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# Housing Element and Fair Share Plan

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WHARTON BOROUGH  
MORRIS COUNTY, NEW JERSEY

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October 27, 2016

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Prepared by:



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License No. 5944

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# HOUSING ELEMENT

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## INTRODUCTION

### Community Overview

Wharton Borough is located in central Morris County in COAH's Northwest Region 2. The Borough occupies an area of approximately 2.2 square miles, and is the fifth smallest municipality in the County by land area. Wharton has a population of 6,612 people according to the 2014 Population Estimates, and approximately 2,434 total housing units, according to the 2014 American Community Survey. Interstate 80 traverses the Borough east to west, while Route 15 crosses through the northeastern portion of the Borough. Land use in the Borough is predominately residential, with a commercial and industrial core located along Main Street and Route 15.

Wharton is also located entirely within the Highlands Regional Planning Area and has opted into Highlands Plan Conformance. The majority of the Borough has been designated as a Highlands Center by the Highlands Council. Highlands Centers are locations meant to provide for growth within the Highlands Region; however, the Borough is largely built-out and the majority of new development opportunities in the municipality will be through redevelopment or rehabilitation of existing developed sites.

### Background

The New Jersey Supreme Court, in Mount Laurel I (1975) and Mount Laurel II (1983) required all New Jersey municipalities to take affirmative actions toward providing their "fair share" of the region's need for affordable housing for low- and moderate-income people. In response to the Mount Laurel II decision, the New Jersey Legislature adopted the Fair Housing Act (FHA) in 1985. This act created the Council on Affordable Housing (COAH) to assess the statewide need for affordable housing, allocate that need on a municipal fair share basis, and review and approve municipal housing plans aimed at implementing the local fair share obligation.

Subsequently, the New Jersey Municipal Land Use Law (MLUL) was amended to require a housing element as a mandatory element of the municipal master plan. According to the MLUL, "a municipality's housing element shall be designed to achieve the goal of access to affordable housing to meet present and prospective housing needs, with particular attention to low and moderate income housing (52: 27D-310)."

The Borough of Wharton received Substantive Certification from COAH for Round 1 on October 8, 1992 and for Round 2 on February 4, 1999, with an extended certification date of May 11, 2005. Wharton fully satisfied its Prior Round obligations of 42 new construction units and 29 rehabilitation units through participation in the Morris County Community Development Rehabilitation Program, the construction of 100 units of Affordable Senior Housing at Centennial

Court, the construction of the River Place Development and the Irondale Road inclusionary Zoning Ordinance.

COAH adopted its Third Round Regulations on December 20, 2004 requiring Wharton Borough to petition for Third Round Substantive Certification in order to remain under COAH's jurisdiction. Wharton petitioned for the COAH Third Round certification in December 2005 with its adopted housing plan dated November 22, 2005.

On January 25, 2007, the Appellate Division issued a decision on an appeal of COAH's Third Round regulations, which required COAH to revise its Third Round Rules and precluded COAH from issuing Third Round Substantive Certifications until the new rules were adopted. Subsequent to the Appellate Division ruling, the Highlands Council adopted the Highlands Regional Master Plan (RMP) on July 17, 2008. The RMP provides the basis to determine the capacity of the Highlands Region to accommodate appropriate economic growth while ensuring the sustainability of the resources in the region.

On September 5, 2008, Governor Corzine issued Executive Order 114, which addressed implementation of the Highlands Regional Master Plan (RMP) and the need for coordination between Highlands Council and the Council on Affordable Housing (COAH). On November 12, 2008, COAH granted an extension from the December 31, 2008 petition deadline to December 8, 2009 for any Highlands municipality under COAH's jurisdiction, based on certain conditions.

Because Wharton Borough is located entirely within the Highlands Region, it participated in the 2009 Plan Conformance Grant Program. By opting into the Highlands Plan Conformance process at that time, the Borough was permitted to rely on the lower affordable housing obligation generated by the Highlands Build-Out analysis, estimating the capacity for growth in the entire municipality based on potential developable lands and existing municipal conditions, including water availability, septic system yield and water and sewer utility capacity. The Highlands Build-Out analysis for Wharton Borough dated July 9, 2009 determined that Wharton Borough could provide approximately 16 units for the period of 2004-2018<sup>1</sup>.

Wharton adopted a revised Housing Element and Fair Share Plan on June 1, 2010 and submitted a petition for substantive Third Round Certification on June 4, 2010. The Borough received a determination of completeness on July 21, 2010 and received no objections during the public comment period ending September 9, 2010.

Following the submission, on October 8, 2010, the Appellate Division invalidated COAH's Rules in In re Adoption of N.J.A.C. 5:96 & 5:97 by the New Jersey Council on Affordable Housing, 416 N.J. Super. 462 (App. Div. 2010). The decision stated, among other things, that growth share

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<sup>1</sup> The 16 unit build-out was calculated as part of a Highlands Build-Out Analysis, which considered development capacity if the Borough applied the Highlands regulations to all vacant land. This number does not represent a vacant land study or adjustment for the Borough.

methodology was invalid, and directed COAH to adopt rules utilizing methodologies similar to those used in the first and second round rules.

On September 26, 2013 the Supreme Court affirmed the Appellate Division's 2010 Decision and remanded to COAH to undertake new rulemaking based on COAH's prior round rules and methodologies. COAH failed to formally adopt amended Third Round rules. The Supreme Court on March 10, 2015 ordered the following:

- a) The Fair Housing Act's exhaustion of administrative remedies requirements is dissolved and the Courts may resume their role as the forum of first resort for evaluating municipal compliance with Mount Laurel obligations.
- b) The effective date of the Order was June 8, 2015.
- c) Municipalities that were under COAH's administrative review were permitted to file declaratory judgment actions with the Court by July 8, 2015.

Borough of Wharton submitted a declaratory judgement filing with the court on July 6, 2015. The Borough of Wharton has prepared the following Housing Element and Fair Share Plan based on the Round 2 and Round 3 rules as identified by the Supreme Court for submission to the Courts for review and approval. The Borough has based its obligation number on the methodology provided in the May 16, 2016 report "New Jersey Low and Moderate Income Housing Obligations for 1999-2025 Calculated Using the NJ COAH Prior Round (1987-1999) Methodology," prepared by David N. Kinsey, PhD, FACIP, PP for the Fair Share Housing Center (hereafter, the "Kinsey Report"). The Kinsey Report allocates the Borough of Wharton's municipal fair share obligation as 354 units: Prior Round – 42 units; Third Round Present Need – 138 units; and Third Round Prospective Needs as 174<sup>2</sup> units. The Borough completed a Vacant Land Adjustment to reduce its Third Round Prospective Need to 52 units.

## **Content of Plan**

The Municipal Land Use Law and COAH regulations require that the Housing Element and Fair Share Plan including the following:

- An inventory of the municipality's housing stock by age, condition, purchase or rental value, occupancy characteristics, and type, including the number of units affordable to low and moderate income households and substandard housing capable of being rehabilitated;
- A projection of the municipality's housing stock, including the probable future construction of low and moderate income housing, for the next ten years, taking into account, but not necessarily limited to, construction permits issued, approvals of applications for development and probable residential development of lands;

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<sup>2</sup> The Third Round Prospective Need of 174 is based on a 30 percent reduction given by Fair Share Housing Center (FSHC) as part of a settlement agreement.

- An analysis of the municipality's demographic characteristics, including but not necessarily limited to, household size, income level and age;
- An analysis of the existing and probable future employment characteristics of the municipality;
- A determination of the municipality's present and prospective fair share for low and moderate income housing and its capacity to accommodate its present and prospective housing needs, including its fair share for low and moderate income housing; and
- A consideration of the lands that are most appropriate for construction of low and moderate income housing and of the existing structures most appropriate for conversion to, or rehabilitation for, low and moderate income housing, including a consideration of lands of developers who have expressed a commitment to provide low and moderate income housing.

### **Purpose and Goals**

The purpose of this Housing Element and Fair Share Plan is to provide a realistic opportunity to address the housing needs of Wharton residents across all income levels. This plan proposes multiple opportunities to develop a variety of housing types to meet these needs, which can be integrated into the existing land use pattern and character of the Borough.

This Housing Element and Fair Share Plan support the goals of the Borough's 1994 Master Plan, specifically the following:

- To provide a variety of housing types and densities and balanced housing supply in appropriate locations to serve the Borough and region.
- To promote the continued maintenance and rehabilitation of the Borough's housing stock.

This Housing Element and Fair Share Plan also support the goals of the 2008 Highlands Regional Master Plan (RMP), specifically the Housing and Community Facilities Goal 60: "Market rate and affordable housing sufficient to meet the needs of the Highlands Region within the context of economic, social and environmental considerations and constraints."

This Plan has been prepared to meet the requirements of the Municipal Land Use Law (MLUL), Fair Housing Act (FHA), the New Jersey State Development and Redevelopment Plan (SRDP), and the recent Court rulings regarding the substantive rules of the Council on Affordable Housing (COAH).



## DEMOGRAPHIC ANALYSIS

### Population

Wharton Borough encompasses approximately 2.2 miles and has a population of 6,612 people, according to the 2014 Population Estimates. This translates to a population density of about 3,005 people per square mile.

Wharton's population increased from 5,405 to 6,298 residents (16.5 percent) between 1990 and 2000, but increased only slightly to 6,522 in 2010 and is currently estimated at 6,612. This slowing population growth can be attributed to several factors including the economic downturn and the largely built-out nature of the Borough.

Recent population trends experienced in Wharton Borough, Morris County and the State of New Jersey are shown in the tables below using information from the Decennial Census, the 2013 American Community Survey Five-Year Estimates and 2014 Population Estimates. The table shows the population of the Borough, County and State continuing to grow, but at a slower rate than in the past.

Population Change	1990	2000	2010	2013 (est.)	2014 (est.)
<b>Wharton Borough</b>	5,405	6,298	6,522	6,571	6,612
<b>Morris County</b>	421,803	470,212	492,276	499,672	499,727
<b>New Jersey</b>	7,763,000	8,414,350	8,791,894	8,832,406	8,938,175

Sources: Decennial Census, 2013 American Community Survey, 2014 Population Estimates

### Sex and Age

The median age of Wharton residents is 37.5 years, according to the 2010-2014 American Community Survey, Five-Year Estimates. This is lower than the median age of both Morris County and the State of New Jersey. The largest group of residents is those ages 25-29 years (9.2 percent). Children under age 18 constitute 22.8 percent of residents. Notably, Wharton has significantly fewer senior adults ages 65 years and older (11.1 percent) than the rest of the County (14.6 percent) and the State (14.1 percent).

Finally, there is a roughly even distribution of male (51.5 percent) and female (48.5 percent) residents in Wharton; however, among senior adults ages 65 years and older, there are significantly more women than men.

Information on sex and age characteristics for Wharton residents based on data from the 2010-2014 American Community Survey Five-Year Estimates is shown in the table below.

Sex and Age	Total		Male		Female	
<b>Total population</b>	6,586	100	3,347	50.8	3,239	49.2
<b>AGE</b>						
<b>Under 5 years</b>	5.8%	382	6.6%	201	5.0%	162
<b>5 to 9 years</b>	5.5%	362	5.6%	187	5.4%	175
<b>10 to 14 years</b>	6.9%	454	8.1%	271	5.6%	182
<b>15 to 19 years</b>	7.5%	494	6.6%	221	8.4%	272
<b>20 to 24 years</b>	5.0%	329	6.1%	204	4.0%	129
<b>25 to 29 years</b>	9.2%	606	10.4%	348	8.0%	259
<b>30 to 34 years</b>	7.5%	494	7.3%	244	7.6%	246
<b>35 to 39 years</b>	4.7%	310	3.9%	131	5.4%	175
<b>40 to 44 years</b>	6.8%	448	7.8%	261	5.8%	188
<b>45 to 49 years</b>	8.4%	553	7.2%	241	9.6%	311
<b>50 to 54 years</b>	8.6%	566	6.7%	224	10.6%	343
<b>55 to 59 years</b>	6.0%	395	5.9%	197	6.0%	194
<b>60 to 64 years</b>	7.1%	468	8.5%	284	5.6%	181
<b>65 to 69 years</b>	3.7%	244	5.4%	181	1.9%	62
<b>70 to 74 years</b>	1.4%	92	0.9%	30	1.9%	62
<b>75 to 79 years</b>	1.9%	125	0.8%	26.7	3.0%	97
<b>80 to 84 years</b>	2.0%	132	0.5%	17	3.6%	117
<b>85 years and over</b>	2.0%	132	1.5%	51	2.6%	84
<b>SELECTED AGE</b>						
<b>Residents 18 and over</b>	77.2%	5,084	76.5	2,561	77.9	2,523
<b>Residents 65 and over</b>	11.1%	731	9.2%	308	13.0%	421

	New Jersey	Morris County	Wharton Borough
<b>Median Age</b>	39.3	41.8	37.5

Source: 2009-2013 American Community Survey, Five-Year Estimates

## Income

The median household income in Wharton Borough is \$67,205 and the per-capita income is \$36,359, according to 2013 American Community Survey Five-Year Estimates. This is roughly equivalent to the statewide median income of \$72,062, but significantly less than the Morris County median income of \$99,142.

For “Family” households, the median household income is \$74,485, while for “Non-Family” households, median household income declines to \$55,583. The U.S. Census Bureau defines a family or family household as “a householder and one or more other people related to the householder by birth, marriage, or adoption.”

The table below shows median income and per capita income for Wharton Borough based on information from the 2010-2014 American Community Survey, Five-Year Estimates.

Income (in 2014 inflation- adjusted dollars)	Wharton Borough	
	Estimate	Percent
<b>Total households</b>	2,261	(X)
<b>Less than \$10,000</b>	33	1.5%
<b>\$10,000 to \$14,999</b>	83	3.7%
<b>\$15,000 to \$24,999</b>	305	13.5%
<b>\$25,000 to \$34,999</b>	144	6.4%
<b>\$35,000 to \$49,999</b>	269	11.5%
<b>\$50,000 to \$74,999</b>	472	20.9%
<b>\$75,000 to \$99,999</b>	344	15.2%
<b>\$100,000 to \$149,999</b>	432	19.1%
<b>\$150,000 to \$199,999</b>	107	4.7%
<b>\$200,000 or more</b>	72	3.2%
<b>Median household income (dollars)</b>	67,205	
<b>Median family income (dollars)</b>	74,485	
<b>Median nonfamily income (dollars)</b>	53,583	
<b>Per capita income (dollars)</b>	27,063	

Source: 2009-2013 American Community Survey, Five-Year Estimates

According to 2013 American Community Survey data “Poverty Status in Past 12 Months of Households,” 6 percent of all families in Wharton reported income below the poverty level. This was more than double the rate for Morris County as a whole, who reported just 3 percent of families with income below the poverty level, but slightly less than the state 7.8 percent.

### Household Size

The 2010 U.S. Census estimated that there were 2,261 households in Wharton, of which, 1,500 or 66 percent were “Family” households and 33 percent are “Nonfamily” households.

The average household size in Wharton was estimated at 2.91 persons, according to the 2010 U.S. Census. This represents a slight increase from the 2000 Census, when average household size was estimated at 2.70 persons per household. This figure is also slightly higher than average household size for Morris County and the State of New Jersey, which were both estimated at 2.68 persons per household.

Household Size and Type	Number	Percent
<b>Total households</b>	2,261	100.0
<b>Family households:</b>	1,500	66.3
<b>2 person household</b>	508	33.8
<b>3 person household</b>	480	32
<b>4 person household</b>	196	13
<b>5 person household</b>	192	12.8
<b>6 person household</b>	64	4.3
<b>7 or more person household</b>	60	4
<b>Non-family household</b>	761	33.7
<b>1 person household</b>	589	77.3
<b>2 person household</b>	118	15.5
<b>3 person household</b>	11	1.4
<b>4 person household</b>	0	0
<b>5 person household</b>	43	5.7
<b>6 person household</b>	0	0
<b>7 or more person household</b>	0	0
<b>Average household size</b>	2.91	( X )

Source: 2014 American Community Survey

## EMPLOYMENT ANALYSIS

In order to determine Wharton’s current and future housing needs, it is important to analyze the Borough’s employment characteristics, including employment status of residents, information on local industries and major employers, and commuting characteristics.

### Workforce Characteristics

Wharton has a working age population of 5,266 persons, according to 2010-2014 American Community Survey, Five-Year Estimates. Of these, 3,598 residents, or approximately 68 percent, are in the labor force, 3,198 are employed and 400 are unemployed, for an unemployment rate of 11.1 percent. The unemployment rate for Wharton is higher to that for the State of New Jersey (9.7 percent) and that for Morris County (7.0 percent).

It is important to also consider “discouraged workers” – those workers who have stopped looking for work altogether, and are therefore not counted as part of the total unemployment numbers. The number of these residents who are not in the labor force or not looking for work is 31.6 percent, which is higher than Morris County (30.8%) and lower than that of the State (33.7%).

The data table below illustrates employment characteristics for Wharton residents for the most recent year of data available (2014) as measured by the 2010-2014 American Community Survey, Five-Year Estimates.

Employment Status	Estimate	Percent
<b>Population 16 years and over</b>	5,266	
<b>In labor force</b>	3,598	68.3
<b>Civilian labor force</b>	3,598	68.3
<b>Employed</b>	3,198	60.7
<b>Unemployed</b>	400	11.1
<b>Armed Forces</b>	0	0
<b>Not in labor force</b>	1,668	31.6
<b>Civilian labor force</b>	3,598	68.3
<b>Percent Unemployed</b>	11.1	

Source: 2010-2014 American Community Survey, Five-Year Estimates

## Industry Data

The largest percentage of Wharton’s employed population works in education, healthcare and social services (19.8 percent), followed by professional, scientific, and management, and administrative services (13.3 percent) and manufacturing (12.2 percent). Information from the 2010-2014 American Community Survey, Five-Year Estimates on employment by industrial sector are provided in the table below.

Employment by Industry	Estimate	Percent
<b>Civilian employed population 16 years and over</b>	3,198	100
<b>Agriculture, forestry, fishing and hunting, and mining</b>	1	0
<b>Construction</b>	195	6.1
<b>Manufacturing</b>	391	12.2
<b>Wholesale trade</b>	15	0.5
<b>Retail trade</b>	313	9.8
<b>Transportation and warehousing, and utilities</b>	307	9.6
<b>Information</b>	26	0.8
<b>Finance and insurance, and real estate and rental and leasing</b>	143	4.5
<b>Professional, scientific, and management, and administrative and waste management services</b>	428	13.3
<b>Educational services, and health care and social assistance</b>	634	19.8
<b>Arts, entertainment, and recreation, and accommodation and food services</b>	335	10.5
<b>Other services, except public administration</b>	280	8.8
<b>Public administration</b>	130	4.1

Source: 2010-2014 American Community Survey, Five-Year Estimates

## Commuting Patterns

As shown in the tables below, workers in Wharton have an average travel time to work of 25.3 minutes. This is approximately 17 percent shorter than the average commute for Morris County (30.0 minutes) and the State of New Jersey (30.4 minutes).

In addition, about three-quarters of Wharton’s workers (75.1 percent) stayed inside Morris County to work, while 23.4 percent commuted to jobs outside the County and 1.5 percent commuted to jobs outside the state.

The majority of Wharton residents (73.1 percent) drove alone to work; however, a large group of residents also carpooled (18.8 percent). This is more than two and a half (2.5) times the number of residents that carpool to work than the rest of Morris County (7.8 percent) and the State as a whole (8.4 percent). About seven percent of Wharton residents took public transportation, walked or took a taxi, motorcycle or other means to get to work. About one percent of Wharton residents worked from home.

Almost 90 percent of worker households had at least one vehicle, while about 70 percent had two or more vehicles.

The table on the following page shows information from the 2010-2014 American Community Survey Five-Year Estimates regarding commuting patterns for Wharton residents.

<b>Commuting to Work</b>	<b>Estimate</b>
<b>Workers 16 years and over</b>	3,153
<b>MEANS OF TRANSPORTATION TO WORK</b>	
<b>Car, truck, or van</b>	91.9%
<b>Drove alone</b>	73.1%
<b>Carpooled</b>	18.8%
<b>In 2-person carpool</b>	14.8%
<b>In 3-person carpool</b>	2.8%
<b>In 4-or-more person carpool</b>	1.2%
<b>Workers per car, truck, or van</b>	1.13%
<b>Public transportation (excluding taxicab)</b>	3.8%
<b>Walked</b>	2.4%
<b>Bicycle</b>	0.0%
<b>Taxicab, motorcycle, or other means</b>	0.8%
<b>Worked at home</b>	1.0%
<b>PLACE OF WORK</b>	
<b>Worked in state of residence</b>	98.5%
<b>Worked in county of residence</b>	75.1%
<b>Worked outside county of residence</b>	23.4%
<b>Worked outside state of residence</b>	1.5%
<b>TRAVEL TIME TO WORK</b>	
<b>Less than 10 minutes</b>	10.4%
<b>10 to 14 minutes</b>	22.1%
<b>15 to 19 minutes</b>	20.3%
<b>20 to 24 minutes</b>	7.2%
<b>25 to 29 minutes</b>	4.4%
<b>30 to 34 minutes</b>	12.8%
<b>35 to 44 minutes</b>	6.4%
<b>45 to 59 minutes</b>	7.9%
<b>60 or more minutes</b>	8.4%
<b>Mean travel time to work (minutes)</b>	25.3
<b>VEHICLES AVAILABLE</b>	
<b>Workers 16 years and over in households</b>	3,149
<b>No vehicle available</b>	7.8%
<b>1 vehicle available</b>	20.5%
<b>2 vehicles available</b>	44.6%
<b>3 or more vehicles available</b>	27.1%

Source: 2010-2014 American Community Survey, Five-Year Estimates

## Employment Projections

Long-Term Occupational Employment Projections provided by the New Jersey Department of Labor estimate that by the year 2022, total employment in Morris County will be at 337,200 positions. This represents an increase of 28,350 positions over 2012 employment numbers of 308,850 positions, resulting in an increase of 9.2 percent.

Industry Employment Projections				
Area Name	Industry title	2012 Estimated Employment	2022 Projected Employment	Percent Change
Morris County	Total All Industries	308,850	337,200	6.6

Source: New Jersey Department of Labor and Workforce Development, Office of Research and Information

## INVENTORY OF EXISTING HOUSING STOCK

### Housing Occupancy and Tenure

According to the 2010 Census, there were 2,430 housing units in Wharton Borough, of which 2,208 (or 93 percent) were occupied. The 2010-2014 American Community Survey 5-year projections estimated 2,434 total housing units, of which 2,261 (or 93 percent) were occupied. In both estimates, roughly 60 percent of occupied units were owner-occupied and 40 percent were renter-occupied.

Subject	2010		2014	
	Estimate	Percent	Estimate	Percent
<b>HOUSING OCCUPANCY</b>				
<b>Total housing units</b>	2,430	100%	2,434	100%
<b>Occupied housing units</b>	2,208	92.0%	2,261	92.8%
<b>Vacant housing units</b>	222	8.0%	173	7.1%
<b>HOUSING TENURE</b>				
<b>Occupied housing units</b>	2,208	100%	2,261	100%
<b>Owner-occupied</b>	1,452	65.7	1,355	59.9%
<b>Renter-occupied</b>	756	34.2	906	40%

Sources: 2010 U.S. Census, 2009-2013 American Community Survey, Five-Year Estimates

The 2014 American Community Survey provides additional information as to the status of the unoccupied homes. The U.S. Census Bureau estimated that of the unoccupied or vacant housing units, nearly 43.8 percent were for rent or sale; however, about 56% of vacant homes were other vacant properties that are neither for rent or sale, seasonal or designated for other occupancy.



Vacancy Status	Estimate	Percent
<b>Vacant housing units</b>	173	(X)
<b>For rent</b>	39	22.5%
<b>Rented, not occupied</b>	0	0
<b>For sale only</b>	37	21.3
<b>Sold, not occupied</b>	0	0
<b>For seasonal, recreational, or occasional use</b>	0	0
<b>For migratory workers</b>	0	0
<b>Other vacant</b>	97	56

Source: 2010-2014 American Community Survey

### Structural Characteristics

The American Community Survey measures additional housing data, such as housing age, type, size and condition. According to the 2010-2014 American Community Survey, Five-Year Estimates, Wharton has a diverse mix of housing types.

Approximately half of all housing units in Wharton are single-family detached homes (45.2 percent), 21.2 percent are single-family attached (i.e. townhome), and 11.8 percent are two-family homes. There are also a handful of three- and four-family homes remaining (6.1 percent). There are about two hundred dwelling units contained in structures with 5-19 units (8.2 percent), and 181 dwelling units contained in structures with twenty (20) or more units (7.5 percent).

There is also a wide range in the number of bedrooms available. Most housing units have two or three bedrooms (64.6 percent), however, the housing stock is also comprised of 18.7 percent each one-bedroom and 13.1 percent of four-bedroom housing units. A very small number of homes 1.1 percent have more than five bedrooms and 2.4 percent have less than one bedroom.

Wharton's housing stock is much older than the rest of Morris County. Most housing units in Wharton were built prior to 1939 (approximately 45 percent). In addition, according to the 2014 American Community Survey, Five Year Estimates, no houses were constructed in Wharton between 2010 and 2014.

<b>UNITS IN STRUCTURE</b>	<b>Estimate</b>	<b>Percent</b>
<b>Total housing units</b>	2,434	(X)
<b>1-unit, detached</b>	1,102	45.2%
<b>1-unit, attached</b>	518	21.2%
<b>2 units</b>	288	11.8%
<b>3 or 4 units</b>	147	6.1%
<b>5 to 9 units</b>	157	6.5%
<b>10 to 19 units</b>	41	1.7%
<b>20 or more units</b>	181	7.5%
<b>Mobile home</b>	0	0
<b>Boat, RV, van, etc.</b>	0	0
<b>YEAR STRUCTURE BUILT</b>		
<b>Total housing units</b>	2,434	(X)
<b>Built 2010 or later</b>	0	0%
<b>Built 2000 to 2009</b>	123	5.1%
<b>Built 1990 to 1999</b>	226	9.3%
<b>Built 1980 to 1989</b>	94	3.9%
<b>Built 1970 to 1979</b>	326	13.4%
<b>Built 1960 to 1969</b>	224	9.2%
<b>Built 1950 to 1959</b>	278	11.4%
<b>Built 1940 to 1949</b>	70	2.9%
<b>Built 1939 or earlier</b>	1,093	44.9%
<b>BEDROOMS</b>		
<b>Total housing units</b>	2,434	(X)
<b>No bedroom</b>	59	2.4
<b>1 bedroom</b>	457	18.7
<b>2 bedrooms</b>	693	28.5
<b>3 bedrooms</b>	879	36.1
<b>4 bedrooms</b>	321	13.1
<b>5 or more bedrooms</b>	25	1.1

Source: 2010-2014 American Community Survey, Five-Year Estimates

## Housing in Need of Rehabilitation

Most housing units had complete kitchen and plumbing facilities; however, the American Community Survey estimated that in 2013, 43 housing units (1.9 percent of all occupied housing units) still lacked complete plumbing and kitchen facilities. In addition, most housing units had an occupancy rate of less than 1.0 person per room; however, 13 units (0.5 percent of all occupied housing units) had an occupancy rate of 1.51 or more, an indicator of overcrowding. Information on complete plumbing and kitchen facilities, as well as overcrowding, is significant because COAH utilizes these metrics in order to calculate a municipality's "present need" or rehabilitation share. This will be discussed in more detail in the Fair Share Plan below.

<b>SELECTED CHARACTERISTICS</b>	<b>Estimate</b>	<b>Percent</b>
<b>Occupied housing units</b>	2,261	(X)
<b>Lacking complete plumbing facilities</b>	43	1.9
<b>Lacking complete kitchen facilities</b>	43	1.9
<b>No telephone service available</b>	43	1.9
<b>OCCUPANTS PER ROOM</b>		
<b>Occupied housing units</b>	2,261	(X)
<b>1.00 or less</b>	2,148	95
<b>1.01 to 1.50</b>	100	4.5
<b>1.51 or more</b>	13	0.5

## Housing Values

### *Owner-Occupied Units*

The average value of an owner-occupied dwelling in Wharton was estimated at \$277,300 in 2014, with nearly ninety percent of homes falling in the \$200,000-\$500,000 range. This is less than the state median home value of \$319,900, and significantly less than the Morris County median home value of \$426,700. These figures illustrate how affordable Wharton's housing inventory is for current and prospective homeowners as compared to other nearby municipalities.

Another indicator of affordability is "selected monthly owner costs" or SMOC. This is defined as the sum of payments for mortgages, real estate taxes, various insurances, utilities, fuel, mobile home costs, and condominium fees. The median SMOC for owner-occupied homes with a mortgage was \$2,446 in 2014. This number was significantly lower for owner-occupied homes with no mortgage whose owners paid around \$1000 per month in housing costs.

Detailed information from the 2014 American Community Survey, Five-Year Estimates showing the value of Wharton's housing stock is shown in the data tables below.

HOUSING VALUE	Estimate	Percent
<b>Owner-occupied units</b>	1,355	(X)
Less than \$50,000	34	2.5%
\$50,000 to \$99,999	0	0
\$100,000 to \$149,999	11	0.8%
\$150,000 to \$199,999	128	9.4%
\$200,000 to \$299,999	673	49.6%
\$300,000 to \$499,999	495	36.5%
\$500,000 to \$999,999	14	1.1%
\$1,000,000 or more	0	0%
<b>Median (dollars)</b>	277,300	(X)

SELECTED MONTHLY OWNER COSTS (SMOC)	Estimate	Percent
<b>Housing units with a mortgage</b>	999	(X)
Less than \$300	0	0
\$300 to \$499	0	0
\$500 to \$699	0	0
\$700 to \$999	24	2.4%
\$1,000 to \$1,499	93	9.3%
\$1,500 to \$1,999	205	20.5%
\$2,000 or more	677	67.8%
<b>Median (dollars)</b>	2,446	(X)
<b>Housing units without a mortgage</b>	356	(X)
Less than \$100	0	0
\$100 to \$199	0	0
\$200 to \$299	17	4.8
\$300 to \$399	18	5.1
\$400 or more	321	90.2
<b>Median (dollars)</b>	1,000+	(X)

Source: 2010-2014 American Community Survey, Five-Year Estimates

### *Renter-Occupied Units*

Monthly costs of ownership for owner-occupied housing can be compared to the gross rent for renter-occupied housing units. The median monthly rent for the Wharton Borough was estimated at \$1,309 in 2014, which is more than the both the state median of \$1,188, and roughly equivalent to the County median of \$1,353. As shown in the table below, there are just over 906 occupied rental units in the Borough, and of these, about forty percent rent for between \$1,000 and \$1,500 a month, and another forty percent rent for \$1,500 or more. The remaining twenty percent of rental units (or 210 units total) rented for less than \$1,000 a month or paid no rent at all.

<b>GROSS RENT</b>	<b>Estimate</b>	<b>Percent</b>
<b>Occupied units paying rent</b>	906	100%
<b>Less than \$200</b>	X	0
<b>\$200 to \$299</b>	X	0
<b>\$300 to \$499</b>	33	3.6
<b>\$500 to \$749</b>	90	9.9
<b>\$750 to \$999</b>	87	9.6
<b>\$1,000 to \$1,499</b>	341	37.6
<b>\$1,500 or more</b>	355	39.2
<b>Median (dollars)</b>	1,309	
<b>No rent paid</b>	0	(X)

## PROJECTION OF FUTURE HOUSING STOCK

In order to project the future housing stock in Wharton Borough, it is important to look at recent trends in housing construction for the municipality.

Additional information can be found from the New Jersey Department of Community Affairs (DCA) which collects data on the number of new housing units constructed by measuring the number of building permits issued for new construction, additions, and alterations and the number of building permits for new buildings. Their information showed that over a ten-year period, 2005-2015, only 27 new housing units were issued certificate of occupancy. The highest number was 6 units in 2006.

<b>Certificate of Occupancy Issued</b>												
	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>Total</b>
<b>1-2 Family</b>	3	1	2	4	6	1	0	0	3	5	2	27
<b>Multi</b>	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>3</b>	<b>1</b>	<b>2</b>	<b>4</b>	<b>6</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>5</b>	<b>2</b>	<b>27</b>

Source: U.S. Census Bureau, Manufacturing & Construction Division

Prepared by: New Jersey Department of Labor & Workforce Development, June 2015

Looking at the historic trends combined with the limited availability of developable land in the Borough, it is unlikely that there will be any large increases in the number of new housing units within the Borough, and the majority of new housing units will be created through infill and redevelopment of existing sites.

## LANDS AVAILABLE FOR NEW CONSTRUCTION AND REDEVELOPMENT

The Municipal Land Use Law requires that a Housing Element include a consideration of the lands that are most appropriate for construction of low- and moderate-income housing and of the existing structures most appropriate for conversion to, or rehabilitation for, low- and moderate-income housing. Wharton is a compact borough that is largely built-out; however, there is opportunity for rehabilitation of the existing housing stock, and a limited capacity for new construction on formerly industrial sites. Wharton Borough in conjunction with the Highlands Council has developed a Build Out Analysis prepared in 2009 and updated in 2015, which basically identifies the built out nature of the Borough and the lack of vacant developable land. This Vacant Land Adjustment is discussed in the latter section of this element.















### Land Use and Zoning Analysis





Wharton’s Land Use Ordinance provides for 15 zone districts, most of which permit residential uses. In addition, there are two (2) districts designed specifically for the provision of affordable housing, AH-1 Affordable Housing District 1 and AH-2 Affordable Housing District 2, as well as the SH Senior Housing District, ALR Adult Living Residential District and OAL Office/Assisted Living District, which provide the opportunity for age-restricted affordable housing. Wharton’s zone districts are as follows:

Wharton Borough Zone Districts	
<b>R-40</b>	Low Density Single Family District
<b>R-15</b>	Low Density Single Family District
<b>R-10</b>	Low-Moderate Density Single-Family District
<b>R-75</b>	Moderate Density Single-Family District
<b>RM-75</b>	Medium Density One- and Two-Family District
<b>A</b>	Apartment and Townhouse District
<b>AH-1</b>	Affordable Housing District
<b>AH-2</b>	Affordable Housing District
<b>SH</b>	Senior Housing District
<b>CBD</b>	Central Business District
<b>B-1</b>	Neighborhood Business District
<b>B-2</b>	Regional Business District
<b>I-1</b>	Planned Industrial District
<b>I-2</b>	General Industrial District
<b>I-3</b>	Industrial/Distribution District
<b>ALR</b>	Adult Living Residential District
<b>OAL</b>	Office/Assisted Living District
<b>MB</b>	Mixed Business District

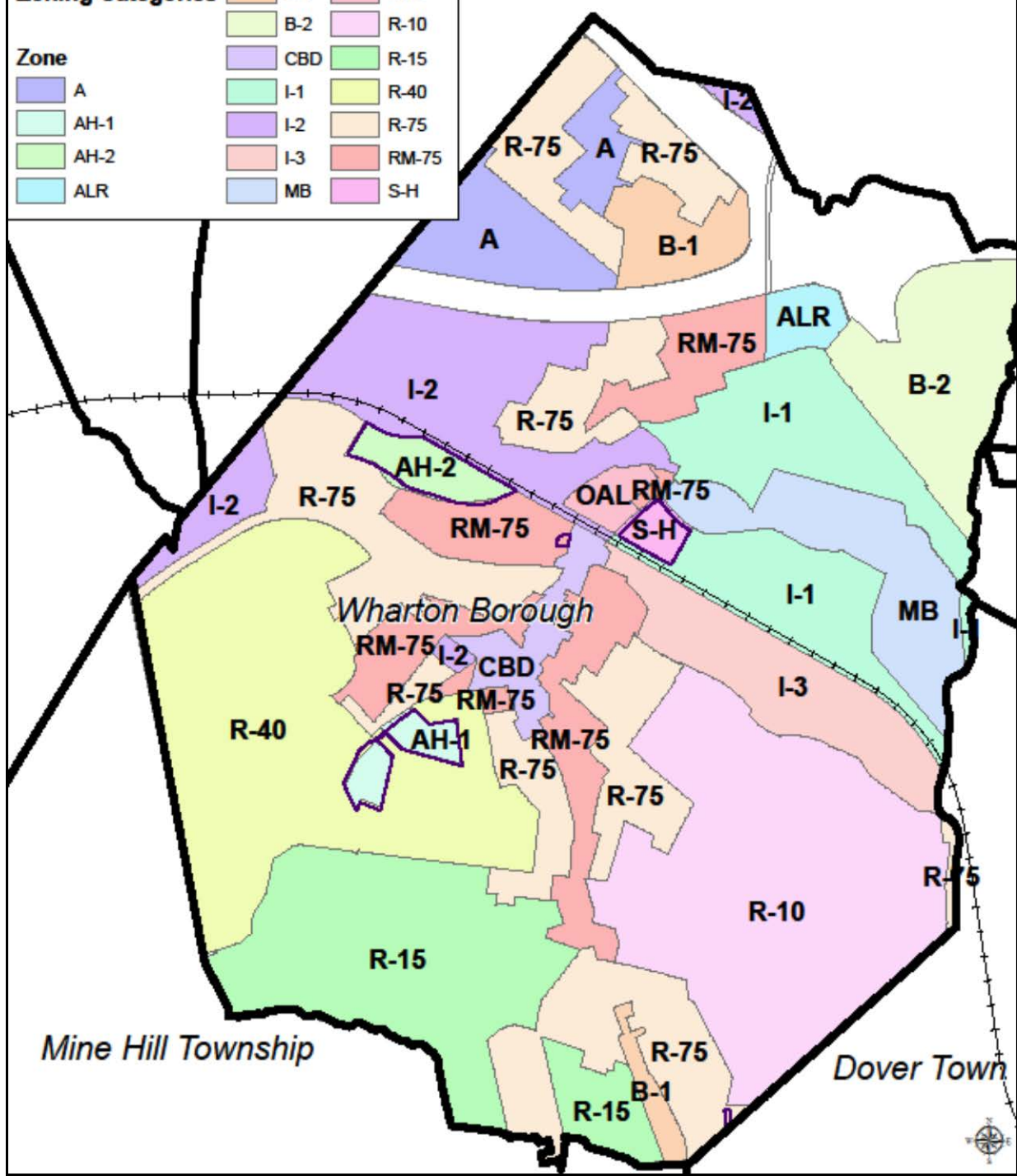
The zoning map on the following page shows the location of each of these Zoning Districts.

**Wharton Borough, Morris County**

Zoning Categories	
	B-1
	B-2
	CBD
	I-1
	I-2
	I-3
	MB
	OAL
	R-10
	R-15
	R-40
	R-75
	RM-75
	S-H

Zone	
	A
	AH-1
	AH-2
	ALR

*Rockaway Township*



## **Vacant Land Adjustment**

As discussed above, Borough of Wharton as part of its Plan Conformance with the Highlands Regional Master Plan (RMP) prepared a build out analysis in conjunction with the Council. This build out analysis was prepared in 2009 and recently updated in 2015.

The Third Round Rules for Substantive Certification contained specific requirements for conducting a Vacant Land Analysis; however, since the Courts have invalidated those rules, this Housing Element looks to the Second Round Rules for guidance on conducting a Vacant Land Analysis. These rules provide the following guidance.

### ***5:93-4.2 Lack of land***

***(a) Municipalities that request an adjustment due to available land capacity shall submit an existing land use map at an appropriate scale to display the land uses of each parcel within the municipality. Such a map shall display the following land uses: single family, two-to-four family, other multi-family, commercial, industrial, agricultural, parkland, other public uses, semipublic uses and vacant land.***

***(b) Municipalities that request an adjustment due to available land capacity shall submit an inventory of vacant parcels by lot and block that includes the acreage and owner of each lot.***

***(c) Municipalities shall exclude from the vacant land inventory.***

***1. Any land that is owned by a local government entity that, as of January 1, 1997, has adopted, prior to the filing of a petition for substantive certification, resolution authorizing the execution of an agreement that such land shall be utilized for a public purpose other than housing; and***

***2. Any vacant contiguous parcels of land in private ownership of a size which would accommodate less than five dwelling units.***

***(d) The Council shall review the existing land use map and inventory to determine which sites are most likely to develop for low and moderate income housing. All vacant sites shall initially be presumed to fall into this category. In addition, the Council may determine that other sites, that are devoted to a specific use which involves relatively low density development would create an opportunity for affordable housing if inclusionary zoning was in place. Such sites include, but are not limited to: golf courses not owned by its members;***



*farms in SDRP planning areas one, two and three; driving ranges; nurseries; and nonconforming uses.*

*(e) Municipalities may present documentation that the Council shall use to eliminate a site or part of a site from the inventory of sites described in (d) above. Partial elimination of a site shall not necessarily eliminate an entire site as unsuitable. Municipalities may seek to eliminate sites from the inventory described in (d) using the criteria set forth in 1 through 6 below. Municipalities shall submit transparent overlays drawn to the same scale as the existing land use map depicting those sites which the municipality maintains are inappropriate for development.*

*1. Agricultural lands shall be excluded when the development rights to these lands have been purchased or restricted by covenant.*

*2. Environmentally sensitive lands.*

*3. Historic and architecturally important sites.*

*4. Active recreational lands*

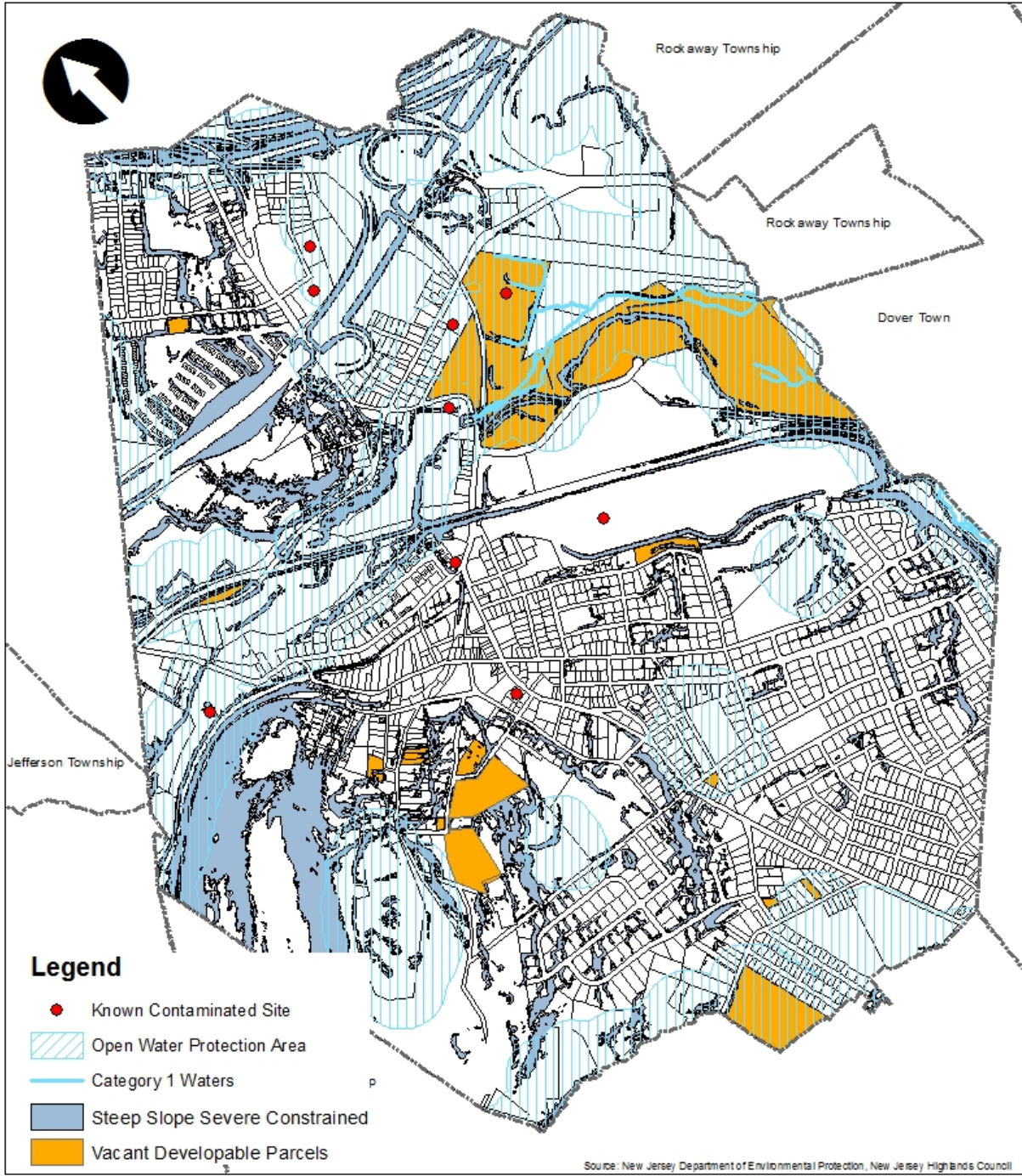
*5. Conservation, parklands and open space lands*

*6. Individual sites that the Council determines are not suitable for low and moderate income housing may also be eliminated from the inventory described in (d) above.*

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The Vacant Land Analysis shows very limited land available for new construction. The Vacant Land Analysis shows approximately 14 developable parcels containing 12.77 acres of developable land after environmental constraints.

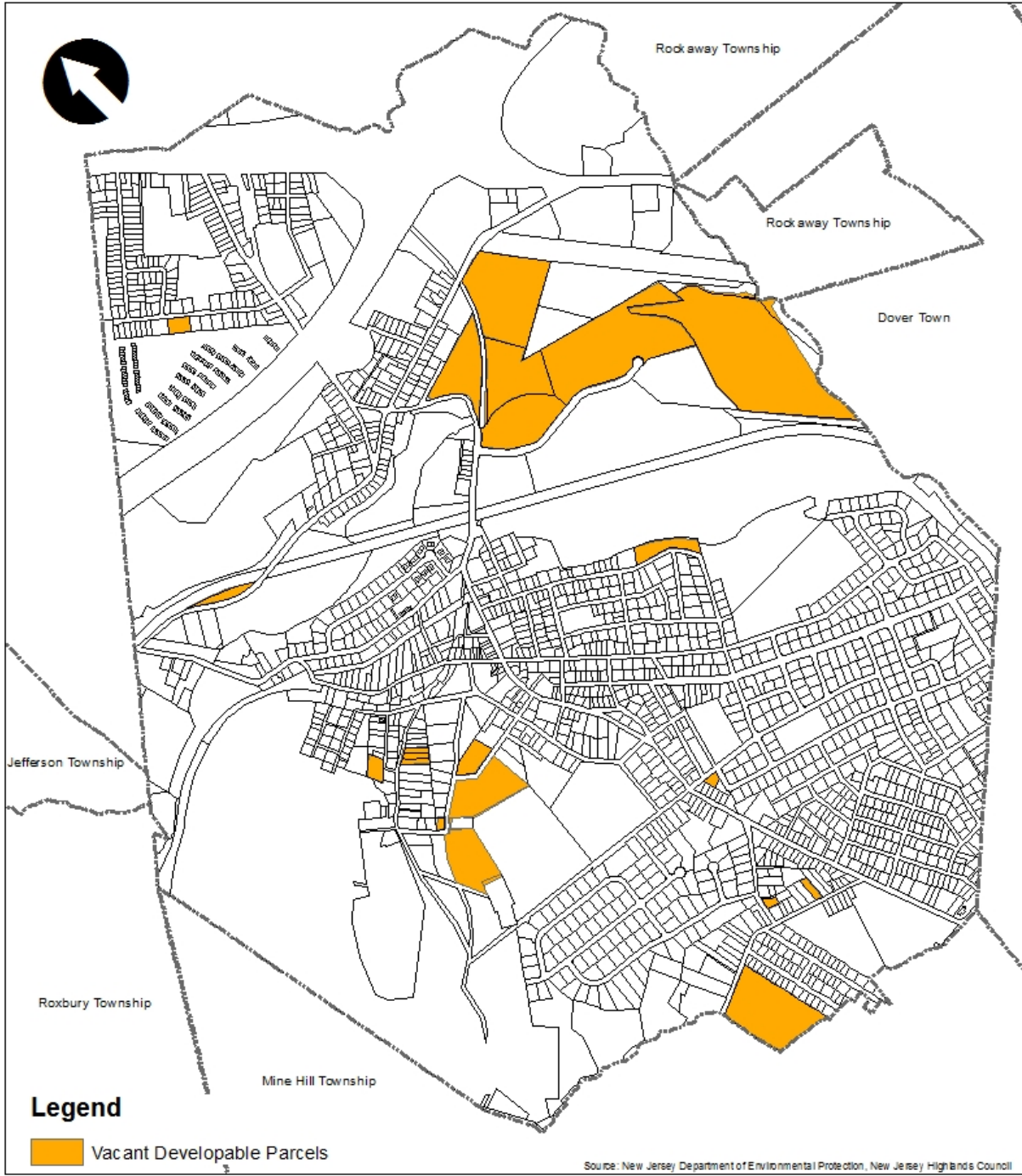
A table and maps showing the findings of the Vacant Land Analysis in accordance with the Second Round Rules is shown below.



<p><b>Vacant Land Study with Environmental Constraints</b> Borough of Wharton, Morris County</p>  <p>PLANNING CONSULTING SERVICES</p>	Date: 10/24/2016
	Scale: 1 inch = 1,141 feet
	Drawn: MA
	0 300 600 1,200 Feet

**Table: Vacant Land Available for Development, Wharton Borough**

Block	Lot	Parcel Status	Developable Acres	Developable Acres after Environmentally Constrained Lands
1212	16	Vacant	1.59	0.201784337
502	1	Developable w/ Final Approved Development	0.86	0.523959194
1602	8	Vacant	1.39	0.794175847
201	14	Oversized Lot w/ Existing Development	0.66	0.3
2002	4	Vacant	0.27	0
1603	14	Vacant	8.97	6.66
1601	23	Vacant	0.2	0.19124071
1901	24.01	Vacant	0.33	0
1902	14	Vacant	8.67	0
1601	8	Oversized Lot w/ Existing Development	0.91	0.55
1901	32	Vacant	0.26	0.188370085
1001	2	Vacant	25.6	0
1305	19	Oversized Lot w/ Existing Development	0.7	0.206047685
903	2	Developable w/ Final Approved Development	22.2	3.153245984
<b>TOTALS</b>			<b>72.43 acres</b>	<b>12.77 acres</b>



<p><b>Vacant Land Study</b> Borough of Wharton, Morris County</p>  <p><b>J Caldwell &amp; ASSOCIATES LLC</b> PLANNING CONSULTING SERVICES</p>	Date: 10/24/2016
	Scale: 1 inch = 1,141 feet
	Drawn: MA
	0 300 600 1,200 Feet 

After determining the amount of vacant land available, the municipality must determine the realistic development potential (RDP) within the municipality (N.J.S.A 5:93-4.2 (F)). The RDP is determined by assuming that the available vacant lots can be developed as inclusionary zones, determining a gross number of units, which could be developed, and then applying a 20 percent set-aside to that gross number of units. The minimum density for an inclusionary zone was set in the Round 2 Rules at six (6) dwelling units to the acre. In determining the RDP, the Round 2 Rules provide a methodology for establishing minimum densities based on lot sizes. The example given provides for smaller lots to be set at six (6) dwelling units to the acre, while larger lots are set at eight (8) units to the acre. This plan assumes the land could be developed at twelve (12) dwelling units to the acre because most of the Borough is on public water and sewer. Additionally, for lots that are proposed to be developed as inclusionary in Round 3, those parcels are included. Total developable land is shown at 12.77 acres. This provides for a total gross development potential of 153 units. With a 20 percent set-aside, this would create an RDP of 31 units. This is the RDP for the Borough and therefore becomes the adjusted affordable housing obligation for the Borough. While the affordable housing that the Borough needs to plan for is the RDP number of 31 units, there is a concept of “unmet need” that is the difference between the RDP (31 units) and the total obligation (174 units) prior to the vacant land adjustment. The unmet need for the Borough is 143 units, which needs to be addressed by mechanisms to promote the capture of future redevelopment opportunities.

# FAIR SHARE PLAN

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## INTRODUCTION

This plan uses the methodology for determining a municipality’s affordable housing obligation identified in the Second Round and Third Round Rules as determined by the Supreme Court and relies on the most recent housing and socioeconomic data available.

## PLAN PURPOSE AND GOALS

This Fair Share Plan will describe specific projects, programs, strategies and funding sources to meet the Borough’s affordable housing obligation, while also complying with COAH’s Second Round Rules for substantive certification and the Fair Housing Act. The overriding goal of this Fair Share Plan is to provide a framework for the Borough to take affirmative steps towards providing a realistic opportunity to achieve its fair share of the present and prospective regional need for low and moderate income housing.

## DETERMINATION OF HOUSING NEED

In order to determine its share of the regional present and prospective need for affordable housing, Wharton has utilized the methodology provided in the May 16, 2016 report “New Jersey Low and Moderate Income Housing Obligations for 1999-2025 Calculated Using the NJ COAH Prior Round (1987-1999) Methodology,” prepared by David N. Kinsey, PhD, FACIP, PP for the Fair Share Housing Center (hereafter, the “Kinsey Report”). The Kinsey Report allocates the Borough of Wharton’s municipal fair share obligation as 354 units. This is divided into three categories as shown below:

Prior Round	42
Third Round Present Need	138
Third Round Prospective Need	174*
<b>Total Summary Obligation</b>	<b>354 units</b>
<b>Adjusted Third Round Prospective Need</b>	<b>31 units</b>
<b>Unmet Need</b>	<b>143 units</b>

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

Based on the vacant land adjustment shown above, the adjusted Third Round Prospective Need is 31 units. The Borough must also address the Third Round Present Need obligation of 138 units. The Borough also has an unmet need of 143 units.

## **MUNICIPAL OPTIONS FOR PROVIDING AFFORDABLE HOUSING**

The Second and Third Round Rules allow municipalities to address their affordable housing obligations through a variety of mechanisms. A municipality may meet its present need, or rehabilitation obligation, through a rehabilitation program, ECHO housing or by creating new units.

A municipality may address its prospective need, or fair share obligation, through a combination of techniques, including, but not necessarily limited to: municipally sponsored construction; inclusionary zoning; alternative living arrangements; the creation of accessory apartments; age-restricted housing; rental housing; and market to affordable housing.

The Courts also provide discretion in allowing a municipality to propose affordable housing techniques that create the realistic opportunity for producing its fair share of the present and prospective need for low- and moderate-income housing.

## **BONUS CREDITS**

The Courts have approved the allowance of bonus credits towards the satisfaction of a municipality's affordable housing obligations. In *Re Adoption of N.J.A.C. 5:94 & 5:95*, the Appellate Division affirmed the awarding of bonus credit for the construction of new rental units (one and one-third credits per senior rental unit; two credits per family rental unit), for the extension of expiring controls and for each unit that is affordable to a very poor household earning less than 30 percent of median income. In *Re Adoption of N.J.A.C. 5:96 & 5:97*, the Appellate Division approved Smart Growth and Redevelopment bonuses of 1.33 units of credit for each affordable housing unit that was included in Transit Oriented Development in a Planning Area 1,2 or a designated Center or in a designated redevelopment area pursuant to the Local Redevelopment and Housing Law (N.J.A.C. 5:97-3.18-19). Additionally, in upholding the Round 2 Rules, the Courts have acknowledged the validity of those rules which permitted a rental bonus of one unit for every rental created. Those bonuses are presumed to apply as well.

## **PROPOSED MECHANISMS**

In order for Wharton to address its affordable housing obligation, the Borough has focused on opportunities for inclusionary development, redevelopment and infill development, providing opportunities for new construction on some of the final remaining developable parcels in the municipality. For example, the Borough has already supported the rehabilitation of two (2) single-family homes in established residential areas for the purposes of providing supportive housing for low-income disabled adults. In addition, final approval of the Wharton Woods development at the Irondale Inclusionary Zone has produced 15 affordable family rental units on-site.

## PRIOR ROUND

Wharton received Substantive Certification from COAH for Round 1 on October 8, 1992, and for Round 2 on February 4, 1999. The Round 2 Certification was extended until May 11, 2005. Together, the affordable housing units required to be completed for Rounds 1 and 2 constitute the Borough's "Prior Round Obligation."

## PRIOR ROUND, PRESENT NEED AND PROSPECTIVE NEED

The Borough of Wharton has a Prior Round obligation of 42 units, a Third Round Present Need of 138 units and an adjusted Third Round Prospective Need of 31 units. The unmet need is 143 units.

The Borough has completed its obligation as follows:

<b>Prior Round Obligation: 42 units</b>					
<b>Project</b>	<b>Mechanism</b>	<b>Type</b>	<b>Units/Credits</b>	<b>Cap/Bonus</b>	<b>Total</b>
Centennial Courts	100% Affordable	Age-Restricted Rental	100	10 25% Age-Restricted Cap	10*
Community Hope Group Home	Alternative Living Arrangements	Supportive/Special Needs Rental	3	3 (2.0 per unit Rental Bonus)	6
Special Homes of New Jersey Group home	Alternative Living Arrangements	Supportive/Special Needs Rental	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
<b>Total Units/Credits</b>			<b>121</b>		<b>42</b>
<b>*90 unit carryover Round 3</b>					
<b>**Bonus capped at 25% or 11 units</b>					

<b>Fair Share Plan – 31 Units Adjusted Prospective Need</b>					
<b>Project</b>	<b>Mechanism</b>	<b>Type</b>	<b>Units/Credits</b>	<b>Cap/Bonus</b>	<b>Total</b>
Centennial Courts	100% Affordable	Age-Restricted Rental	90	25% cap age-restricted	8*
Wharton Woods Inclusionary Development	Inclusionary New Construction	Family Rental	15	9 (2.0 per unit Rental Bonus capped at 25% total obligation)	24
<b>Total Units/Credits</b>			<b>105</b>		<b>32**</b>
<b>*82 units carryover for unmet need and 4<sup>th</sup> round</b>					
<b>**1 unit carried over for unmet need</b>					



Fair Share Plan – 138 Units Present Need					
Project	Mechanism	Type	Units/Credits	Bonus	Total
Habitat for Humanity	Rehabilitation Program		138 proposed		0
<i>Total Units/Credits</i>					<b>0</b>

### Description of Completed Affordable Housing Projects

#### Centennial Courts (Block 903, Lot 1) – 100 credits (Subject to Age-Restricted Caps)

In order to address its Third Round obligation, Wharton proposes to use 18 credits from the prior round development of Centennial Courts, located at 100 North Main Street. This 100-unit low-income senior housing development also includes a carryover towards unmet need based on a 25 percent cap on senior units for the entire prospective need prior to the adjustment. Of the 100 units, 10 units were applied to Prior Round and 8 units were applied to Third Round RDP.

#### River Place Development (Block 701, Lot 1) – 18 credits

Wharton also created 14 family rental units from the development of River Place, located at 100 West Dewey Avenue. This is a new construction, townhouse-style development that consists of 67 one- and two-bedroom apartments. Of these, 14 are affordable family rental units. The project was completed in 2003, and received 4 bonus credits for family rental for a total of 18 credits. These units were applied to the Prior Round.

#### *Alternative Living Arrangements (ALAs)*

#### Community Hope Group Home (Block 702, Lot 5.38) – 6 credits.

Community Hope, Inc. established a three-bedroom group home for disabled adults located at 7 Cambridge Road in October 1998. The group home has a 30 year deed restriction on affordable established November 4, 1998 and expiring October 31, 2033. This project is eligible for three (3) units of affordable housing credits plus three (3) rental bonus credits. These units were applied to the Prior Round.

#### Special Homes of New Jersey (Block 2013, Lot 9) – 8 credits

Special Homes of New Jersey, Inc. established a four-bedroom group home for adults with mental illness located at 26 Walnut Street (Block 2013, Lot 9). This group home was built using County HOME, County Rehabilitation, County Trust and CDBG funds. This project is eligible for four (4) units of affordable housing credits plus four (4) rental bonus credits. These units were applied to the Prior Round.

### ***New Construction Inclusionary Housing***

#### **Wharton Woods (Block 1603, Lot 14) – 24 credits**

The Borough has worked with Wharton Woods, LLC to support construction of 67 new residences at Old Irondale Road at Mill Street (Block 1603, Lot 14). Of these, 15 units will be family rental units. On June 10, 2014, the Wharton Borough Planning Board granted the project the variances and waivers required to proceed with development of the site. On August 12, 2014, the Planning Board further granted preliminary and final site plan approval. On January 8, 2015, the Rockaway Valley Regional Sewer Authority endorsed Wharton's application to extend sewer service to the site. This project is eligible for 15 units plus 9 bonus credits for family rental for a total of 24 credits applied to the Third Round RDP.

### ***Rehabilitation Program***

#### **Habitat for Humanity Program (various locations)**

The Borough has contracted with the Morris County Habitat for Humanity to rehabilitate 138 units within the Borough. The program is funded by the Borough's Housing Trust Fund and proposes to complete rehabilitation of units over the next 10 years. The Housing Trust Fund currently has approximately \$220,000 in it available for rehabilitation purposes. A minimum of \$10,000 per rehabilitation project will be provided. The fund currently has enough money to complete approximately 22 units. The development fee ordinance is in place and additional funds will be obtained as development occurs.

### ***Unmet Need***

#### **Units and Methods to Address Unmet Need**

The Borough has reduced its Third Round Prospective Need from 174 units to 31 units based on a Vacant Land Adjustment. There is an unmet need of 143 units. The Borough has a carryover of 82 units from the Centennial Court development as a maximum of 25 percent senior on the unmet need of 34 units (48 senior units carryover to the 4<sup>th</sup> Round). Additionally, the Borough is proposing a total of 32 units of credit for the Third Round RDP of 31 units, which applies 1 unit to the unmet need. This reduces the overall unmet need in the Borough by 35 units for a total unmet need remaining of 108 units. The Borough proposes two (2) overlay zones to capture potential redevelopment and address unmet need (see table below). Additionally, the Borough proposes a municipal-wide overlay zone, that is triggered if a property is developed at a density of greater than six (6) dwelling units per acre, and a total of 20 units or more are created, than an affordable housing set-aside must be provided. In the event that the units are rental units, the affordable housing set-aside would be 15 percent. In the event that the units are for sale, the affordable housing set-aside would be 20 percent. The proposed overlay zones would not permit age-restrictions on affordable units which are set-aside.

*Proposed Affordable Housing Overlay Zones:*

Proposed Affordable Housing Overlay Zones							
# Zones	Block	Lot(s)	Area (ac)	Density Units/Acre	Total Units	Set-Aside Rental (15%)	Set-Aside Non-Rental (20%)
1	106	23	4.56	15	68	11	14
2	102	48, 49, 50	1.06	15	16	3	4
<b>Total</b>					<b>84</b>	<b>14</b>	<b>18</b>

The Borough has completed its obligation as follows:

Prior Round Obligation: 42 units						
Project	Mechanism	Type	Units/Credits	Cap/Bonus	Total	
Centennial Courts	100% Affordable	Age-Restricted Rental	100	10 25% Age- Restricted Cap	10*	
Community Hope Group Home	Alternative Living Arrangements	Supportive/Special Needs Rental	3	3 (2.0 per unit Rental bonus)	6	
Special Homes of New Jersey Group home	Alternative Living Arrangements	Supportive/Special Needs Rental	4	4 (2.0 per unit Rental Bonus)	8	
River Place Apartments	Inclusionary Development	Family Rental	14	4 (2.0 per unit Rental Bonus capped at 25%)**	18	
<b>Total Units/Credits</b>			<b>121</b>		<b>42</b>	
<b>*90 unit carryover Round 3</b>						
<b>**Rental Bonuses are capped at 25% or 11 units</b>						

Fair Share Plan – 31 Units Adjusted Prospective Need						
Project	Mechanism	Type	Units/Credits	Bonus	Total	
Centennial Courts	100% Affordable	Age-Restricted Rental	90	25% cap age- restricted	8*	
Wharton Woods Inclusionary Development	Inclusionary New Construction	Family Rental	15	2.0 per unit Rental Bonus (9-capped at 25% total obligation)	24	
<b>Total Units/Credits</b>			<b>108</b>		<b>32**</b>	
<b>*82 units carryover for unmet need/4<sup>th</sup> Round</b>						
<b>**1 units over RDP for unmet need</b>						

<b>Fair Share Plan – 138 Units Present Need</b>					
<b>Project</b>	<b>Mechanism</b>	<b>Type</b>	<b>Units/Credits</b>	<b>Bonus</b>	<b>Total</b>
Habitat for Humanity	Rehabilitation Program		138 proposed		0
<b>Total Units/Credits</b>					<b>0</b>

**Round 3 Regulatory Minimums**

**Prospective Need Obligation**

The Round 3 Rules identified minimum and maximum caps for the Third Round Prospective Need including a 25 percent maximum on senior units, a minimum of 50 percent family housing and a minimum of 25 percent rental in total (with 50 percent of the total rental being for families), a 13 percent minimum dedicated to very low income and a 25 percent cap on bonus credits. Wharton Borough meets these obligations as outlined below:

**Fair Share Obligation by Unit Type for Senior, Family & Rental, Borough of Wharton**

<b>Requirement</b>	<b>Number of Units (Based on 31 units obligation)</b>	<b>Number of Units Proposed</b>
<b>25% Senior Units</b>	Maximum 8 Units Senior	8 Units Senior
<b>Minimum 50% Family Housing</b>	Minimum 16 Units Family	25 Units Family
<b>Minimum 25% rental (Min. 50% Family Rental)</b>	Minimum 9 Units Rental (Minimum 5 Family Rental Units)	34 Units Rental 25 Units Family Rental
<b>Minimum 50% for Low Income</b>	Minimum 16 Low-Income Units	16 Units Low-Income
<b>Minimum 13% for Very Low Income</b>	Minimum 4 Very Low-Income Units	4 Units Very Low Income

**Summary**

The Borough of Wharton Housing Element and Fair Share Plan provides for realistic opportunities to address the affordable housing goals and objectives of the Master Plan by providing affordable housing programs substantially consistent with the Municipal Land Use Law and COAH Rules. The Fair Share Plan provides a realistic opportunity to address the 31 units of prospective need of affordable housing required for the remaining Third Round ending in 2025. Furthermore, the plan identifies opportunities to provide 138 units of rehabilitation credits and meets the 42 units from the Prior Round. In addition, 35 units of unmet need are addressed through built units in this plan and the remaining 18 units are addressed through two proposed overlay zones. A Borough-wide affordable housing overlay zone is proposed to address the remainder of the units. The Borough has 48 age-restricted units that will carry over to the 4<sup>th</sup> Round, subject to age-restricted caps.

Map: Location of Affordable Housing Projects, Wharton Borough

