

AFFORDABLE HOUSING TRUST FUND SPENDING PLAN

BOROUGH OF WHARTON MORRIS COUNTY, NEW JERSEY

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SPENDING PLAN

INTRODUCTION

The Borough of Wharton, Morris 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 Affordable Housing Dispute Resolution Program, and recent decisions by the Courts.

A development fee ordinance creating a dedicated revenue source for affordable housing following state guidelines was adopted on December 7, 1998, which was later amended in 2004 and 2007. The ordinance established a fee of 1% of equalized assessed value for new residential construction. The ordinance established the need for a Borough of Wharton 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. This Spending Plan supersedes any prior adopted spending plans.

The Borough of Wharton has prepared this Spending Plan to guide the allocation of funds within the Borough of Wharton Affordable Housing Trust Fund. As of December 31, 2025, the Borough of Wharton has \$246,275.72 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, the Borough of Wharton 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 Fund.
- (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 Wharton Affordable Housing Trust Fund**

Source of Funds	Up to 12/31/2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	Total
(a) Development Fees	\$246,275											
1. Approved Residential and Nonresidential Development Projects	N/A											
2. Projected Residential Development Projects Only	N/A	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$200,000
3. Projected Non-Residential Development Projects (New construction only)	N/A	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$250,000
(b) Payments in lieu of Construction	N/A											
(c) Other Funds (specify source)	N/A											
Subtotal												\$450,000
(d) Interest	N/A	\$800	\$800	\$800	\$800	\$800	\$800	\$800	\$800	\$800	\$800	\$8,000
Total Revenue	N/A	\$45,800	\$45,800	\$45,800	\$45,800	\$45,800	\$45,800	\$45,800	\$45,800	\$45,800	\$45,800	\$704,275

The Borough of Wharton projects a total of **\$450,000** to be collected between January 1, 2026 and December 31, 2035 for residential and non-residential new construction. There is an existing balance of \$246,275, resulting in a total of \$704,275 (inclusive of interest earned) for use on affordable housing. 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 ten years.

ADMINISTRATIVE MECHANISM TO COLLECT AND DISTRIBUTE FUNDS

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

- (a) Collection of development fee revenues: Wharton 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: Wharton will distribute funds with the oversight of the Borough Council. The Council will work with the Borough Administration and the Municipal Housing Liaison to manage the projects outlined in this spending plan.

DESCRIPTION OF ANTICIPATED USE OF AFFORDABLE HOUSING FUNDS

The Borough of Wharton 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): the Borough of Wharton will dedicate the following funds to Rehabilitation projects in order to meet its fair share affordable unit obligation:
Borough Rehabilitation Program: At least \$10,000, on average, per unit for a total of at least 40 units for a budget of \$400,000. The Borough will partner with Habitat for Humanity to implement this. The Morris County Rehabilitation Program will contribute additional units.
- (b) **Administrative Expenses** (N.J.A.C. 5:97-8.9) the Borough of Wharton 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 \$92,275, with any additional funds subject to the 20 percent cap 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 the Borough of Wharton.
- (c) **Affordability Assistance** (N.J.A.C. 5:97-8.8) Wharton will dedicate 30% of all funds collected from the affordable housing trust fund to render units more affordable, with at least 30% of those funds dedicated to very low income households. This will include the rehabilitation program and providing assistance to existing low-income and very low-income homeowners and renters in Wharton Borough. The current budget is **\$212,000**.

- (d) **Excess Funds:** Any excess funds will be dedicated to emergent projects such as municipally sponsored 100% affordable housing/ market to affordable program, accessory apartments, supportive living facilities and other permitted affordable housing programs.

**Projected Expenditure Schedule, 2026-2035
Borough of Wharton Affordable Housing Trust Fund**

Program	Units	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	Total
\$413,725												
Rehabilitation Program	Min. 40	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$400,000
Administration (maximum 20% of total)	N/A	\$11,275	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$92,275
Affordability Assistance		\$32,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$212,000
Other programs												*
												\$704,275

*WILL BE FUNDED WITH ANY ADDITIONAL FUNDS COLLECTED.

SUMMARY

Wharton 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 dated June 17, 2025.

**Spending Plan Summary
Wharton Affordable Housing Trust Fund**

Trust fund balance as of 12/31/2025	\$246,275
Projected Revenue (2025-2035)	
Development fees	\$450,000
Payments in lieu of construction	
Other funds	
Interest	\$8,000
Total Revenue (Rounded)	\$704,275
Expenditures	
Rehabilitation	\$400,000
Administration	\$92,275
Affordability Assistance	\$212,000
Other programs	*
Total Projected Expenditures	\$704,275

*WILL BE FUNDED WITH ANY ADDITIONAL FUNDS COLLECTED.