



BOROUGH OF WHARTON
Affordable Housing Status Report
2016-2019
January 2020

A Declaratory Judgment was granted by the Superior Court of New Jersey, Law Division, No. MRS-L-1691-15, by Order on October 27, 2016, finding that the Borough of Wharton is in compliance with its constitutional obligations for affordable housing and provides a realistic opportunity for low- and moderate-income housing. On December 13, 2016, The Borough of Wharton adopted its amended 2016 Housing Element and Fair Share Plan.

The Borough of Wharton is working diligently to address the conditions set forth to further achieve the goal of the Borough's Mt. Laurel affordable housing obligations. This report identifies the actions that have taken place since the last affordable housing report in October 2016.

The Borough has completed the following actions:

Affordable Housing Trust

- As of December 31, 2019, the Borough's Affordable Housing Trust Fund has a balance of \$225,803.62. The Borough has spent \$58,553 on its rehabilitation program to rehabilitate five (5) units in the Borough between 2016 and 2019.

March 21, 2016 Borough Council Meeting

RESOLUTION No. R-58-16

RESOLUTION AUTHORIZING THE BOROUGH OF WHARTON TO ENTER INTO AN AGREEMENT WITH MORRIS HABITAT FOR HUMANITY

The Borough of Wharton received a proposal from the Morris Habitat for Humanity for consultation on a Rehabilitation Program. The Governing Body of the Borough of Wharton accepted the terms of the agreement and was executed by the Mayor and Borough Clerk.

April 18, 2016 Borough Council Meeting

RESOLUTION No. R-68-16

RESOLUTION ENDORSING HOUSING ELEMENT AND FAIR SHARE PLAN

The Mayor and Council of the Borough of Wharton reviewed the April 12, 2016 draft Housing Element and Fair Share Plan, prepared by Borough Planner Jessica Caldwell & Associates, LLC, and found the Plan was consistent with goals and objectives of the Borough of Wharton’s Master Plan in accordance with Municipal Land Use Law in the State of New Jersey and that adoption and implementation of the Housing Element and Fair Share Plan were in the public interest and protect public health and safety and promote the general welfare. The Mayor and Council recommended the submission of the April 12, 2016 Housing Element and Fair Share Plan for approval by the Superior Court of New Jersey.

July 16th, 2018 Borough Council Meeting

Borough of Wharton Ordinance O-11-18, Amending the Zoning Ordinance to Provide Affordable Housing Overlay Zones in the Borough of Wharton.

The Borough of Wharton Section 165-85 Zoning Districts ordinance were amended to include affordable housing overlay zones in order to create a realistic opportunity for the construction of low- and moderate-income housing in Wharton on land that has the potential for development, thereby addressing the Borough’s fair share housing obligation under the New Jersey Fair Housing Act and constitutional obligations to provide affordable housing. The following were the affordable housing overlay zones that were added to the zoning ordinance, AH-3: Wharton Mall (Block 106, Lot 23), AH-4: North Main Street (Block 102, Lot 48, 49, & 50) and AH-OO: Overall Overlay Zone. If redevelopment occurs and it is over a density of six (6) units to the acre, then affordable housing set-asides must be provided.

July 16th, 2018 Borough Council Meeting

Borough of Wharton Ordinance O-12-18, An Ordinance to Provide for the Collection of Development Fees in Support of Affordable Housing as Permitted by the New Jersey Fair Housing Act.

This Ordinance establishes standards for the collection, maintenance, and expenditure of development fees that are consistent with the Council of Affordable Housing's (COAH) regulations developed in response to P.L. 2008, c. 46, Sections 8 and 32-38 (C. 52:27D-329.2) and the Statewide Non-Residential Development Fee Act (C. 40:55D-8.1 through 8.7). Fees collected pursuant to this Ordinance shall be used for the sole purpose of providing very low, low- and moderate-income housing in accordance with a Court-approved Spending Plan. Development fees for new construction of commercial properties are 2 ½ percent and residential new construction is 1 ½ percent. Any density increases on a development not required to provide affordable housing results in a six (6) percent fee to provide for affordable housing within the Borough.

July 16, 2018 Borough Council Meeting

RESOLUTION No. R-100-18

RESOLUTION OF THE BOROUGH OF WHARTON, COUNTY OF MORRIS, NEW JERSEY, DESIGNATING BLOCK 1317, LOTS 1 THROUGH 22 WITHIN THE BOROUGH OF NON-CONDEMNATION AREA IN NEED OF REDEVELOPMENT UNDER THE LCOAL REDEVELOPMENT AND HOUSING LAW AND DIRECTING THE PLANNING BOARD TO PREPARE A REDEVELOPMENT PLAN

On March 12, 2018, the Borough adopted Resolution No. R 54-18 directing the Planning Board to examine whether Block 1317, Lots 1 through 22 (which includes Lot 23 as Lot 23 is shown on the Borough Tax Maps as a distinct lot but the Borough Tax records have incorporated Lot 23 into adjacent Lot 22), along with all streets and rights-of-way appurtenant thereto (the "Study Area"), should be determined a non-condemnation area in need of redevelopment pursuant to the Redevelopment Law. J. Caldwell and Associates, LLC (the "Planning Consultant") prepared a preliminary investigation report of the Study Area in accordance with the Redevelopment Law, entitled "Area in Need of Redevelopment Study for Block 1317, Lots 1 – 23" (the "Study"). Based upon the Study and the recommendation of the Planning Board, the Study Area satisfied the criterion for redevelopment area designation as set forth in the Redevelopment Law, and such Study Area was designated as a non-condemnation area in need of redevelopment.

October 15, 2018 Borough Council Meeting

Borough of Wharton Ordinance O-17-18, An Ordinance Adopting the Main Street Redevelopment Plan for Block 1317, Lots 1 Through 22 (Including Former Lot 23).

Pursuant to the Local Redevelopment and Housing Law, N.J.S.A. 40A:12A-1 *et seq.*, (the Redevelopment Law”), by Resolution No. R 100-18 dated July 16, 2018, the Borough Council of the Borough of Wharton (the “Borough Council” designated the properties known as Block 1317, Lots 1 through 22 (including former Lot 23), along with all streets and rights-of-way appurtenant thereto, as a non-condemnation redevelopment area (the “Redevelopment Area”) pursuant to the Redevelopment Law. The Borough of Wharton adopted a redevelopment plan for the Redevelopment Area, entitled, “Main Street Redevelopment Plan Block 1317, Lots 1-23” (the Redevelopment Plan”). The goal of the plan is to implement mixed-use redevelopment in the downtown. Buildings such as mixed-use buildings, typically four (4) stories, with commercial on the ground floor and residential on the remaining floors are desired. The Borough is looking to increase the number of people who live downtown and can frequent the businesses as well as provide for economic development in the community. There is a requirement for affordable housing set asides within the development, with 15 percent for rentals and 20 percent for purchase.

September 23, 2019 Borough Council Meeting

Borough of Wharton Ordinance O-14-19, An Ordinance Authorizing the Execution of an Amended and Restated Financial Agreement with Avanath Centennial Court Urban Renewal, LP Urban Renewal LLC and Granting a Continued Tax Exemption on Real Property Located at Block 903, Lot 1.

Pursuant to Section 37 of the New Jersey Housing and Mortgage Finance Agency Law of 1983, as amended (N.J.S.A. 55:14K-1 *et seq.*) (the “HMFA Law”), a municipality is authorized to grant a tax exemption to projects that meet or will meet an existing housing need in the municipality, providing that the municipality adopts a resolution determining such need and that the entity owning such a housing project pay to the municipality an annual service charge in lieu of conventional property taxes for municipal services supplied to the project. Sponsor was the General Partner of Wharton Senior Citizen Housing Limited Partnership (“Wharton Senior”), a New Jersey limited partnership, which developer, owned, managed and operated a 100-unit affordable senior citizen housing project at the Property (the “Project”). Wharton Senior sold the Property and the Project to Avanath Centennial Court, LP (“Avanath”) to acquire, own, renovate, improve, and operate the Project in accordance with the existing HMFA Oversight. The Borough found that the benefits of the proposal including the rehabilitation and continued operation and maintenance of the 100 senior citizen low income housing units in the Borough outweigh the costs, if any, associated with the tax exemption. It was determined that the assistance provided to the project pursuant to the Financial Agreement would be a significant inducement for the entity to proceed with the rehabilitation of the project and that based on information set forth in the Application, the project would not be feasible without assistance.

The Borough’s Affordable Housing Obligation is as follows:

Prior Round	42
Third Round Present Need (Rehab)	138
Third Round Prospective Need	174*
Total Summary Obligation	354 units
Adjusted Third Round Prospective Need	31 units
Unmet Need	143 units

*The Prospective Need is reduced by 30 percent under a settlement agreement with FSHC. The Kinsey Prospective Need is 248 units.

Borough of Wharton Fair Share Summary 2016-2019					
Project	Mechanism	Type	Units/Credits	Cap/Bonus	Total
Prior Round					
Centennial Courts	100% Affordable	Age Restricted Rental	100	10 25% Age Restricted Gap	10*
Community Hope Group Home	Alternative Living Arrangements	Supportive/ Special Needs	3	3 (2.0 per unit Rental Bonus)	6
Special Homes of New Jersey Group Home	Alternative Living Arrangements	Supportive/ Special Needs	4	4 (2.0 per unit Rental Bonus)	8
River Place Apartments	Inclusionary Development	Family Rental	14	4 (2.0 per unit Rental Bonus)**	18
Total Units					121
Total Credits					42
* = 90 unit carryover Round 3 ** = Bonus capped at 25% or 11 units					
Third Round					
Completed Units					
Centennial Courts	100% Affordable	Age-Restricted Rental	90	25% cap age-restricted	43*
Third Round Total (Completed)					43
* = 47-unit carryover Round 4					

Developments Proposed							
Project	Mechanism	Type	Units/Credits	Cap/Bonus	Total		
Wharton Woods Inclusionary Development	Inclusionary New Construction	Special Needs/Group Home	17		17		
Equinet Properties, LLC	Inclusionary New Construction	Family Rental	9		9		
Main Street Redevelopment Plan	Redevelopment Plan	Group Home/Family Rental	9 6 group home 3 family Rental		9		
Third Round Total (Under Construction)					35		
Inclusionary Zoning							
Zones	Block	Lot(s)	Area (ac)	Density Units/Acre	Total Units	Set-Aside Rental (15%)	Set-Aside Non-Rental (20%)
AH-3	106	23	4.56	15	68	11	14
AH-4	102	48, 49, 50	1.06	15	16	3	4
Total Units					84	14	18

Proposed Special Needs/Supportive Housing				
Project	Mechanism	Units/Credits	Cap/Bonus	Total Credits
Wharton Woods (17-19 Baker Street)	Special Needs/Group Home	7		7
Wharton Woods (57 Main Street)	Special Needs/Group Home	10		10
Main Street Redevelopment (TBD)	Special Needs Group Home	6		6
Total Proposed Group Homes		23		23
Total Proposed Family Rentals (New)		12		12
Total Zoned Inclusionary		18		18
Total Completed Senior		43		43
Third Round Share Plan Total				96
Max. Bonus Credits				43
Total Proposed with Potential Bonus Credits				139
Third Round Obligation (RDP 31 units)				172

*Senior Units to Carryover for Future Rounds				47
Rehabilitation				
Project	Mechanism	Units/ Credits	Cap/Bonus	Total Credits
Municipal Rehabilitation Program	Completed Rehabilitations	5		5
Municipal Rehabilitation Program or New Construction	Proposed Rehabilitation or New Construction (excess credits)	133		133
Third Round Rehabilitation/Present Need Total				138

Summary

The Borough's 42-unit Prior Round obligation is met. The Borough's Third Round RDP of 31 units has been exceeded. The Borough is following its agreement that any new zones or new development in excess of 6 d/u acre is required to provide an affordable housing set-aside. Therefore, the Borough is working to meet its total Third Round Obligation Of 172 units as new development or redevelopment is proposed.

The total number of units currently available for credit to the Third Round is 139 units with bonus credits. There is a remaining unmet need of 33 units.

The Borough's present need (rehab need) of 138 units is being addressed through the Borough's agreement with Habitat for Humanity. The Borough has completed five (5) rehabilitations of existing units through its partnership with Morris County Habitat for Humanity.