

Midpoint Realistic Opportunity Review Report  
Affordable Housing Compliance

Chester Borough, Morris County, NJ  
July 1, 2020

1. Declaratory Judgment Complaint Filed: July 2, 2015
2. Settlement Agreement with Fair Share Housing Center: November 2018
3. ***Final Judgment of Compliance and Repose (JOR) Date: March 16, 2020***

Chester’s Settlement Agreement with Fair Share Housing Center (“FSHC”) requires that the Borough comply with the statutory midpoint review requirements of the Fair Housing Act (“FHA”) and specifically N.J.S.A. 52:27D-313, which provides in relevant part: “[t]he Council shall establish procedures for a realistic opportunity review at the midpoint of the certification period and shall provide for notice to the public.”

This is the Midpoint Realistic Opportunity Review report for Chester Borough pursuant to the Borough’s Settlement Agreement with the Fair Share Housing dated November 1, 2018 that calls for this review. The Settlement Agreement and the Borough’s Housing Plan Element / Fair Share Plan was approved in a final Judgment of Compliance and Repose (final JOC) on March 16, 2020 by the Honorable Michael C. Gaus, JSC. Despite this recent Court approval, July 1, 2020 is the Midpoint Realistic Opportunity review designated for Chester Borough.

**Realistic Opportunity Review**

The Borough’s Settlement Agreement and the Housing Plan Element and Fair Share Plan (HPE/FSP) identify affordable housing projects and mechanisms to address the Borough’s Mount Laurel obligations listed in the table below. With respect to the Borough’s mechanisms aimed at satisfying the Borough Realistic Development Potential (“RDP”), the Borough is required to create a realistic opportunity for the construction of those units during Round 3. Those mechanisms are as follows:

<b><u>Mechanism</u></b>	<b><u>Description</u></b>	<b><u>Ordinance Adopted (Yes/No)</u></b>	<b><u>Status</u></b>	<b><u>Notes/Additional Information</u></b>
CASH (19 Units)	19-Senior Affordable Rental	Yes	Constructed	Occupied
Turkey Farm site - Block 101, Lots 13, 14, 15 & 16.	36 rental apartments.	-Yes – Reso. 2019-102 for Highlands Center petition adopted 7-16-19;	-WMP Amendment under NJDEP review. -Redevelopment	Site will include 5 VLI affordable rental units.

		-Highlands Council approved Chester Center: 1/16/20 - Yes – Redv. Ord. adopted (Ord. 2020-05): 4/21/2020	site plan preparation underway by developer; -Site Plan application anticipated 2020.	
Little Italian Kitchen (Bl.101, L11) “Soldier On” Veteran’s housing. site.	4 affordable rental apartments	-Yes <u>§ 163-79.1</u> Municipally sponsored one-hundred-percent affordable housing development. [Added 12-28-2017 by Ord. No. 2017-10]	-Developer’s agreement with non-profit developer March 28, 2019	-All four (4) will be VLI rental units with a preference for US Veterans. -Borough cleared site; -Approved site plan March 22, 2018; -Amended Developer’s agreement 3-28-19.

***Additional Notes***

Chester Borough is a NJ Highlands municipality with limited public centralized wastewater collection and treatment capacity. Expanded wastewater collection and treatment facilities may be obtained through the NJDEP with a Highlands Regional Master Plan (RMP) Consistency Determination issued by the NJ Highlands Council.

In light of the foregoing, the Borough’s March 16, 2020 final Judgment of Compliance and Repose required the Borough, as a long-term condition, to take one of several measures with the Highlands Council in order render the HPE/FSP consistent with the RMP. As a result, the Borough diligently pursued, and ultimately obtained, Center Designation from the Highlands Council (January 16, 2020) and promptly adopted a redevelopment plan for the Turkey Farm Site on April 21, 2020 (Ord. 2020-05).

Highlands Center Designation is a condition of the Court’s March 16, 2020 final JOC approving Chester Borough’s settlement agreement because Center designation facilitates the development of additional wastewater collection and treatment facilities for the Turkey Farm site (36-units) and thereby address municipal affordable housing obligations. Highlands Center designation enables the NJDEP and NJ Highlands Council to find that the provision of wastewater facilities for the Turkey Farm Redevelopment Site is consistent with the Highlands Regional Master Plan -- and allows NJDEP to approve a Wastewater Management Plan (WMP) amendment to Chester Borough’s chapter in the Morris County Areawide Water Quality Management Plan. The WMP amendment will permit the development of wastewater collection

and treatment facilities for the Turkey Farm site. The WMP amendment application submitted by the developer is currently under review by NJDEP.

Since entering the FSHC settlement agreement to resolve the Borough’s Mount Laurel obligations, no sites<sup>1</sup> in Chester Borough have become available for development or become clearly relatively underutilized that could potentially impact the Borough’s RDP.

**Unmet Need Mechanisms**

In addition to being required to create a realistic opportunity for the construction of its RDP during the Round 3 compliance period, the Borough was also required to take measures towards addressing unmet need, which it has done as follows:

<b><u>Mechanism</u></b>	<b><u>Ordinance Adopted</u></b> <b><u>(Yes/No)</u></b>
B-3 IMUO Inclusionary Mixed Use Overlay Zone	Ord. No. 2019-13, adopted Jun. 6, 2019, Chester Mall, addressing unmet need. § 163-72. F.
Mandatory Affordable Housing Set-aside Ordinance for all development 6 dwelling units or more	Ordinance No. 2019-13, adopted Jun. 6, 2019, applicable to any site, addresses unmet need. § 163-100

**Rehabilitation**

The Borough’s Court-approved HPE/FSP identifies municipal participation (ongoing) in the Morris County HOME Housing Rehabilitation program to address the Borough’s 31-unit rehabilitation obligation. To facilitate this program, the Borough advertises the rehabilitation program on the Borough’s website and noticed availability of the program to Borough residents in the newspaper.

**Conclusion**

Chester Borough received a final JOR in March of 2020 and has made significant progress in implementing its plan. The Borough’s Plan creates a realistic opportunity for the construction of its RDP and adequately addresses the Borough’s unmet need and rehabilitation requirements.

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<sup>1</sup> So-called “Cherry Hill site”, vacant or clearly relatively underutilized site with such conditions establishing development potential that should be included in a recalculation of RDP. This situation has arisen in Chester Borough since the Court’s granting of final JOC March 16, 2020.