

# **Affordable Housing Trust Fund Spending Plan**

## **Borough of Collingswood Camden County 2008**

### **INTRODUCTION**

The Borough of Collingswood, Camden 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) and the regulations of the Council on Affordable Housing (COAH) (N.J.A.C. 5:97-1 et seq. and N.J.A.C. 5:96-1 et seq.). A development fee ordinance approval creating a dedicated revenue source for affordable housing has been submitted to COAH for approval. The municipality shall adopt the development fee ordinance subsequent to COAH's approval. The ordinance will establish the Borough of Collingswood's affordable housing trust fund for which this spending plan is prepared.

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 shall be deposited in a separate interest-bearing affordable housing trust fund in First Colonial National Bank for the purposes of affordable housing. These funds shall be spent in accordance with N.J.A.C. 5:97-8.7-8.9 as described in the sections that follow.

The Borough of Collingswood first petitioned COAH for substantive certification on 2/15/1995 and is awaiting approval to maintain an affordable housing trust fund.

### **1. REVENUES FOR CERTIFICATION PERIOD**

To calculate a projection of revenue anticipated during the period of third round substantive certification, the Borough of Collingswood 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): Payments in lieu have not been nor are they anticipated to be collected or assessed.
- (c) Other funding sources: No other funds have been or are anticipated to be collected.
- (d) Projected interest:
  - Interest on the projected revenue in the municipal affordable housing trust fund at the current average interest rate of 2.5% projected to a total of \$0.

The Borough of Collingswood projects a total of \$0 in revenue to be collected between July 18, 2008 and December 31, 2018. The Borough of Collingswood is a developed community and at this time does not anticipate revenues from development fees, payments in lieu of construction or other funds. However, in the event development fees are collected, all interest earned on the account shall accrue to the account to 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 the Borough of Collingswood:

(a) Collection of development fee revenues:

Collection of development fee revenues shall be consistent with the Borough of Collingswood's development fee ordinance for both residential and non-residential developments in accordance with COAH'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:

The governing body shall adopt a resolution authorizing the expenditure of development fee revenues consistent with the COAH-approved spending plan. Once a request has been approved by resolution, the CFO shall release the requested revenue from the trust fund for the specific use approved in the governing body's resolution.

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

(a) **Rehabilitation and new construction programs and projects (N.J.A.C. 5:97-8.7)**

The Borough of Collingswood will dedicate \$0 to rehabilitation or new construction programs (see detailed descriptions in Fair Share Plan) as follows:

**Rehabilitation program:** \$0

**New construction project(s):** \$0

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

The Borough of Collingswood will dedicate 30% of any development fees collected to render units more affordable and one-third of the affordability assistance shall be used to render units more affordable to households earning 30 percent or less of median income by region, as follows:

Closing costs, down-payment assistance, rental assistance and/or converting low-income units to very-low-income units.

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

The Borough of Collingswood projects that \$0 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:

The governing body shall adopt a resolution authorizing the expenditure of development fee revenues consistent with the COAH-approved spending plan. Once a request has been approved by resolution, the CFO shall release the requested revenue from the trust fund for the specific use approved in the governing body's resolution.

The Borough of Collingswood will utilize 20% of any development fees collected on administration.

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

The Borough of Collingswood intends to use affordable housing trust fund revenues for affordability assistance and administration.

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

Pursuant to the Housing Element and Fair Share Plan, the governing body of the Borough of Collingswood has adopted a resolution agreeing to fund any shortfall of funds required for implementing the Borough's housing programs. In the event that a shortfall of anticipated revenues occurs, the Borough of Collingswood will bond for any shortfall. A copy of the adopted resolution is attached.

In the event of excess funds, any remaining funds above the amount necessary to satisfy the municipal affordable housing obligation will be used to fund affordability assistance and administration.

**6. BARRIER FREE ESCROW**

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

**SUMMARY**

The Borough of Collingswood intends to spend affordable housing trust fund revenues pursuant to N.J.A.C. 5:97-8.7 through 8.9 and consistent with the housing programs outlined in the housing element and fair share plan dated 12/30/2008.

The Borough of Collingswood has a balance of \$0 as of July 17, 2008 and does not anticipate the collection of any development fees before the expiration of substantive certification The municipality will dedicate any development fees collected to providing affordability assistance and administration. Any shortfall of funds will be offset by municipal bonding. The municipality will dedicate any excess funds towards providing affordability assistance

<b>COLLINGSWOOD BOROUGH SPENDING PLAN SUMMARY</b>	
	<b>\$</b>
Balance as of July 17, 2008	0.00
<b>PROJECTED REVENUE</b> July 18, 2008-2018	
Development Fees	0.00
Payments in lieu of construction	0.00
Other Funds	0.00
Interest	
<b>TOTAL REVENUE</b>	0.00
<b>EXPENDITURES</b>	
Funds used for Rehabilitation	0.00
Funds used for New Construction	
Affordability Assistance	0.00
Administration	0.00
Excess Funds for Additional Housing Activity	0.00
<b>TOTAL PROJECTED EXPENDITURES</b>	0.00
<b>REMAINING BALANCE</b>	0.00