

RESOLUTION 2026-076

RESOLUTION OF THE TOWNSHIP OF CHATHAM APPROVING AN AFFORDABLE HOUSING TRUST FUND SPENDING PLAN

WHEREAS, the Township of Chatham, County of Morris (the "Township") is a public body corporate and politic of the State of New Jersey; and

WHEREAS, the Township's Affordable Housing Planner, Kendra Lelie, PP, AICP, LLA has prepared an Affordable Housing Trust Fund Spending Plan, which projects anticipated revenues and expenditures for affordable housing purposes in accordance with N.J.A.C. 5:97-8.7 through 8.9 and as part of the Township's Housing Element and Fair Share Plan; and

WHEREAS, the Township desires to approve the Affordable Housing Trust Fund Spending Plan on file in the Office of the Township Clerk.

NOW, THEREFORE, BE IT RESOLVED by the Township Committee of the Township of Chatham, County of Morris, State of New Jersey as follows:

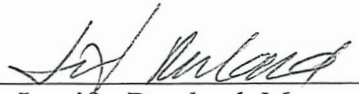
1. The aforementioned recitals are incorporated herein as though fully set forth at length.
2. The Township Committee of the Township of Chatham, County of Morris, State of New Jersey hereby approves the Affordable Housing Trust Fund Spending Plan.
3. A copy of this Resolution and the Affordable Housing Trust Fund Spending Plan shall be made available for public inspection at the Township offices during normal business hours.
4. This Resolution shall take effect immediately.

Adopted: March 10, 2026

TOWNSHIP OF CHATHAM IN
THE COUNTY OF MORRIS

Attest:


Gregory J. LaConte, Clerk

By 
Jennifer Rowland, Mayor

I, Gregory J. LaConte, Township Clerk of the Township of Chatham in the County of Morris, New Jersey, hereby certify the foregoing to be a true complete copy of a resolution adopted by the Township Committee of the Township of Chatham at a regular meeting held on March 10, 2026.

Date Issued: March 11, 2026


Township Clerk

TOWNSHIP OF CHATHAM

AFFORDABLE HOUSING SPENDING PLAN: FOURTH ROUND

INTRODUCTION

On December 19, 2019, the Township adopted a mandatory development fee ordinance. The development fee ordinance included the establishment of residential development fees in the amount of 1.5% of the equalized assessed value of residential development and nonresidential development fees in the amount of 2.5% of the equalized assessed value of nonresidential development. As of May 31, 2025, the balance of the Affordable Housing Trust Fund was \$456,501.

All development fees, payments in lieu of constructing affordable units on site, “other” income, and interest generated by the fees are deposited in one (1) separate interest-bearing account dedicated toward the creation of affordable housing. These funds shall be spent in accordance with N.J.A.C. 5:99 et seq., as described in the sections that follow.

In December of 2025, the New Jersey Department of Community Affairs (DCA) promulgated new regulations establishing new standards for how monies deposited into an affordable housing trust fund can be spent. This spending plan is submitted to the Superior Court of New Jersey for approval to expend Affordable Housing Trust Fund monies that will contribute to the rehabilitation program and the 100% affordable housing projects. In addition, the Township will expend funds on affordability assistance (including infrastructure grants), including expenditures to create very-low income units or to render existing units more affordable, and toward administrative expenses.

REVENUES FOR CERTIFICATION PERIOD

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

(a) **Development fees:** **\$3,300,000**

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): \$0**

Actual and committed payments in lieu of construction from developers. The Township does not anticipate receiving payment-in-lieu of construction through the Third Round.

(c) **Other funding sources:** **\$0**

The Township does not anticipate future funds from this category at this time. Funds from other sources, include, but are 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. All monies in the Affordable Housing Trust fund are anticipated to come from development fees and interest.

(d) Projected interest: \$ 33,000

The development fees are deposited into a mixed Trust account and therefore no interest is allocated to the Affordable Housing Trust Fund.

Chatham Township projects a total of \$3,333,000 to be collected between June 2025 and June 30, 2035, including interest, to be used for affordable housing purposes. All interest earned on the account shall accrue to the account to be used only for the purposes of affordable housing.

ADMINISTRATIVE MECHANISM TO COLLECT AND DISTRIBUTE FUNDS

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

a) Collection of development fee revenues:

All collection of development fee revenues will be consistent with local regulations which follow N.J.A.C. 5:99 et seq.

b) Distribution of development fee revenues:

The governing body may hear and decide upon a request for development fee revenues for the purpose of creating affordable housing. The governing body reviews the request for consistency with the Spending Plan and adopts the recommendation by resolution.

The release of funds requires the adoption of the governing body resolution. 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.

DESCRIPTION OF ANTICIPATED USE OF AFFORDABLE HOUSING FUNDS

(c) Rehabilitation: \$320,000

Chatham Township has a 16-unit rehabilitation obligation and intends to satisfy that obligation through a Township run rehabilitation program and participation in the Morris County Rehabilitation Program. The Township will devote the funds for rehabilitation assistance to the upgrade of a substandard unit for income-eligible homeowners qualified through the county program in accordance with N.J.A.C. 5:99 et seq.

(d) Affordability Assistance

N.J.S.A. 52:27D-329.1 requires a municipality 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 municipality's fair share plan. In contrast to COAH's regulations, which required 30 percent of a trust fund to be devoted to affordability assistance, neither the Fair Housing Act, as amended in 2024, nor the DCA regulations adopted to implement the legislation imposed any minimum percentage of the trust fund that must be available for affordability assistance. Given the difficulty municipalities had in spending so much on affordability assistance and the value of having more money to spend on other worthy affordable housing projects, this change made sense.

Accordingly, consistent with the amended FHA and the 2025 DCA regulations, Chatham Township will devote 10 percent of development fee revenue to render affordable units more affordable and at least one-third of that amount must be dedicated to very low-income households or to create very low-income units (i.e. households with incomes less than 30 percent of the regional median income). The actual affordability assistance minimums should be calculated based on actual revenues.

Projected Minimum Affordability Assistance Requirement		
Actual Development Fees Collected through 5/31/25		\$1,951,997
Development Fees Projected 2025-2035	+	\$3,300,000
Less Housing Activity Expenditures	-	\$1,177,405
Total	=	\$4,074,592
Ten Percent Minimum	x 0.10 =	\$407,459
Less Affordability Assistance Expenditures through 5/31/25	-	\$174,000
Projected Minimum Affordability Assistance Requirement	=	\$233,459
Projected Minimum Very Low-Income Requirement	÷ 3 =	\$77,819

Based on fees and interest for projected revenues, Chatham Township will dedicate at least \$233,459 from the affordable housing trust fund to render units more affordable, including \$77,819 to render units more affordable to households with income at 30 percent or less of median income by region. Affordability assistance may include, but not limited to the following:

- Emergency Repair Program;
- Down-payment assistance;
- Rental assistance;
- Security deposit assistance;
- Moving expenses;
- Low interest loans;
- Assistance with homeowners' association or condominium fees and special assessments; and/or
- Converting low-income units to very-low-income units or creating new very-low income units, etc.

The Township will work with its affordable housing providers and administrator to expand outreach to ensure the existing and new households of very-low-, low- and moderate-income programs can take advantage of affordability assistance programs. Additionally, the Township will work with affordable housing providers to convert low income units to very low-income units.

(e) Administrative Expenses

Chatham Township may use Affordable Housing Trust Fund revenue for related administrative costs up to a 20 percent limitation pending funding availability after programmatic and affordability assistance expenditures. The actual administrative expense maximum is calculated on an ongoing basis based on actual revenues.

Projected Administrative Expenses		
Actual Development Fees Collected through 5/31/25		\$1,951,997
Actual Interest Earned through 5/31/25		\$39,761

Projected Administrative Expenses		
Payments-in-lieu of construction or other deposits through 5/31/25		\$72,046
Development Fees Projected 2025-2035	+	\$3,300,000
Interest Projected 2021-2025	+	\$33,000
Payments-in-lieu of construction or other deposits Projected 2025-2035	+	\$63,000
Total	=	\$5,459,804
20 Percent Maximum Permitted Administrative Expenses	x 0.20 =	\$1,091,960
Less Administrative Expenditures through 5/31/25	-	\$147,204
Projected Allowed Administrative Expenditures	=	\$944,756

Although Chatham Township projects \$944,756 may be available from the affordable housing trust fund to be used for administrative purposes, the Township anticipates expending \$300,000 for administrative purposes over the next 10 years. Projected administrative expenditures, subject to the 20 percent cap, are as follows:

- Township Attorney, Engineer, and Planner fees related to plan preparation and implementation, and to obtaining Certificate of Compliance;
- Administration fees related to rehabilitation, extension of expiring controls, affordability assistance programs, and municipally-sponsored construction programs;
- Affirmative Marketing;
- Income qualification of households; and
- Administration of Township's Affordable Housing Units.

EXPENDITURE SCHEDULE

Chatham Township intends to use Affordable Housing Trust Fund revenues for its rehabilitation program, 100% municipally sponsored affordable housing project, affordability assistance including the creation of very-low income units and making existing units more affordable, and administrations expenses. Additionally, this expenditure

schedule meets the requirement that trust fund revenues are expended within four years of their collection.

Projected Expenditure Schedule 2025 Through 2035

Program	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	Total
Rehabilitation	-	\$32k	\$32k	\$32k	\$32k	\$32k	\$32k	\$32k	\$32k	\$32k	\$32k	\$320k
Affordability Assistance	-	\$23k	\$23k	\$23k	\$23k	\$23k	\$23k	\$23k	\$23k	\$23k	\$23k	\$233k
Administration	-	\$30k	\$30k	\$30k	\$30k	\$30k	\$30k	\$30k	\$30k	\$30k	\$30k	\$300k
100% Projects	\$295k	\$500k	\$1.0M	\$1.0M	-	-	-	-	-	-	-	\$2.9M
TOTAL	\$295k	\$585k	\$1.08M	\$1.08M	\$85k	\$85k	\$85k	\$85k	\$85k	\$85k	\$85k	\$3.7M

EXCESS OR SHORTFALL OF FUNDS

If a shortfall of anticipated revenues occurs, Chatham Township will fund the shortfall through bonding or other funding mechanisms to satisfy the gap in funding. The Township reserves the opportunity to amend its Housing Element and Fair Share Plan, as well as this Spending Plan, to create additional affordable housing opportunities.

SUMMARY

The Township of Chatham intends to spend Affordable Housing Trust Fund revenues pursuant to the extant regulations governing such funds and consistent with the housing programs outlined in the 2025 Fourth Round Housing Plan Element and Fair Share Plan. Chatham anticipates \$3,333,000 in revenues before the expiration of the Fourth Round. The Township estimates that approximately \$233,459 of Trust Funds will be spent to create very low-income units, and to make units more affordable. In addition, the Township will dedicate \$2,936,042 funds to the 100% affordable housing projects.

Spending Plan Summary	
Revenues	
Balance as of May 31, 2025	\$456,501
Projected Revenue from 2025 through 2035	\$3,333,000
1. Development Fees	+ \$3,300,000
2. Payments-In-Lieu of Construction	+ \$0
3. Other Funds	+ \$0.00
Interest	+ \$33,000
Total Projected Balance	= \$3,789,501
Expenditures	
Funds Used for Rehabilitation	- \$320,000
Affordability Assistance	- \$233,459
New Construction	- \$2,936,042
Administration	- \$300,000
Total Projected Expenditures	= \$3,789,501
Remaining Balance	= \$0.00