

BOROUGH OF TINTON FALLS
AFFORDABLE HOUSING TRUST FUND SPENDING PLAN
MAY 16, 2025

The Borough of Tinton Falls, Monmouth County has prepared a Housing Element and Fair Share Plan that addresses its regional fair share of the affordable housing need 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 stipulations within the Borough's Settlement Agreement with Fair Share Housing Center, and in accordance with N.J.A.C. 5:93-1 et seq. and N.J.A.C. 5:91-1 et seq. A development fee ordinance creating a dedicated revenue source for affordable housing has been adopted and serves as a mechanism to provide revenue for the Borough's Affordable Housing Trust Fund ("ATHF"), which will be allocated and spent in accordance with this Spending Plan.

Projected Revenues 2025 through 2035

A projection of anticipated revenues to be collected during the tenure of the fourth round has been calculated based on historical annualized trends in the amount of development fees collected to date.

Since August 1, 2008, when the Borough of Tinton Falls AHTF had a balance of \$1,220,417.59, the Borough collected \$2,998,613.66 and expended \$3,109,880.37, resulting in a balance of \$1,109,150.88 as of December 31, 2018. From January 1, 2019 through December 31, 2022 the Borough collected and expended funds resulting in a balance of \$2,182,762.68. Additionally, from January 1, 2023 through January 1, 2025 the Borough collected and expended additional funds resulting in a balance of \$2,573,746.68. 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 AHTF for the purposes of affordable housing. These funds shall be spent in accordance with applicable affordable housing regulations as described in the sections that follow.

To calculate a projection of revenue anticipated during the period of fourth round substantive certification, the Borough of Tinton Falls 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 board 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 since 2008, balancing the increase in mandatory development fees with the built-out nature of the Borough.

(b) Other funding sources:

Funds from other sources, including, but not limited to, the sale of units with extinguished controls, repayment of affordable housing loans, rental income, and proceeds from the sale of affordable units. All monies in the AHTF are anticipated to come from development fees and interest.

(c) Projected interest:

Interest projected revenue in the municipal affordable housing trust fund at the current average interest rate. The interest rate is variable but as of January 1, 2025 the rate was 2.53%.

The Borough of Tinton Falls projects a total of \$3,012,232.94 in revenue, including \$262,232.94 in interest to be collected annually between January 1, 2025 and December 31, 2035. This projected amount, when added to the Borough's current AHTF balance of \$2,573,746.68, results in an anticipated total revenue of \$5,585,979.62 available to fund and administer its affordable housing plan. All interest earned on the account shall accrue to the account and be used only for the purposes of affordable housing. An outline of these revenues can be found in Table 3 attached to this Spending Plan.

I. Administrative Mechanisms for Collecting and Distributing Revenues

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

(a) Collection of development fee revenues:

Collection of development fee revenues shall be consistent with the Borough of Tinton Falls' development fee ordinance for both residential and non-residential developments in accordance with Department of Community Affairs 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:

Any requisition for affordability assistance, administrative costs (routine expenditures), or affordable housing development (significant expenditures) to the Finance Department recommending the expenditure of development fee revenues in this Spending Plan must be approved by the Tinton Falls Borough Council. The Finance Department shall review the request for consistency with the Spending Plan. Once a request is approved for consistency by the Finance Department, the request is presented to the Council for approval. After receiving Council approval, the funds may be disbursed.

II. Anticipated Use of Development Fees

(a) Rehabilitation Program (N.J.A.C. 5:97-8.7)

Tinton Falls Borough plans to dedicate an average of \$30,000 per unit to rehabilitation projects. The Borough plans to continue to participate in the County's Rehab Program. At the average cost of \$30,000 per unit, the Borough preliminarily expects to rehabilitate approximately 93 units through 2035, totaling to \$2,790,000. An outline of these expenditures can be found in Table 3 attached to this Spending Plan.

(b) Affordability Assistance (N.J.A.C. 5:97-8.8)

The projected minimum affordability assistance requirement through 2035 is calculated as follows:

Table 1. Minimum Affordability Assistance	
AHTF balance as of 01/01/2025	\$ 2,573,746.68
Projected development fees plus interest, 2025-2035	\$ 3,012,232.94
Total	\$ 5,585,979.62
Projected minimum affordability assistance requirement, 2025-2035 (30%)	\$ 1,675,793.89
Projected minimum required for very low-income households, 2025-2035 (1/3 of total affordability assistance)	\$ 558,597.96

Tinton Falls Borough will dedicate \$1,675,793.89 from the AHTF to render units more affordable, including \$558,597.96 to render units more affordable to households earning 30 percent or less of median income by region.

(c) Administrative Expenses (N.J.A.C. 5:97-8.9)

The projected maximum available for administrative expenses through 2035 is calculated as follows:

Table 2. Maximum Administrative Expenses	
AHTF balance as of 01/01/2025	\$ 2,573,746.68
Projected development fees plus interest, 2025-2035	\$ 3,012,232.94
Total	\$ 5,585,979.62

Projected maximum available for administrative expenses, 2025-2035 (20%)	\$ 1,117,195.92
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Projected administrative expenditures, subject to the 20 percent cap, are as follows: Professional Planner fees, Administrative Agent fees, Attorney fees, and other fees for similar services as permitted by law as it pertains to the implementation of the affordable housing programs set forth in this Spending Plan.

III. Expenditure Schedule

The schedule for expenditures by year can be found in Table 3 attached to this Spending Plan.

IV. Excess of Funds

In the event that more funds than anticipated are collected, these excess funds will be used to fund additional rehabilitation and/or affordability assistance programs.

V. Barrier Free Escrow

Collection and distribution of barrier free funds shall be consistent with the Borough’s Affordable Housing Ordinance in accordance with N.J.A.C. 5:97-8.5. 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 within the Affordable Housing Ordinance.

VI. Summary

Tinton Falls has prepared this Spending Plan in support of the implementation of its Fourth Round Housing Element and Fair Share Plan, and in accordance with the administrative requirements of N.J.A.C. 5:93-1 et seq. The Borough has a balance of \$2,573,746.68 as of January 1, 2025 and anticipates an additional \$3,012,232.94 in revenues, including interest, by December 31, 2035 for a total of \$5,585,979.62. The Spending Plan represents the Borough’s intended use of development fee revenues that are collected in its Housing Trust Fund, illustrating how the Borough will use these funds to provide for its fair share of regional affordable housing need. This will leave a balance of \$29.62, which the Borough will reserve in the event that an additional affordable housing project becomes necessary.

Table 3: Affordable Housing Trust Fund Fourth Round Spending Plan
Tinton Falls Borough, New Jersey

Projected Revenues for 2025 - 2035												
Funding Source	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	Total
AHTF Balance as of 1/1/2025	\$ 2,573,746.68											\$ 2,573,746.68
Projected Development Fees	\$ 250,000.00	\$ 250,000.00	\$ 250,000.00	\$ 250,000.00	\$ 250,000.00	\$ 250,000.00	\$ 250,000.00	\$ 250,000.00	\$ 250,000.00	\$ 250,000.00	\$ 250,000.00	\$ 2,750,000.00
Payments in lieu of construction	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest on total account balance (2.53%)	\$ 56,053.07	\$ 49,257.12	\$ 43,538.07	\$ 35,819.02	\$ 29,099.98	\$ 23,139.93	\$ 17,179.88	\$ 11,219.83	\$ 5,259.79	\$ (699.00)	\$ (6,633.74)	\$ 262,232.94
Total	\$ 2,879,798.75	\$ 299,257.12	\$ 292,538.07	\$ 285,819.02	\$ 279,099.98	\$ 273,139.93	\$ 267,179.88	\$ 261,219.83	\$ 255,259.79	\$ 249,301.00	\$ 243,366.26	\$ 5,585,979.62
Projected Expenditures for 2025 - 2035												
Type	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	Total
Rehabilitation Program	\$ 270,000.00	\$ 270,000.00	\$ 270,000.00	\$ 270,000.00	\$ 270,000.00	\$ 240,000.00	\$ 240,000.00	\$ 240,000.00	\$ 240,000.00	\$ 240,000.00	\$ 240,000.00	\$ 2,790,000.00
Affordability Assistance	\$ 147,000.00	\$ 147,000.00	\$ 144,000.00	\$ 144,000.00	\$ 144,000.00	\$ 144,000.00	\$ 144,000.00	\$ 144,000.00	\$ 144,000.00	\$ 143,950.00	\$ 143,000.00	\$ 1,678,950.00
Extension of Controls	\$ 90,000.00											\$ 90,000.00
Administrative Costs	\$ 101,250.00	\$ 101,575.00	\$ 101,575.00	\$ 101,575.00	\$ 101,575.00	\$ 101,575.00	\$ 101,575.00	\$ 101,575.00	\$ 101,575.00	\$ 101,575.00	\$ 101,575.00	\$ 1,117,000.00
Total	\$ 608,250.00	\$ 518,575.00	\$ 515,575.00	\$ 515,575.00	\$ 515,575.00	\$ 485,575.00	\$ 485,575.00	\$ 485,575.00	\$ 485,575.00	\$ 485,525.00	\$ 484,575.00	\$ 5,585,950.00
Projected Balance available for Future Projects and Programs: \$ 29,629												