

ORDINANCE OF THE BOROUGH OF WHARTON, IN THE COUNTY OF MORRIS, NEW JERSEY APPROVING A TAX EXEMPTION AND AUTHORIZING THE EXECUTION OF A FINANCIAL AGREEMENT WITH PILLAR WHARTON INC.

WHEREAS, in accordance with subdivision, site plan, and variance approval granted by the Borough of Wharton Land Use Board memorialized by resolution adopted on May 10, 2022, Pillar Wharton Inc. (the “Entity”) has constructed eleven (11) affordable housing units as defined in the Fair Housing Act, *N.J.S.A.* 52:27D-301 et seq. (the “FHA”) and *N.J.A.C.* 5:80-26.1 and related state regulations, at 57 South Main Street, Borough of Wharton (the “Borough”), County of Morris, State of New Jersey, known as Block 1605, Lot 4.02 on the official tax maps of the Borough (the “Property”), which will result in housing for those with low- and moderate-incomes, generating eleven (11) affordable housing credits that will be applied to satisfy a portion of the Borough’s affordable housing obligation (the “Project”); and

WHEREAS, pursuant to *N.J.S.A.* 52:27D-320(b), a municipality in which a housing project is located, and which is awarded a grant or loan from the fund for a housing project or program, may provide by ordinance that the affordable housing units being funded, in whole or in part, through the “New Jersey Affordable Housing Trust Fund” shall be exempt from real property taxation, and the housing sponsor of such affordable housing units may pay to the municipality a percentage of annual gross revenue from each affordable housing unit; and

WHEREAS, the Entity entered into a Grant/Loan Agreement with the State of New Jersey Department of Community Affairs pursuant to which the Entity has received funding for the Project from the New Jersey Affordable Housing Trust Fund (the “Grant/Loan Agreement”); and

WHEREAS, the Borough has determined that the Project, if conventionally taxed, would not produce enough revenue from the affordable rents to provide positive cash flow to the Entity or satisfy the Entity’s requirements under the Grant/Loan Agreement and, accordingly, the Borough wishes to provide an exemption from real property taxation to the Property and Project as expressly authorized by the FHA in order to ensure the long-term viability of the affordable housing units in satisfaction of the Borough’s Constitutional obligation to provide affordable housing within the Borough; and

WHEREAS, the Borough and the Entity have agreed that the Entity will make a payment to the Borough for municipal services in lieu of conventional real property taxation on the Property and Project in an amount equal to the greater of the Minimum Annual Service Charge (as defined in the hereinafter defined Financial Agreement) or 6.28% of Annual Gross Revenue (consisting of the total annual gross rental or carrying charge and all other income of the Entity derived from the Project) (as applicable, the “Annual Service Charge”); and

WHEREAS, the Borough and the Entity have agreed to memorialize the terms and conditions of the exemption from real property taxation and payment of the Annual Service Charge in a Financial Agreement (in the form on file in the office of the Borough Clerk, the “Financial Agreement”), and the Borough wishes to approve and execute such Financial Agreement.

NOW, THEREFORE, BE IT ORDAINED BY THE BOROUGH COUNCIL OF THE BOROUGH OF WHARTON, IN THE COUNTY OF MORRIS, NEW JERSEY AS FOLLOWS:

Section 1. The recitals to this ordinance are incorporated herein as if set forth in full.

Section 2. The Borough Council hereby approves the tax exemption on the terms and conditions set forth in the Financial Agreement, and hereby further approves the Financial Agreement. The Mayor is hereby authorized to execute the Financial Agreement substantially in the form on file in the office of the Borough Clerk, subject to modification or revision as deemed necessary and appropriate after consultation with counsel to the Borough.

Section 3. The Borough Clerk is hereby authorized and directed, upon execution of the Financial Agreement by the Mayor, to attest to the signature of the Mayor and to affix the corporate seal of the Borough upon such document.

Section 4. The Borough Clerk shall file certified copies of this ordinance and the Financial Agreement with the Tax Assessor of the Borough.

Section 5. In accordance with *N.J.S.A. 52:27D-320(b)*, within 30 calendar days following the latter of the effective date of this ordinance or the execution of the Financial Agreement, the Borough Clerk shall electronically transmit a certified copy of this ordinance and the Financial Agreement to the Director of the Division of Local Government Services in such a manner as may be specified by the Director.

Section 6. The Mayor and Borough Clerk are hereby authorized to take such action and to execute such other documents, on behalf of the Borough, in consultation with counsel, as is necessary to effectuate the terms of the Financial Agreement.

Section 7. If any part(s) of this ordinance shall be deemed invalid, such part(s) shall be severed and the invalidity thereby shall not affect the remaining parts of this ordinance.

Section 8. This ordinance shall take effect in accordance with applicable law.

First Reading: June 29, 2026

Second Reading: July 20, 2026

ATTEST:

BOROUGH OF WHARTON

**WILLIAM J. CHEGWIDDEN,
MAYOR**

**Cheryl Muzzillo,
Borough Clerk**