 2008, c.46.

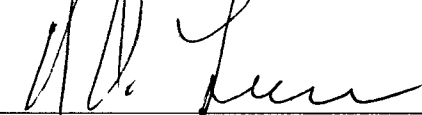
**NOW, THEREFORE, BE IT RESOLVED**, that the Township Council of the Township of Monroe, County of Gloucester, State of New Jersey, do hereby request that the Court review and approve the Township of Monroe's spending plan.

**BE IT FURTHER RESOLVED** that the appropriate Township officials and professionals are authorized to take all actions required to implement the terms of this Resolution and attached Exhibit "A".

**BE IT FURTHER RESOLVED** that this Resolution shall take effect pursuant to law.

**ADOPTED** at a meeting of the Township Council of the Township of Monroe on August 27, 2018.

**TOWNSHIP OF MONROE**



**CNCL. PRES., RICHARD DiLUCIA**

**ATTEST:**



**TWP. CLERK, SUSAN McCORMICK, RMC**

**CERTIFICATION OF CLERK**

The foregoing resolution was duly adopted at a meeting of the Township Council of the Township of Monroe held on the 27<sup>th</sup> day of August 2018 at the Municipal Building, 125 Virginia Avenue, Williamstown, New Jersey 08094.



**TWP CLERK, SUSAN McCORMICK, RMC**

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**ROLL CALL VOTE**

	Aye	Nay	Abstain	Absent
Cncl Dilks	✓			
Cncl. Garbowski	✓			
Cncl. Heffner	✓			
Cncl. Marino	✓			
Cncl. McIlvaine				✓
Cncl. Miller	✓			
Cncl. Pres. DiLucia	✓			
<b>TALLY:</b>	6			1

**Monroe Township, Gloucester County**  
**Affordable Housing Trust Fund Spending Plan**

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**INTRODUCTION**

Monroe Township, Gloucester County 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), the March 10, 2015 Supreme Court Order (Mount Laurel IV and N.J.A.C. 5:93-1 et seq.) A development fee ordinance creating a dedicated revenue source for affordable housing was approved by the Department on July 13, 2007 and adopted by the municipality on October 9, 2007 (Ordinance O:59-2007). The ordinance establishes the Monroe Township, Gloucester County affordable housing trust fund for which this spending plan is prepared.

**I. REVENUES FOR CERTIFICATION PERIOD**

As of December 31, 2017, Monroe Township, Gloucester County has collected \$776,080.70, including interest, and expended \$125,957.51, resulting in a balance of \$650,123.28 as of December 31, 2017. 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 Susquehanna Bank, Glassboro, NJ for the purposes of affordable housing. These funds shall be spent in accordance with N.J.A.C. 5:93-8.16, as described in the sections that follow.

To calculate a projection of revenue anticipated during the period of third round substantive certification, Monroe Township, Gloucester County 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:

*Blaze Mill Development*      \$1,540,000  
*Stirling Glen I*                      \$686,000

(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, proceeds from the sale of affordable units.

(d) Projected interest:

Interest projected revenue in the municipal affordable housing trust fund at the current average interest rate of .75%.

SOURCE OF FUNDS	2018	2019	2020	2021	2022	2023	2024	2025	Total
(a) Development fees:	\$125,000	\$125,000	\$125,000	\$125,000	\$100,000	\$100,000	\$100,000	\$100,000	\$900,000
Approved Development									\$ -
Development Pending Approval									\$ -
Projected Development									\$ -
(b) Payments in Lieu of Constructor	\$200,000	\$275,000	\$275,000	\$275,000	\$275,000	\$276,000	\$350,000	\$300,000	\$2,226,000
(c) Other Funds (Specify source(s))									\$ -
(d) Interest	\$2,500	\$5,000	\$5,000	\$5,000	\$5,000	\$5,500	\$6,000	\$6,000	\$40,000.00
<b>Total</b>	\$327,500	\$405,000	\$405,000	\$405,000	\$380,000	\$381,500	\$456,000	\$406,000	\$3,166,000.00

Monroe Township, Gloucester County projects a total of \$3,166,000 in revenue to be collected between January 1, 2018 and December 31, 2025. This projected amount, when added to Monroe Township's trust fund balance as of December 31, 2017, \$650,123.28, results in anticipated total revenue of \$3,816,123.28 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.

**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 Monroe Township, Gloucester County.

(a) Collection of development fee revenues:

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

(b) Distribution of development fee revenues:

Requests for distribution of funds will first be made to the Municipal Housing Liaison (MHL) for eligible activities. The MHL will evaluate the request and provide a synopsis and recommendation to the Business Administrator. The request for funds will detail the amount requested, the beneficiary of the distribution, the use of funds and the time line for distribution. In this request for funds and determination of eligible activities the municipal staff may be assisted by the COAH-approved Administrative Agent and the Township Attorney. Upon examination and approval, the Business Administrator will transmit the requested amount to the Chief Financial Officer (CFO) of the municipality. If sufficient funds are available, the requested amount will be brought before the Township Council for approval and the amount encumbered in the affordable housing trust fund by the CFO. Township Council approval may take one of any number of forms, including resolution authorizing the expenditure of funds, inclusion of the amount on a bill list for approval, or any other mechanism allowed by statute or rule for the dispersal of funds. Once approved, the payment will be made by the CFO to the designated individual or organization and the proper notation made in the affordable housing trust fund.

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

(a) **Rehabilitation and new construction programs and projects (N.J.A.C. 5:93-8.16)**

Monroe Township, Gloucester County will dedicate \$2,008,827.55 to a Township sponsored housing rehabilitation program for owner occupied and rental units and to a Market to Affordable Program. Additional funds will be reserved for new construction programs (see detailed descriptions in the Housing Element and Fair Share Plan).

**Rehabilitation program: \$392,721**

The Township will dedicate \$392,721.00 as hard costs for the rehabilitation of owner occupied and rental units through a Township sponsored rehabilitation program. The Township will direct Program marketing to property owners of rental and owner occupied units; however, applications from rental property owners will receive priority.

**Market to Affordable Program \$1,616,106.65**

The Township will implement a Market to Affordable Program per the requirements of the Settlement Agreement and as outlined in the adopted Housing Plan Element and Fair Share Plan. The program will take fifty-six (56) existing rental or owner-occupied units and use Trust Funds to subsidize said units into affordable units for low and moderate income households. The Township has set aside \$1,616,106.65 for the program, averaging approximately \$27,500.00 per unit.

(b) **Affordability Assistance (N.J.A.C. 5:93-8.16)**

<b>AFFORDABILITY ASSISTANCE CALCULATION</b>			
Actual Development Fees through 12/31/17			\$ 759,790.22
Actual interest thru 12/31/2017	+		\$ 16,290.57
Projected Development Fees, 2018 thru 2025	+		\$ 3,126,000.00
Projected Trust Fund Interest, 2018 thru 2025	+		\$ 40,000.00
Less housing & admin Activity thru 12/31/2017	-		\$ 125,957.51
<b>Total</b>	=		\$ 3,816,123.28
30% Requirement	x .30		\$ 1,144,836.98
Less Affordability assist. expenditures thru 12/31/2016	-		\$ -
Projected Min. Afford Asst, 1/1/2018 thru 12/31/2025	=		\$ 1,144,836.98
Proj Min Afford. Asst for Very Low Income, 2018 thru 2025	x 1/3		\$ 381,612.33

The Township of Monroe will dedicate \$1,144,836.98 from the affordable housing trust fund to render units more affordable. Following is a list of the Affordability Assistance programs offered. Program policies and procedures are included in **Appendix A**, the Township of Monroe Affordability Assistance Manual.

1. **Security Deposit Assistance** - An interest-free loan, up to \$2,500, from the fund will be received by an income eligible renter with good credit standing who qualifies for a low- or moderate-income rental unit in a deed restricted affordable unit in the Township or its Rental Housing Rehabilitation Program or Rental Market to Affordable Program.
2. **Down Payment Assistance** Program is designed to help low- and moderate-income households achieve the goal of homeownership. This program will provide a *no interest, deferred payment loan, up to \$5,000* to homebuyers of deed restricted affordable properties within the Township to use as a principal down payment or for closing costs. The goal of the program is to provide financial assistance to income-qualified homebuyers moving to Monroe. The Township anticipates providing such assistance to up to 50 households.



3. **Emergency and Health/Safety Repairs** – Affordability Assistance funding is available to assist owners of low-and moderate-units to make emergency and/or health and safety related repairs, up to \$10,000, that they do not have the financial resources to make otherwise. Funding is not provided for standard maintenance items, work covered by the homeowner association, damage covered by homeowner insurance and/ or minor repairs such as small areas of peeling paint or other items that can be addressed easily by the homeowner. This funding will help preserve the affordable deed restricted housing stock and the residents who reside in the homes. Only units in the Township's Fair Share Plan (portfolio of affordable units) may be eligible to apply.

4. **Create Additional Very Low Income Units**—\$381,612.33 of the \$1,144,836.98 will be utilized to encourage private sector provision of very low-income units through the offering of a subsidy for the development of said units. The affordability assistance will result in additional very low-income units beyond what is required by state affordable housing rules.

(c) **Administrative Expenses** N.J.A.C. 5:93-8.16(e)

ADMINISTRATIVE EXPENSES		
Actual fees and interest thru 12/31/2017		\$ 669,543.00
Projected Development Fees and interest 2018 thru 2025	+	\$ 3,166,000.00
Payments-In-Lieu of construction and other deposits thru 12/31/17	+	\$ 106,537.79
Less RCA expenditures thru 12/31/25	-	\$ -
Total For Admin. Calculation, 1/1/2018 to 12/31/2025	=	\$ 3,942,080.79
20% Maximum for Admin Expense	x .20	\$ 788,416.16
Less Admin thru 12/31/2017	-	\$ 125,957.51
Available for Admin 1/1/2018 Thru 12/31/2025	=	\$ 662,458.65

Monroe Township, Gloucester County projects that \$662,458.65 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:

- a. Salaries of staff required to complete annual COAH monitoring tasks, implement housing rehabilitation programs, affordability assistance programs, and coordinate assistance with local nonprofit housing agencies;
- b. Consultant fees to update the Fair Share Plan and to monitor progress; and
- c. Administrative fees incurred by the Township to implement affirmative marketing requirements and affordability controls.

#### **4. EXPENDITURE SCHEDULE**

Monroe Township, Gloucester County intends to use affordable housing trust fund revenues for the creation and/or rehabilitation of housing units.

PROJECTS/ PROGRAMS	Number of Units Projected	2018	2019	2020	2021	2022	2023	2024	2025	Total
Rehabilitation	16		\$100,000	\$100,000	\$192,721	\$0				\$392,721.00
New Construction										
Market to Affordable	56	\$100,000	\$250,000	\$250,000	\$240,000	\$300,000	\$150,000	\$150,000	\$176,107	\$1,616,107.00
										\$0.00
<b>Total</b>										<b>\$2,008,828.00</b>
Affordability Assistance		\$193,272	\$193,272	\$193,272	\$193,272	\$193,272	\$128,476	\$50,000		\$1,144,836.98
Administration		\$82,807	\$82,807	\$82,807	\$82,807	\$82,807	\$82,807	\$82,807	\$82,807	\$662,458.64
<b>Total</b>		\$376,080	\$626,080	\$626,080	\$708,801	\$576,080	\$361,283	\$282,808	\$258,914	\$3,816,124

**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, Monroe Township, Gloucester County will seek grants, low cost loans or other revenue sources. If unable to secure grants, loans or other revenue sources then the town will use its bonding capacity. Towards that end, a resolution of intent to appropriate funds or bond was adopted by Township Council on December 23, 2008 (Resolution R:262-2008).

In the event more funds than anticipated are collected, projected funds exceed the amount necessary to implement the Fair Share Plan, or Monroe Township, Gloucester County is reserving funds for affordable housing projects to meet a future affordable housing obligation, these excess funds will be used to fulfill housing activities.

**6. BARRIER FREE ESCROW**

Collection and distribution of barrier free funds shall be consistent with Monroe Township's Affordable Housing Ordinance in accordance with prevailing State regulation.

**SUMMARY**

Monroe Township, Gloucester County intends to spend affordable housing trust fund revenues pursuant to N.J.A.C. 5:93-8.16 and consistent with the housing programs outlined in the adopted Housing Element and Fair Share Plan

Monroe Township, Gloucester County has a balance of \$650,123.28 as of December 31, 2017 and anticipates an additional \$3,166,000 in revenues through 2025 for a total of \$3,816,123.28. The municipality will dedicate \$2,008,827.55 of revenue for housing activities towards rehabilitation programs, new construction programs and market to affordable programs, \$1,144,836.98 to render units more affordable, and \$662,458.65 to administrative costs. Any shortfall of funds will be offset by the Township seeking grants, low cost loans or use of general revenues and its bonding capacity. The municipality will dedicate any excess funds or remaining balance toward future housing activities.

<b>SPENDING PLAN SUMMARY</b>			
Balance as of December 31, 2017			\$650,123.28
<b>PROJECTED REVENUE 2018-2025</b>			
Development fees	+	\$	900,000.00
Payments in lieu of construction	+	\$	2,226,000.00
Other funds	+	\$	-
Interest	+	\$	40,000.00
<b>TOTAL AVAILABLE FUNDS</b>		=	\$ 3,816,123.28
<b>PROJECTED EXPENDITURES 2018-2025</b>			
Funds used for Rehabilitation		\$	392,721.00
Funds used for New Construction			
Market to Affordable Program	+	\$	1,616,106.65
	+		
	+		
Affordability Assistance*	+	\$	-
Administration **	+	\$	1,144,836.98
Excess Funds or Remaining Balance Reserved for Additional Affordable Housing Activity	=	\$	662,458.65
1. [list individual projects/programs]	-	\$	
2.	-	\$	
<b>TOTAL PROJECTED EXPENDITURES</b>		=	\$ 3,816,123.28
<b>REMAINING BALANCE</b>		=	\$ -