

Borough of Franklin, County of Sussex

Resolution #2026-38

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE BOROUGH OF FRANKLIN, IN THE COUNTY OF SUSSEX, STATE OF NEW JERSEY ADOPTING FOURTH ROUND AFFORDABLE HOUSING SPENDING PLAN

WHEREAS, on March 20, 2024, Governor Murphy signed into law P.L. 2024, c.2 which amended various provisions of the New Jersey Fair Housing Act (N.J.S.A. 52:27D-301 et seq. ("Amended FHA")); and

WHEREAS, the Amended FHA sets forth that the Fourth Round period of affordable housing obligations shall run from July 1, 2025 through June 30, 2035 ("Fourth Round" or "Round Four"); and

WHEREAS, A municipality may not spend or commit to spend any affordable housing development fees, without first obtaining the approval of the expenditure as part of its compliance certification or by the New Jersey Department of Community Affairs (DCA); and

WHEREAS, the Governing Body of the Borough of Franklin, County of Sussex, State of New Jersey, adopted a development fee ordinance on April 2004 with subsequent amendments; and

WHEREAS, the development fee ordinance establishes an affordable housing trust fund that includes development fees, payments from developers in lieu of constructing affordable units on-site, barrier free escrow funds, rental income, repayments from affordable housing program loans, recapture funds, proceeds from the sale of affordable units, and/or any other funds collected for affordable housing purposes; and

WHEREAS, the Borough of Franklin has prepared a Fourth Round Affordable Housing Trust Fund Spending Plan, dated February 2026; and

NOW THEREFORE, BE IT RESOLVED, by the Governing Body of the Borough of Franklin, County of Sussex, New Jersey, that the Borough of Franklin hereby adopts the Fourth Round Affordable Housing Trust Fund Spending Plan for the Borough of Franklin, dated February 2026, prepared by J. Caldwell & Associates, LLC, which is attached hereto and incorporated herein.

This Resolution shall take effect immediately.

CERTIFICATION: I, Colleen L. Little, Municipal Clerk of the Borough of Franklin, in the County of Sussex, State of New Jersey do hereby certify that the foregoing is a true and correct copy of a Resolution adopted by the Governing Body of the Borough of Franklin, County of Sussex, State of New Jersey at a regular meeting held on February 24, 2026.



Colleen L. Little, Municipal Clerk

Borough of Franklin, County of Sussex
Resolution #2026-38

RECORD OF COUNCIL VOTES				
COUNCIL MEMBER	AYES	NAYES	ABSTAIN	ABSENT
PATRICIA CARNES				X
CONCETTO FORMICA	X			
RACHEL HEATH	X			
JOSEPH LIMON	X			
STEPHEN SKELLENGER	X			
GILBERT SNYDER	X			
MAYOR SOWDEN (Tie Only)				

**AFFORDABLE HOUSING TRUST
FUND SPENDING PLAN**

**BOROUGH OF
FRANKLIN
SUSSEX COUNTY, NEW JERSEY**

February 2026

Prepared by: Jessica C. Caldwell, P.P., A.I.C.P.
NJPP License #5944

SPENDING PLAN

INTRODUCTION

Franklin Borough, Sussex County, has prepared a Housing Element and Fair Share plan that addresses its regional fair share of the present and prospective affordable housing need in accordance with the Municipal Land Use Law (MLUL), the Fair Housing Act (FHA), the regulations of the Council on Affordable Housing (COAH) and recent decisions by the Courts.

A development fee ordinance creating a dedicated revenue source for affordable housing following state guidelines was adopted in April 2004 and amended in October 2008. The ordinance established a fee of 1.5% of equalized assessed value for new residential construction and 2.5% for new commercial construction. The ordinance established the need for a Borough of Franklin Affordable Housing Trust Fund. 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 affordable housing fees are deposited in a separate-interest-bearing affordable housing trust fund account for the purposes of affordable housing.

Franklin Borough has prepared this Spending Plan (2026) to guide the allocation of funds within the Borough of Franklin Affordable Housing Trust Fund. As of December 31, 2024, the Borough of Franklin has no funds in its Affordable Housing Trust Fund. The funds shall be spent in accordance N.J.A.C. 5:97-8.7-8.9 as described in the sections that follow.

REVENUES FOR CERTIFICATION PERIOD

To calculate a projection of revenue anticipated during the period of Fourth Round substantive certification, Franklin Borough considered the following:

- (a) Development fees:
 - 1. Nonresidential projects which have had development fees imposed upon them at the time of preliminary or final development approvals;
 - 2. All nonresidential 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) Payments in Lieu (PIL): Payments in Lieu of development into the Borough's Housing Trust are permitted in limited cases pursuant to the Franklin Borough Code.

- (c) Other funding sources: The Borough reserves the option to pursue various public funding options to support its municipal rehabilitation program.

- (d) Projected interest: Interest on the projected revenue in the municipal affordable housing trust fund at the current average interest rate is 0.5% based on prevailing interest rates for savings accounts.

Projected Revenue Schedule, 2025-2035
Borough of Franklin Affordable Housing Trust Fund

Source of Funds	Up to 12/31/2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	Total
(a) Development Fees	\$332,172												
1. Approved Residential and Nonresidential Development Projects	NA	\$2,500	\$2,500	\$2,500									\$7,500
2. Projected Residential Development Projects Only	NA	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$99,000
3. Projected Non-Residential Development Projects (New construction only)	NA	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$55,000
(b) Payments in lieu of Construction	NA												
(c) Other Funds (specify source)	NA												
Subtotal	\$332,172	\$16,500	\$16,500	\$16,500	\$14,000	\$14,000	\$14,000	\$14,000	\$14,000	\$14,000	\$14,000	\$14,000	\$161,500
(d) Interest	NA	\$388	\$388	\$388	\$388	\$388	\$388	\$388	\$388	\$388	\$388	\$388	\$4,268
Total Revenue from Development Fees	\$332,172	\$16,888	\$16,888	\$16,888	\$14,388	\$14,388	\$14,388	\$14,388	\$14,388	\$14,388	\$14,388	\$14,388	\$497,940

Franklin Borough projects a total of **\$165,768** to be collected between January 1, 2025 and December 31, 2035 for residential and non-residential new construction in addition to the \$332,172.60 in the fund as of December 31, 2024, for a total projected amount of \$497,940. Projections are based on projected development as it relates to permits issued within the Borough over the last five years and revenues generated by the fund over the last six years.

ADMINISTRATIVE MECHANISM TO COLLECT AND DISTRIBUTE FUNDS

Franklin Borough will follow the process for the collection and distribution of development fee revenues detailed below.

- (a) Collection of development fee revenues: Franklin Borough will collect development fee revenues in a manner that is consistent with the Borough's development fee ordinance for both residential and nonresidential development and in accordance with applicable regulations.
- (b) Distribution of development fee revenues: Franklin Borough will distribute funds with the oversight of the Borough Council. The Council will work with the Borough Administrator and the Municipal Housing Liaison to manage the projects outlined in this spending plan.

DESCRIPTION OF ANTICIPATED USE OF AFFORDABLE HOUSING FUNDS

Franklin Borough proposes to use the monies in its Affordable Housing Trust Fund for the following purposes:

- (a) **Rehabilitation Projects** (N.J.A.C. 5:97-6.2): Franklin Borough will dedicate the following funds to Rehabilitation projects in order to meet its fair share affordable unit obligation:
Borough Rehabilitation Program: At least \$12,500 per unit for a total of 25 units for a budget of \$312,500.
 - Additional funding for rehabilitation units will be sought through the Small Cities CDBG funding and other available public funding sources.
- (b) **Administrative Expenses** (N.J.A.C. 5:97-8.9) Franklin Borough will dedicate no more than 20 percent of revenue from the affordable housing trust fund to be used for administrative purposes. **The current budget for administrative expenses is \$32,300 subject to the 20 percent cap are as follows:**
 - Administration of affordable housing programs;
 - Legal fees associated with affordable housing administration;
 - Planning fees for any necessary updates and/or revision to the Housing Element and Fair Share Plan; and
 - Other expenses associated with the development and implementation of the Housing and Fair Share Plan and the monitoring of current and future affordable housing programs within Franklin.
- (c) **Affordability Assistance** (N.J.A.C. 5:97-6.7): Franklin Borough will dedicate funds to affordability assistance. The budgeted amount is 30% of the projected total fund or **\$150,000**,

depending on funds available at the time of the development. This will include at least 30% of the funds available to very low-income families.

- (d) **Excess Funds:** Any excess funds will be dedicated to rehabilitation of eligible housing units within the Borough, extensions of transitional housing, group homes or emerging projects or to 100% affordable/market to affordable units.

SUMMARY

Franklin Borough 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 affordable housing programs outlined in the Borough 's Housing Element and Fair Share Plan.

**Spending Plan Summary
Franklin Borough Affordable Housing Trust Fund**

Trust fund balance as of 12/31/2024	\$332,172
Projected Revenue (2025-2035)	
Development fees	\$161,500
Payments in lieu of construction	
Other funds	
Interest	\$4,268
Total Revenue (Rounded)	\$497,490
Expenditures	
Rehabilitation	\$312,500
Affordability Assistance	\$150,000
Administration	\$32,300
Excess Funds	\$*
Total Projected Expenditures	\$494,800
*Additional Funds to Be Spent as Noted Above	