

**Eastampton Township, Burlington County  
2021 – 2025 Affordable Housing Trust Fund Spending Plan**

**INTRODUCTION**

Eastampton Township, Burlington 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), and the March 10, 2015 Supreme Court Order Mount Laurel IV and N.J.A.C. 5:93-1 et seq.

As outlined in the Settlement Agreement reached between the Township of /Eastampton, the declaratory judgment plaintiff, and Fair Share Housing Center, a Supreme Court-designated interested party in this matter in accordance with In re N.J.A.C. 5:96 and 5:97, 221 N.J. 1, 30 (2015) (Mount Laurel IV) and, through settlement, a defendant-intervenor in this proceeding. Once approved by the Superior Court following a duly-noticed fairness hearing, this September 13, 2021 Settlement Agreement shall supersede and replace, in its entirety, the agreement dated July 21, 2020.

The Township prepared this Spending Plan and reserves the right to seek approval from the Court that the expenditures of funds contemplated under the Spending Plan constitute a “commitment” for expenditure pursuant to N.J.S.A. 52:27D-329.2 and -329.3, with the four-year time period for expenditure designated pursuant to those provisions beginning to run with the entry of a final judgment in this matter that includes approval of the Spending Plan in accordance with the provisions of In re Tp. Of Monroe, 442 N.J. Super. 565 (Law Div. 2015) (aff’d 442 N.J. Super. 563).

A development fee ordinance creating a dedicated revenue source for affordable housing was prepared and was adopted as Ordinance 1999-7 by the Eastampton Township Council on May 19, 1999. The ordinance establishes the Eastampton Township’s affordable housing trust fund for which this spending plan is prepared.

This Spending Plan is part of Eastampton Township’s efforts to address its 2021 – 2025 affordable housing obligation. It is organized into five sections that address the standard information required by N.J.A.C. 5:97-8.10. A process describing the collection and distribution procedures for barrier free escrow funds pursuant to N.J.A.C. 5:97-8.5 is detailed separately within the municipality’s Affordable Housing Ordinance.

## 1. REVENUES FOR CERTIFICATION PERIOD

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 Investors Bank 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. As of June 30, 2021, Eastampton Township, Burlington County has collected \$1,146,632 in developer fees, \$5,437 in interest, and expended \$144,513, resulting in a balance of \$1,007,556.

To calculate a projection of revenue anticipated during the period of third round substantive certification, Eastampton Township, Burlington County considered the following:

(a) Development fees:

1. Residential and nonresidential projects which the Township anticipates having development fees imposed upon them at the time of preliminary or final development approvals;

**Nonresidential Projects Approved and Anticipated Development Fee**

**Rockefeller Group Warehouse: \$664,125**

This project is a 345,000 square foot warehouse. Anticipated approval in mid-2021, approval perfected in early 2022, construction started in late 2022 with completion in 2023. Based on tax assessor estimate, the market value per square foot estimated at \$77, for a market value of \$26,565,000. Based on a rate of 2.5% of the assessed value, the development fee for the warehouse will be \$664,125.

**Total Anticipated Nonresidential Fees: \$664,125**

**Residential Anticipated Development Fees:**

Land available for residential development is dwindling in Eastampton. The Lennar age-restricted development is most likely the only major residential development occurring from 2021 to 2025. The Lennar project is 452 units, with 146 completed between the start of construction in 2019 and 6/30/21. The average developer fee collected on these units is \$4,486 per unit, resulting in total projected development fees of \$2,027,672 for the 452 units. As of 6/30/21, \$748,312 in fees have been collected, leaving projected revenues of \$1,279,360 from 7/1/2021 through 12/31/2025.

**Total Anticipated Residential Fees: \$1,279,360**

2. Future development that is likely to occur based on historical rates of development is an unlikely predictor as the amount of developable land has been greatly reduced.

(b) Payment in lieu (PIL):

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

*None*

(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.

*None*

(d) Projected interest:

Interest projected revenue in the municipal affordable housing trust fund Certificate of Deposit at the current average interest rate of 0.05%.

<b>SOURCE OF FUNDS</b>					
	<b>7/1/2021 to 2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>Total</b>
(a) Development fees:					0
Approved Development	\$319,840	\$319,840	\$319,840	\$319,840	1,279,360
Development Pending Approval	\$332,063	\$332,062			664,125
Projected Development	\$ -	\$ -	\$0	\$0	0
(b) Payments in Lieu of Construction	\$0	\$0	\$0	\$0	0
(c) Other Funds (Specify source(s))	\$0	\$0	\$0	\$0	0
(d) Interest	\$326	\$326	\$160	\$160	972
<b>Total</b>	<b>\$652,229</b>	<b>\$652,228</b>	<b>\$320,000</b>	<b>\$320,000</b>	<b>1,944,457</b>

Eastampton Township projects a total of \$1,944,457 in revenue and interest to be collected through December 31, 2025 which will 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 Eastampton Township, Burlington County.

- (a) Collection of development fee revenues: 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 the Township of Eastampton, NJ/Part II General Legislation, Chapter 130 Affordable Housing Section 130-20 through 22)
1. Upon the granting of a preliminary, final or other applicable approval for a development, the applicable approving authority shall direct its staff to notify the construction official responsible for the issuance of a building permit.
  2. For nonresidential developments only, the developer shall also be provided with a copy of Form N-RDF "State of New Jersey Nonresidential Development Certification/Exemption" to be completed as per the instructions provided. The developer of a nonresidential development shall complete Form N-RDF as per the instructions provided. The construction official shall verify

the information submitted by the nonresidential developer as per the instructions provided in the Form N-RDF. The Tax Assessor shall verify exemptions and prepare estimated and final assessments as per the instructions provided in Form N-RDF.

3. The construction official responsible for the issuance of a building permit shall notify the local tax assessor of the issuance of the first building permit for a development which is subject to a development fee.
4. Within 90 days of receipt of that notice, the municipal tax assessor, based on the plans filed, shall provide an estimate of the equalized assessed value of the development.
5. The construction official responsible for the issuance of a final certificate of occupancy notifies the local assessor of any and all requests for the scheduling of a final inspection on property which is subject to a development fee.
6. Within 10 business days of a request for the scheduling of a final inspection, the municipal assessor shall confirm or modify the previously estimated equalized assessed value of the improvements of the development; calculate the development fee; and thereafter notify the developer of the amount of the fee.
7. Should Eastampton Township fail to determine or notify the developer of the amount of the development fee within 10 business days of the request for final inspection, the developer may estimate the amount due and pay that estimated amount consistent with the dispute process set forth in Subsection b of Section 37 of P.L. 2008, c. 46 (N.J.S.A. 40:55D-8.6).
8. Fifty percent of the development fee shall be collected at the time of issuance of the building permit. The remaining portion shall be collected at the issuance of the certificate of occupancy. The developer shall be responsible for paying the difference between the fee calculated at building permit and that determined at issuance of certificate of occupancy.

#### Appeal of development fees.

A developer may challenge residential development fees imposed by filing a challenge with the County Board of Taxation. Pending a review and determination by the Board, collected fees shall be placed in an interest-bearing escrow account by Eastampton Township. Appeals from a determination of the Board may be made to the Tax Court in accordance with the provisions of the State Tax Uniform Procedure Law, N.J.S.A. 54:48-1 et seq., within 90 days after the date of such determination. Interest earned on amounts escrowed shall be credited to the prevailing party.

A developer may challenge nonresidential development fees imposed by filing a challenge with the Director of the Division of Taxation. Pending a review and determination by the Director, which shall be made within 45 days of receipt of the challenge, collected fees shall be placed in an interest-bearing escrow account by Eastampton Township. Appeals from a determination of the Director may be made to the Tax Court in accordance with the provisions of the State Tax Uniform Procedure Law, N.J.S.A. 54:48-1 et seq., within 90 days after the date of such determination. Interest earned on amounts escrowed shall be credited to the prevailing party.

(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 Township Manager. 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 approved Administrative Agent and the Township Attorney. Upon examination and approval, the Township Manager 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**

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

There are three components to the municipality's affordable housing obligation: the rehabilitation share, the prior round obligation, and the third-round obligation. In its 2019 settlement agreement with the Fair Share Housing Center amended in 2021, Eastampton Township agrees that affordable housing obligations are as follows:

1. Rehabilitation Share: 2 units
2. Prior Round Obligation 1987-1999 (pursuant to N.J.A.C. 5:93): 49 units
3. Third Round Obligation 1999-2025 ("Gap Period" and 2015-2025 Prospective Need): 131 units

#### **OPTION 1:**

##### **(a) Affordable Housing Activity, Rehabilitation program: \$50,000**

Eastampton will provide \$25,000 per unit for two (2) units in accordance with the Township's Rehabilitation Share thereby setting aside \$50,000 for rehabilitation of existing units occupied by low- and moderate-income households. Any units that receive rehabilitation funds will be deed restricted for an additional 10 years in accordance with COAH's rules.

**(b) Affordable Housing Activity, New Construction – Former Westwood Swim Club/100% Affordable Housing Project: \$1,541,617**

In compliance with the executed settlement agreement “In the Matter of the Township of Eastampton, County of Burlington, Docket No. BUR-L-1529-15” for its future rounds of affordable housing obligations, Eastampton Township intends to provide a 100% affordable housing project on the former 6.64-acre Westwood Swim Club property known as Block 200, Lot 7. The project would consist of at least 53 affordable residential units. The Township will apply \$1,541,617 toward the purchase of the property and/or the construction of the affordable units.

**OPTION 2**

**(a) Affordable Housing Activity, Rehabilitation program: \$600,000**

Eastampton will provide \$25,000 per unit for twenty-four (24) units in the Pennrose 100% affordable development which is now over 20 years old. The additional rehab unit beyond Township’s Rehabilitation Share will be credited to future rounds. This would be setting aside \$600,000 for rehabilitation of existing units occupied by low- and moderate-income households. Any units that receive rehabilitation funds will be deed restricted for an additional 10 years in accordance with COAH's rules.

**(b) Affordable Housing Activity, New Construction – Former Westwood Swim Club/100% Affordable Housing Project: \$991,617**

In compliance with the executed settlement agreement “In the Matter of the Township of Eastampton, County of Burlington, Docket No. BUR-L-1529-15” for its future rounds of affordable housing obligations, Eastampton Township intends to provide a 100% affordable housing project on the former 6.64-acre Westwood Swim Club property known as Block 200, Lot 7. The project would consist of at least 53 affordable residential units. The Township will apply \$991,617 toward the purchase of the property and/or the construction of the affordable units.

**(c) Affordability Assistance (N.J.A.C. 5:93-8.16): \$885,604**

<b>AFFORDABILITY ASSISTANCE CALCULATION</b>		
Actual Development Fees and Other Fees through 6/30/2021		1,146,632
Actual interest thru 6/30/2021	+	5,437
Projected Development Fees, thru 2025	+	1,943,485
Projected Trust Fund Interest, thru 2025	+	972
Less housing & admin Activity thru 6/30/2021	-	144,513
Total	=	2,952,014
30% Requirement	x .30	885,604
Less Affordability assist. expenditures thru 6/30/2021	-	0
Projected Min. Afford Asst, thru 2025	=	885,604
Proj Min Afford. Asst for Very Low Income, thru 2025	x 1/3	295,201

The Township of Eastampton will dedicate \$885,604 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 the Township of Eastampton Affordability Assistance Manual.

1. Emergency and Health/Safety Repairs –10 units @ \$10,000 each = \$100,000
2. Rental Assistance (Security Deposit) – 131 units (100 existing Pennrose units + 24 units at Former Westwood Swim Club/100% Affordable Housing Project + 7 other units for Gap Period) @ \$1,000 unit = \$131,000
3. Creation of Additional Very Low Units - \$664,604 applied toward the existing Pennrose development and/or the future Former Westwood Swim Club/100% Affordable Housing Project.



(d) Administrative Expenses (N.J.A.C. 5:93-8.16(e)): \$619,305

<b>ADMINISTRATIVE EXPENSE CALCULATION</b>		
Actual fees and interest thru 6/30/2021		\$1,152,069
Projected Development Fees and interest July 1, 2021 thru 2025	+	\$1,944,457
Payments-In-Lieu of construction and other deposits thru 6/30/21	+	\$0
Less RCA expenditures thru 12/31/25	-	\$0
Total For Admin. Calculation, 1/1/21 to 12/31/2025	=	\$3,096,526
20% Maximum for Admin Expense	x .20	\$619,305
Less Admin thru 6/30/21	-	\$144,513
Available for Admin 7/1/21 Thru 12/31/2025	=	\$474,792

No more than 20% of all revenues collected from development fees, may be expended on administration. Eastampton Township projects that \$619,305 less actual administrative expenses of \$144,513 expended through 6/30/21, or \$474,792, 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: including, but not limited to:

1. Salaries and benefits for municipal employees or consultant fees necessary to develop or implement a new construction program, a Housing Element and Fair Share Plan, and/or an affirmative marketing program.
2. For rehabilitation projects, no more than 20% of expenses shall be expended for administrative expenses.
3. Administrative funds may be used for income qualification of households, monitoring the turnover of sale and rental units, and compliance with Fair Share monitoring requirements.
4. Legal or other fees related to litigation opposing affordable housing sites or objecting to the Council's regulations and/or action are not eligible uses of the Affordable Housing Trust Fund.

**4. EXPENDITURE SCHEDULE**

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

OPTION 1 PROJECTS/ PROGRAMS	Number of Units Projected							
		Through June 30, 2021	July 1, 2021- Dec 31, 2021	2022	2023	2024	2025	Total
Rehabilitation	2				\$25,000	\$25,000		\$ 50,000
New Construction - Former Westwood Swim Club/100% Affordable Housing Project	53					\$ 770,808	\$ 770,809	\$ 1,541,617
								\$ -
								\$ -
								\$ -
<b>Total</b>			<b>\$0</b>	<b>\$0</b>	<b>\$25,000</b>	<b>\$795,808</b>	<b>\$770,809</b>	<b>\$ 1,591,617</b>
Affordability Assistance				\$221,401	\$221,401	\$221,401	\$221,401	\$ 885,604
Administration		\$144,513	\$94,958	\$94,958	\$94,958	\$94,958	\$94,960	\$ 619,305
<b>Total</b>		<b>\$144,513</b>	<b>\$94,958</b>	<b>\$316,359</b>	<b>\$341,359</b>	<b>\$1,112,167</b>	<b>\$1,087,170</b>	<b>\$ 3,096,526</b>

OPTION 2 PROJECTS/ PROGRAMS	Number of Units Projected							
		Through June 30, 2021	July 1, 2021- Dec 31, 2021	2022	2023	2024	2025	Total
Rehabilitation	2				\$200,000	\$200,000	\$200,000	\$ 600,000
New Construction - Former Westwood Swim Club/100% Affordable Housing Project	53					\$ 495,809	\$ 495,808	\$ 991,617
								\$ -
								\$ -
								\$ -
<b>Total</b>			<b>\$0</b>	<b>\$0</b>	<b>\$200,000</b>	<b>\$695,809</b>	<b>\$695,808</b>	<b>\$ 1,591,617</b>
Affordability Assistance				\$221,401	\$221,401	\$221,401	\$221,401	\$ 885,604
Administration		\$144,513	\$94,958	\$94,958	\$94,958	\$94,958	\$94,960	\$ 619,305
<b>Total</b>		<b>\$144,513</b>	<b>\$94,958</b>	<b>\$316,359</b>	<b>\$516,359</b>	<b>\$1,012,168</b>	<b>\$1,012,169</b>	<b>\$ 3,096,526</b>

## **5. EXCESS OR SHORTFALL OF FUNDS**

All fees are committed for expenditure within four years from the date of collection pursuant to N.J.S.A.I 52:27D-329.2d, effective July 17, 2008.

In the event of any expected or unexpected shortfall if the anticipated revenues are not sufficient to implement the plan, Eastampton Township, Burlington County will seek grants, low-cost loans or other revenue sources.

The Township Council will, if required by applicable law, adopt a resolution agreeing to fund any shortfall of funds required for implementing the compliance mechanisms set forth in this Spending Plan. In the event that a shortfall of anticipated revenues occurs, Eastampton Township will adopt a resolution of intent to bond to close the gap on the shortfall.

In the event more funds than anticipated are collected, projected funds exceed the amount necessary to implement the Fair Share Plan, Eastampton Township, Burlington 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.

### **SUMMARY**

Eastampton Township, Burlington 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.

As of June 30, 2021, Eastampton Township, Burlington County has collected \$1,146,632 in developer fees, \$5,437 in interest, and expended \$144,513, resulting in a balance of \$1,007,56 and anticipates an additional \$1,944,457 in revenues and interest through 2025 for a total of \$3,096,526. The municipality will dedicate \$1,944,457 of revenue for housing activities towards rehabilitation programs and new construction programs; \$885,604 in Affordability Assistance to render units more affordable, and \$474,792 to administrative costs (7/1/2021-2025). 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>		
<b>Balance as of June 30, 2021</b>		<b>\$1,152,069.00</b>
<b>PROJECTED REVENUE July 1, 2021-2025</b>		
<b>Development fees</b>	+	<b>\$ 1,943,485.00</b>
<b>Payments in lieu of construction</b>	+	<b>\$ -</b>
<b>Other funds</b>	+	<b>\$ -</b>
<b>Interest</b>	+	<b>\$ 972.00</b>
<b>TOTAL AVAILABLE FUNDS</b>	=	<b>\$ 3,096,526.00</b>
<b>PROJECTED EXPENDITURES 2019-2025</b>		
<b>Funds used for Rehabilitation</b>		<b>\$ 50,000.00</b>
<b>Former Westwood Swim Club/100% Affordable Housing Projec</b>		<b>\$ 1,541,617.00</b>
	+	<b>\$ -</b>
	+	
	+	
	+	<b>\$ -</b>
<b>Affordability Assistance*</b>	+	<b>\$ 885,604.00</b>
<b>Administration **</b>	+	<b>\$ 619,305.00</b>
<b>Excess Funds or Remaining Balance Reserved for Additional Affordable Housing Activity</b>	=	<b>\$</b>
<b>1. [list individual projects/programs]</b>	-	<b>\$</b>
<b>2.</b>	-	<b>\$</b>
<b>TOTAL PROJECTED EXPENDITURES</b>	=	<b>\$ 3,096,526.00</b>
<b>REMAINING BALANCE</b>	=	<b>\$ -</b>
* Actual affordability assistance minimums are calculated on an ongoing basis, based on actual revenues.		
** Administrative expenses are limited to 20 percent of what is actually collected.		