

TOWN OF MORRISTOWN**RESOLUTION R-44-2025****RESOLUTION OF THE TOWN OF MORRISTOWN, COUNTY OF MORRIS,
ADOPTING ITS PRESENT NEED AND PROSPECTIVE NEED FOR THE FOURTH
ROUND OF AFFORDABLE HOUSING OBLIGATIONS**

WHEREAS, on March 20, 2024, Governor Murphy signed into law Bill A4/S50, codified as P.L. 2024, c.2 (the “**Amended FHA**”), which amends the New Jersey Fair Housing Act, P.L. 1985, c.222 (N.J.S.A. 52:27D-301, et seq.) and other related housing laws; and

WHEREAS, pursuant to the Amended FHA, municipalities are required to determine the Present Need obligation (Rehabilitation) and Prospective Need obligation (New Construction) of their fair share of the regional need for affordable housing (“**Fair Share Obligation**”) during the 10-year period beginning on July 1, 2025 (the “**Fourth Round**”); and

WHEREAS, pursuant to the Amended FHA, should a municipality determine its Fair Share Obligation by January 31, 2025, the municipality’s determination shall be established by default and shall bear a presumption of validity beginning on March 1, 2025, unless challenged by an interested party on or before February 28, 2025; and

WHEREAS, pursuant to the Amended FHA, any challenge to a municipality’s determination must be initiated through the Affordable Housing Alternative Dispute Resolution Program (the “**Program**”), explain with particularity how the municipality’s calculation fails to comply with N.J.S.A. 52:27D-304.2 and 52:27D-304.3 and include the challenger’s own calculation of the fair share obligations in compliance with said sections; and

WHEREAS, on October 18, 2024, the New Jersey Department of Community Affairs (the “**DCA**”) published a report with an estimate of the fair share affordable housing obligations of all municipalities, which, pursuant to the Amended FHA, may be taken into consideration by a municipality but shall not be binding on a municipality when calculating a municipality’s respective Fair Share Obligation; and

WHEREAS, the Town of Morristown (the “**Town**”), with the assistance of its professionals, has determined its Fair Share Obligation for the Fourth Round based upon the methodology set forth in the Amended FHA, which included consideration of the DCA’s calculations and analysis; and

WHEREAS, the Town Council of the Town of Morristown (the “**Town Council**”) has reviewed the findings of the Town’s professionals, which are described in **Exhibit A** attached hereto, and adopts a Fair Share Obligation for the Fourth Round consisting of a Present Need obligation of 140 units and a Prospective Need obligation of 266 units; and

WHEREAS, in accordance with N.J.S.A. 52:27D-311(m) of the Amended FHA, the Town reserves its right to take a vacant land adjustment, which may result in a reduction to the new construction portion of its Fair Share Obligation; and

WHEREAS, the Town reserves its right to revise its Fair Share Obligation downwards in the event a decision of a court of competent jurisdiction, or an action by the New Jersey Legislature, would result in a lower calculation of an obligation for the Town; and

WHEREAS, the Amended FHA requires municipalities to satisfy various administrative and procedural requirements in connection with the adoption of a municipality's Fair Share Obligation, including but not limited to the publication of this Resolution to the Town's publicly accessible Internet website and the filing of an action with the Program through the Judiciary's electronic filing systems, within forty-eight (48) hours of the adoption of this Resolution; and

WHEREAS, the Town Council directs the Town Clerk to satisfy all required notice and publications requirements, and authorizes the Town and its professionals to take all actions required to file the necessary action with the Program.

NOW, THEREFORE, BE IT RESOLVED by the Town Council of the Town of Morristown that the:

1. The foregoing recitals are hereby incorporated by reference as if fully set forth herein.
2. The Town of Morristown's Fair Share Obligation for the Fourth Round of affordable housing obligations consists of a Present Need obligation of 140 units and a Prospective Need obligation of 266 units.
3. The Town reserves its right to take a vacant land adjustment, which may result in a reduction to the new construction portion of its Fair Share Obligation.
4. The Town reserves its right to revise its Fair Share Obligation in the event that a decision of a court of competent jurisdiction, or an action by the New Jersey Legislature, would result in a lower calculation of an obligation for the Town.
5. The Municipal Clerk be and is hereby directed to forward a copy of this Resolution to the Department of Community Affairs and to publish a copy to the Town's publicly accessible Internet website within forty-eight (48) hours of the adoption of this Resolution.
6. The Town be and is hereby directed to file an action with the Affordable Housing Alternative Dispute Resolution Program regarding this Resolution in compliance with the Amended FHA, and the Mayor and Town Clerk are authorized to execute any and all documents required for said purpose.
7. This Resolution shall take effect immediately.

SO RESOLVED, as aforesaid.

I do hereby certify the above to be a true and exact copy of a Resolution duly passed and adopted by the Town Council of the Town of Morristown at the Regular meeting of the Town Council held on January 28, 2025 in the Morristown Council Room, 200 South Street, Morristown, New Jersey, beginning at 7:30 PM, prevailing time.

DATED: January 28, 2025


Margot G. Kaye, Town Clerk



MEMORANDUM

Date: January 13, 2025
 To: Town of Morristown
 From: Topology

SUBJECT: FOURTH ROUND AFFORDABLE HOUSING ASSESSMENT OF DCA NUMBER

The purpose of this memorandum is to provide an assessment of the non-binding calculations of the Town of Morristown's Prospective Need Obligation for the Fourth Round of Affordable Housing, published by the NJ Department of Community Affairs. The non-binding calculations were published by the DCA on October 20, 2024, with supplemental data releases provided through November 23, 2024, with the publication of the Land Capacity Analysis GIS Composite Layer.

Under the prepared calculations, the DCA has presented a non-binding prospective need obligation for the Town of Morristown of 341 units. The following assessment reviews the component data of the DCA calculation methodology with localized data to either confirm or revise the figures presented by DCA.

I. Land Capacity Factor Assessment

- A. The Land Capacity Factor is calculated pursuant to N.J.S.A. 52:27D-304.3.C.4, and is determined by estimating the area of developable land within the municipality's boundaries, and regional boundaries, which may accommodate development. The DCA conducted the analysis using Land Use / Land Cover data from the NJ DEP, MOD-IV Property Tax Data from the Dept. of Treasury, and construction permit data from the DCA. The DCA calculations of land that may accommodate development exclude lands subject to development limitations, including open space, preserved farmland, category one waterways and wetland buffers, steep slopes and open waters. DCA preserved all areas that remained that were greater than 2,500 SF in size, under the assumption that an area of twenty-five feet by 100 feet may be considered developable.
- B. Under the analysis, the DCA estimates that the Town of Morristown presently has 47.43 acres of land that may accommodate development. The DCA has calculated that Region 2, which is comprised of Essex, Morris, Union and Warren Counties, contains a total of 5,358.48 acres of developable land. As calculated by DCA, the Town of Morristown contains 0.89% of the amount of developable land across the entire Region 2.
- C. To assess the Land Capacity Factor, Topology extracted the resultant Land Capacity Analysis GIS Composite Layer and overlaid the file with the parcels for the Town of Morristown, reviewing the configuration of developable land within these parcels. Based upon this parcel-by-parcel review, Topology estimates that 33.49 acres of the 47.43 acres calculated by DCA are not in fact developable. A parcel-by-parcel summary is provided below:
- D. Properties Not Available for Development – 33.49 Acres

PROPERTY	STATUS
Block 1703, Lot 1 – 214-238 Morris Street	Owned by U.S. Dept. of Interior – part of Morristown National Historic Park (Ford Mansion, Washington's Headquarters)

PROPERTY	STATUS
Block 2901, Lot 1 – Lake Road	Owned by Town of Morristown – Municipal Facility, Recycling Center
Block 5502, Lot 14	Area identified as developable is an irregularly configured and elongated space.
Block 6301, Lot 12	Landlocked parcel, no road access. Area identified as developable is an irregularly configured space.
Block 6401, Lot 7 – 281 South Street	State of NJ DOT Property, adjacent to I-287, no road access
Block 7601, Lot 12 – 30 Washington Place	Owned by U.S. Dept. of Interior – part of Morristown National Historic Park (Fort Nonsense)
Block 8401, Lot 17 – Miller Street Lane	Owned by the Town of Morristown, landlocked parcel, no road access
Block 8401, Lot 2 – 107 Western Avenue	Owned by Morris County – Existing Facility for Morris County Weights & Measures. Area identified as developable is an irregularly configured space.
Block 8602, Lot 1 – 98 Mt. Kemble Avenue	Isolated portion of hospital parking lot.
Block 8603, Lot 1 – 79 Mt. Kemble Avenue	Isolated portion of hospital facility located directly adjacent to Fort Nonsense, at the top of steep slopes.
Block 8901, Lot 4 – 54 Overlook Road	Temple B’Nai Or
Block 402, Lot 10 – 29-35 Jersey Avenue	Portion of Jersey Avenue Playground property.
Block 1001, Lot 7 – 44 Lafayette Avenue	Noncontiguous area of otherwise undevelopable property

- E. Given the constraints of these existing properties, Topology estimates that the amount of developable land within the Town of Morristown should be revised from 47.43 Acres to 13.94 Acres. This would also reduce the total developable land within Region 2 from 5,358.48 acres to 5,326.37 acres. Thus, the Land Capacity Factor for the Town of Morristown would be modified from 0.89% as calculated by DCA to 0.26%.

II. Equalized Nonresidential Valuation Assessment

- A. The Equalized Nonresidential Valuation Factor is calculated pursuant to N.J.S.A. 52:27D-304.3.C.2 and is determined by calculating the changes in nonresidential property valuations in the municipality since the beginning of the gap period in 1999. The change in the municipality’s nonresidential valuations is divided by the regional total change in nonresidential valuations to determine the municipality’s share of the regional total change, which is the resulting factor. Data used is from the Division of Local Government Services in the DCA, which aggregates local assessment information from all municipalities.

- B. Under the DCA calculation, the Town of Morristown experienced an equalized nonresidential valuation growth of \$756,642,320 between 1999 and 2023. This represents 2.93% of all growth experienced during this period across Region 2.
- C. However, the “growth” in nonresidential valuation does not account for individual property changes to tax assessment status, but simply the change in the sum of all nonresidential valuation in between the tax years 1999 and 2023. Significantly, the 2015 ruling in the case AHS Hospital Corp. v. Town of Morristown ruled that the Morristown Medical Center is not entitled to tax exemption status on its properties within the Town of Morristown. Subsequently, the Town changed the assessment status of the hospital and its facilities from exempt status to taxable status. As a result of this change, these properties were included in DCA’s calculation of the Town’s 2023 nonresidential valuation however, they were not included in the DCA calculation of the Town’s 1999 nonresidential valuation – due to their exempt status at that time. This assessment status change creates the appearance of “growth” when in fact there was no new hospital development, but simply a change to the tax ratable status of the facilities which existed in 1999.
- D. To properly assess the change in nonresidential development, the 1999 valuation of the hospital and its facilities should be included in the calculation of Morristown’s 1999 nonresidential valuation. The 1999 valuation of the hospital and its facilities is reflected in the table below.

BLOCK	LOT	PROP CLASS	PROP CLASS CODE NAME	PROPERTY LOCATION	ACRES	EXEMPT SITE DESCRIPTION	LAND VALUE	IMPROVE VALUE	NET VALUE
4201	1	15F	Other Exempt Properties	48 MADISON AVE	0.6347	Hospital	\$ 471,600	\$ -	\$ 471,600
4201	1.01	15D	Church & Charitable Properties	54 MADISON AVE	0.7376	Hospital	\$ 663,800	\$ 14,000	\$ 677,800
4201	1.02	15D	Church & Charitable Properties	60 MADISON AVE	0.9717	Parking Area	\$ 873,000	\$ 14,000	\$ 887,000
4201	1.03	15D	Church & Charitable Properties	68 MADISON AVE	20.6688	Hospital	\$ 20,151,000	\$ 83,125,800	\$ 103,276,800

When the value of the hospital and its facilities are included in the Town’s 1999 equalized nonresidential value, the nonresidential value increases from \$542,250,108 to \$652,780,335. Correspondingly, the change in valuation from 1999 to 2023 decreases from \$756,642,320 - as calculated by the DCA - to \$646,112,093. This change for the Town of Morristown also adjusts the Region 2 Nonresidential valuation change from \$25,808,891,055 – as calculated by DCA - to \$25,698,360,828 when the hospital and its facilities are included. Thus, the Town of Morristown’s Nonresidential Valuation Factor is reduced from 2.93% as calculated by DCA to 2.51%.

III. Income Capacity Factor

- A. The Income Capacity Factor is calculated pursuant to N.J.S.A. 52:27D-304.3.C.3 and is determined by averaging the municipal share of the regional sum of differences between medical household income and the same calculation but weighted by number of households within the municipality. To calculate this value, the DCA used the 2018-2022 5-year Estimates published by the Census Bureau’s American Community Survey program.

- B. Since the publication of the Fair Share Housing Obligations for 2025-2035 by the DCA in October 2024, the U.S. Census Bureau has released the 2019-2023 5-year estimates from the American Community Survey.
- C. Topology has prepared an update of the Income Capacity Factor for Region 2 and the Town of Morristown to more accurately reflect the current income capacity. Based upon these updates, the following values have been adjusted, using Table S1901: Total Households, Income in the Past 12 Months (in 2023 Inflation-Adjusted Dollars) and Table S1903: Median Income in the Past 12 Months (in 2023 Inflation-Adjusted Dollars).
- D. The table below presents the revised values for the Income Capacity Factor, and the data values used in the DCA calculation:

TOWN OF MORRISTOWN INCOME CAPACITY FACTOR	2018-2022 ACS DATA (DCA)	2019-2023 ACS DATA (TOPOLOGY)	
Number of Households		8,949	8,907
Median HH Income in past 12 Months		\$113,926	\$115,409
\$100 Below Regional Median HH Income Floor		\$46,360	\$48,316
Diff. from Median Household Income Floor with Household Weight		\$604,648,134	\$597,597,351
HH Weighted Income Difference % of Region Total		1.5%	1.5%
Diff from Median Household Income Floor		\$67,566	\$67,093
Income Difference % of Region Total		0.8%	0.8%
Income Capacity Factor		1.17%	1.11%

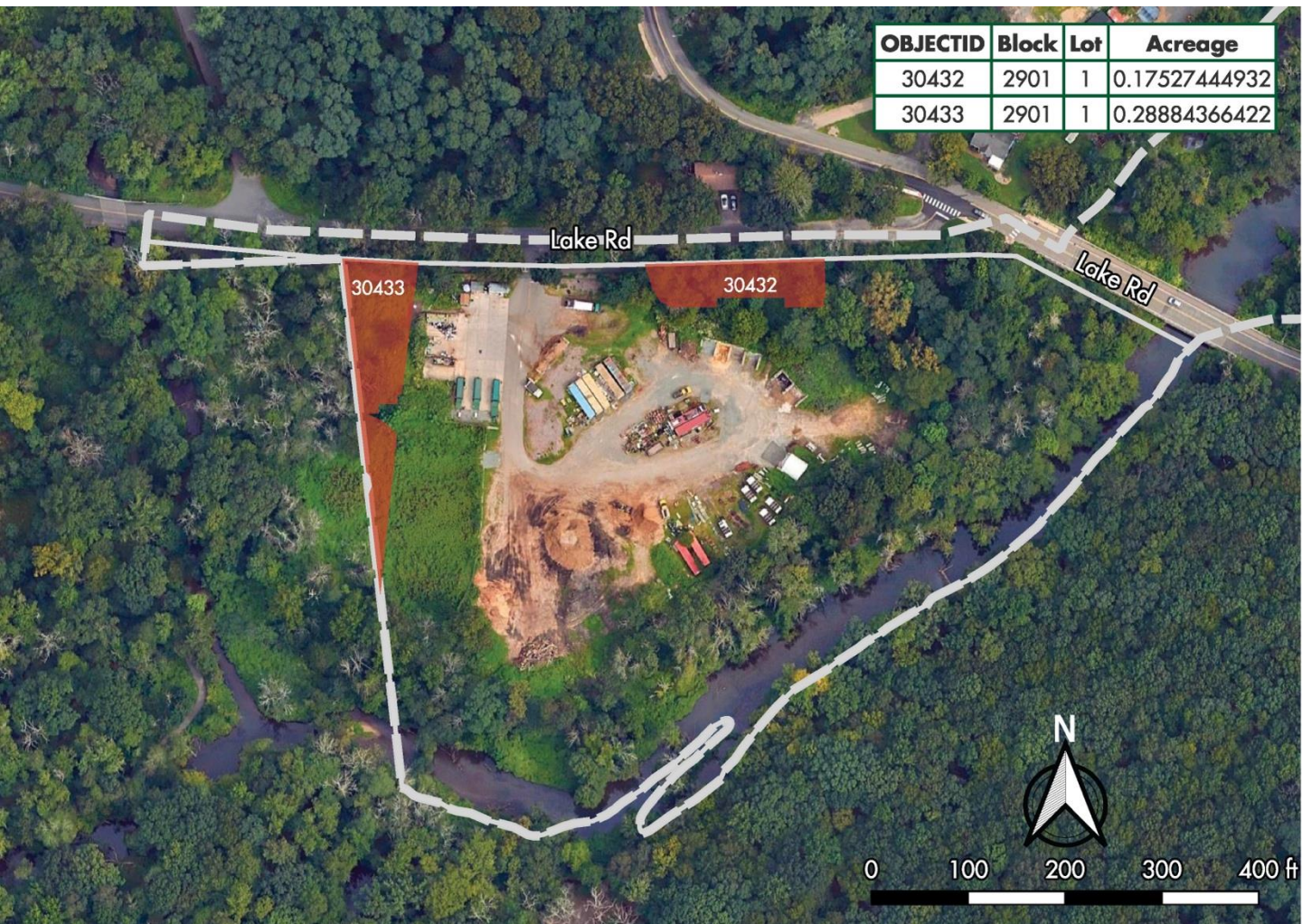
IV. Recalculated Fourth Round Obligation Number

Given the revisions detailed above, Topology recommends the Town of Morristown's allocation factors and prospective need obligations may be revised as follows below. As noted, a revision of the Income Capacity Factor will be prepared upon release of the new data:

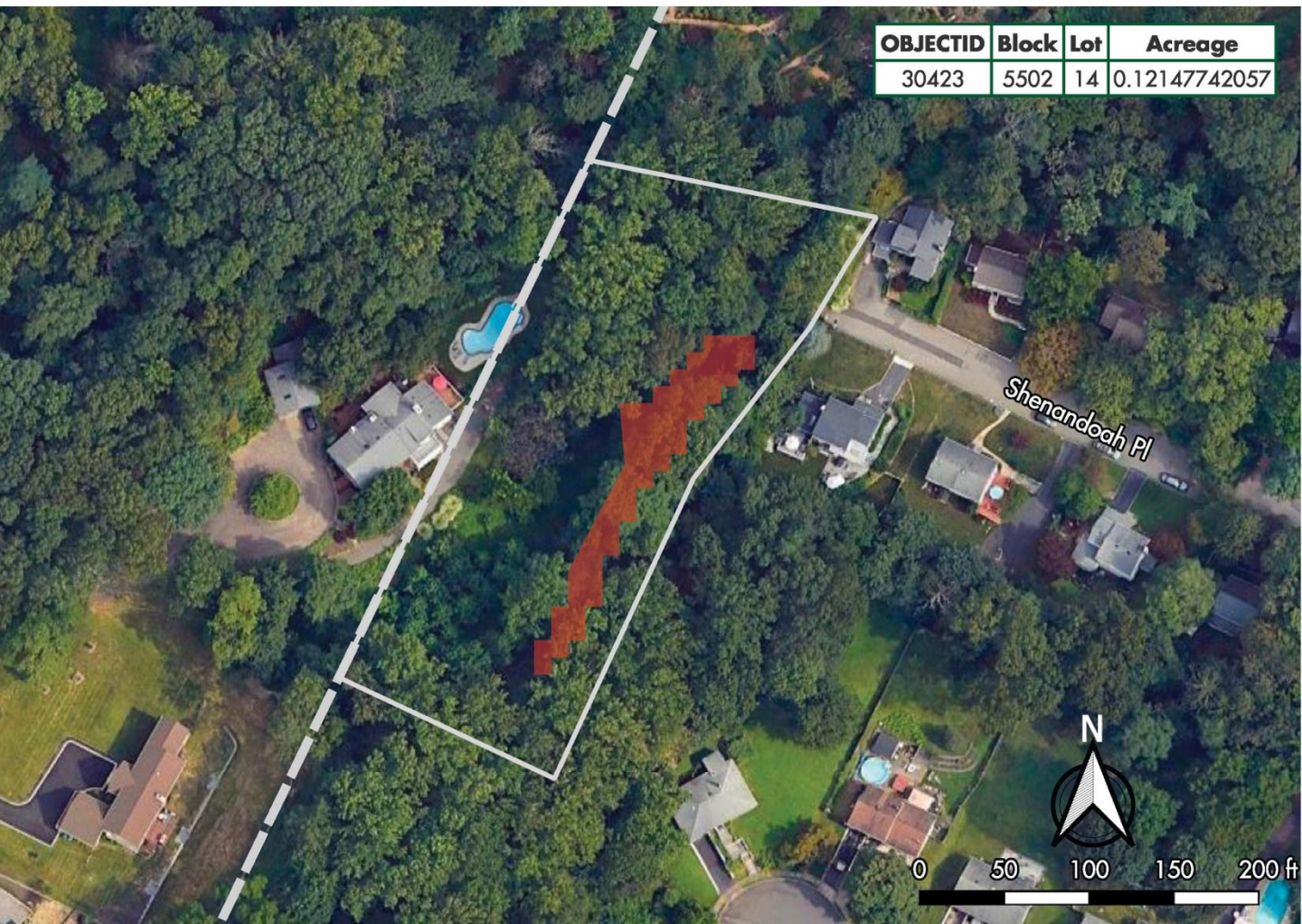
ALLOCATION FACTOR/PROSPECTIVE NEED	DCA CALCULATION	TOPOLOGY PROPOSED REVISION
Land Capacity Factor	0.89 Factor (47.43 Acres)	0.26 Factor (13.94 Acres)
Nonresidential Factor	2.93 Factor (\$756,642,320)	2.51 Factor (\$646,112,093)
Income Capacity Factor	1.17 Factor	1.11 Factor
Average Allocation Factor	1.66 Factor	1.30 Factor
Prospective Need Obligation	341 Units	266 Units



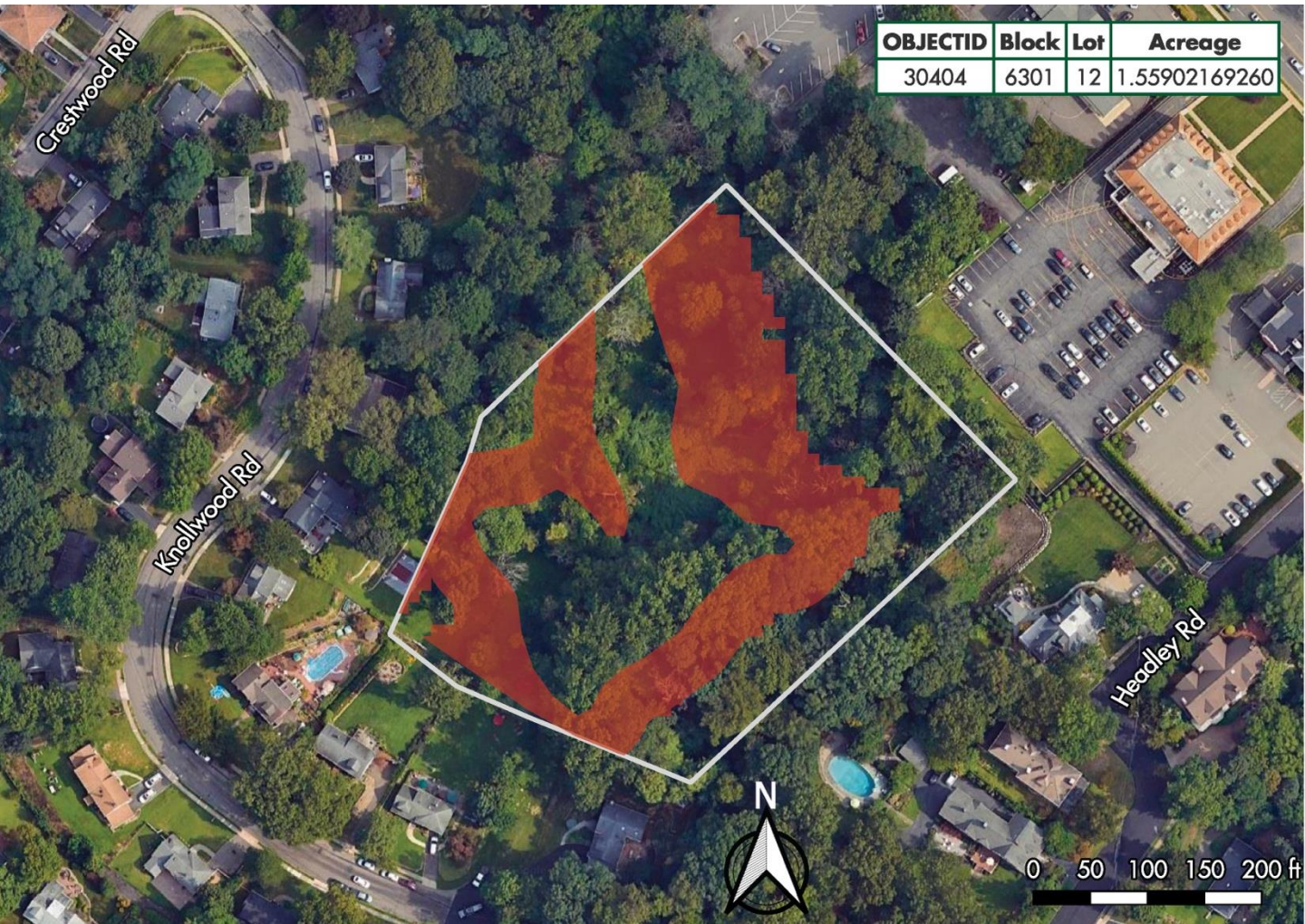
Area in red is developable area as identified by DCA



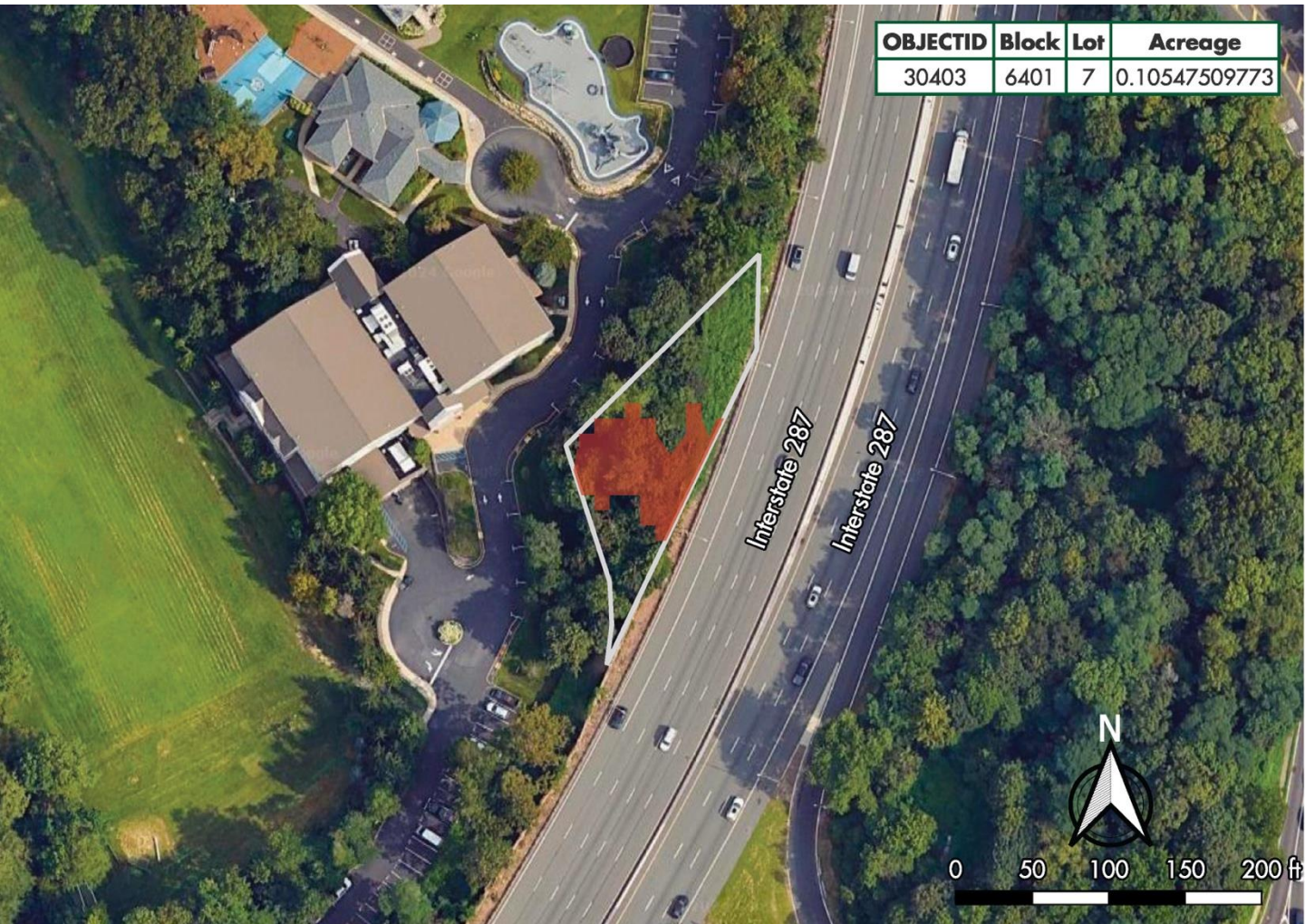
Area in red is developable area as identified by DCA



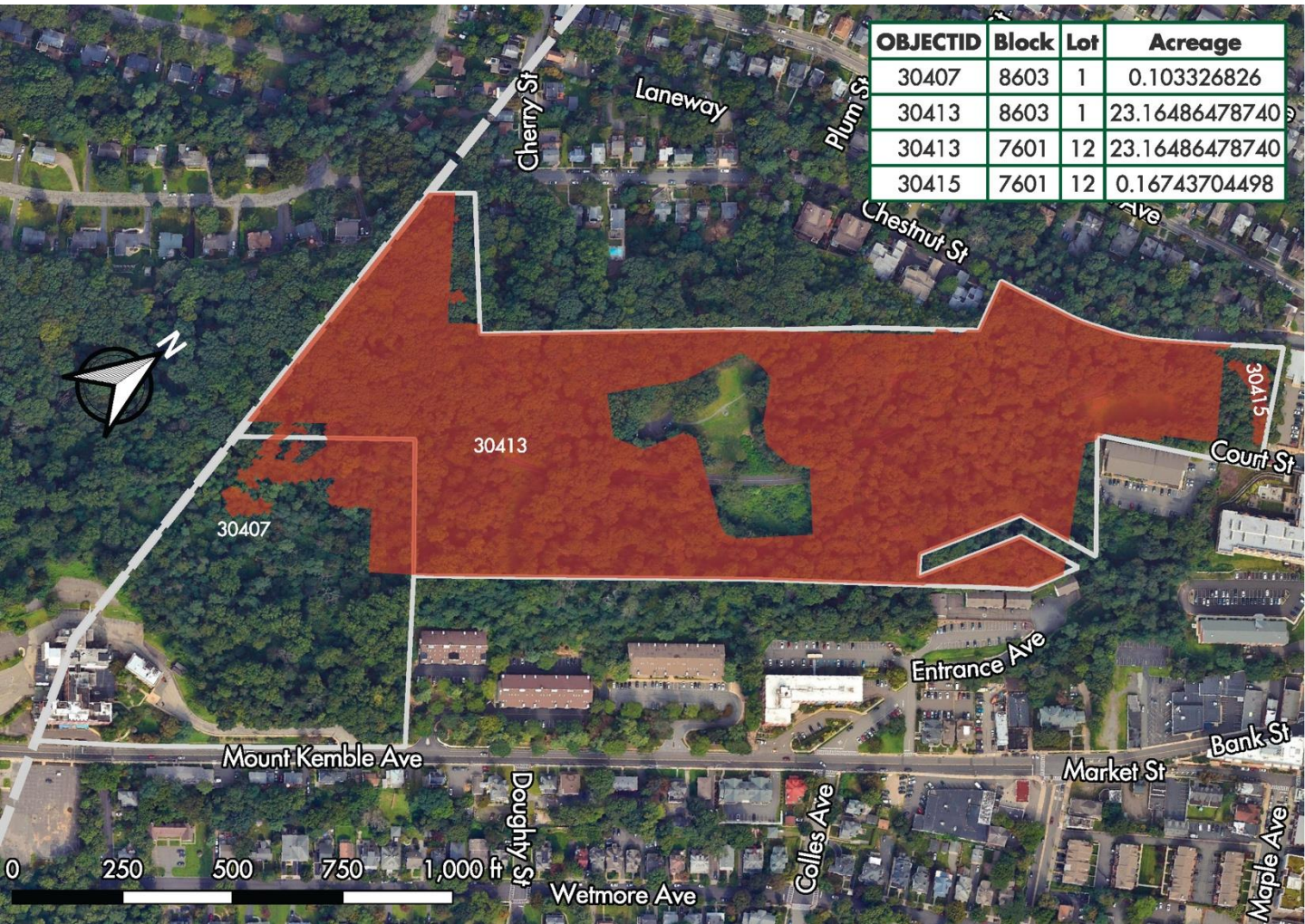
Area in red is developable area as identified by DCA



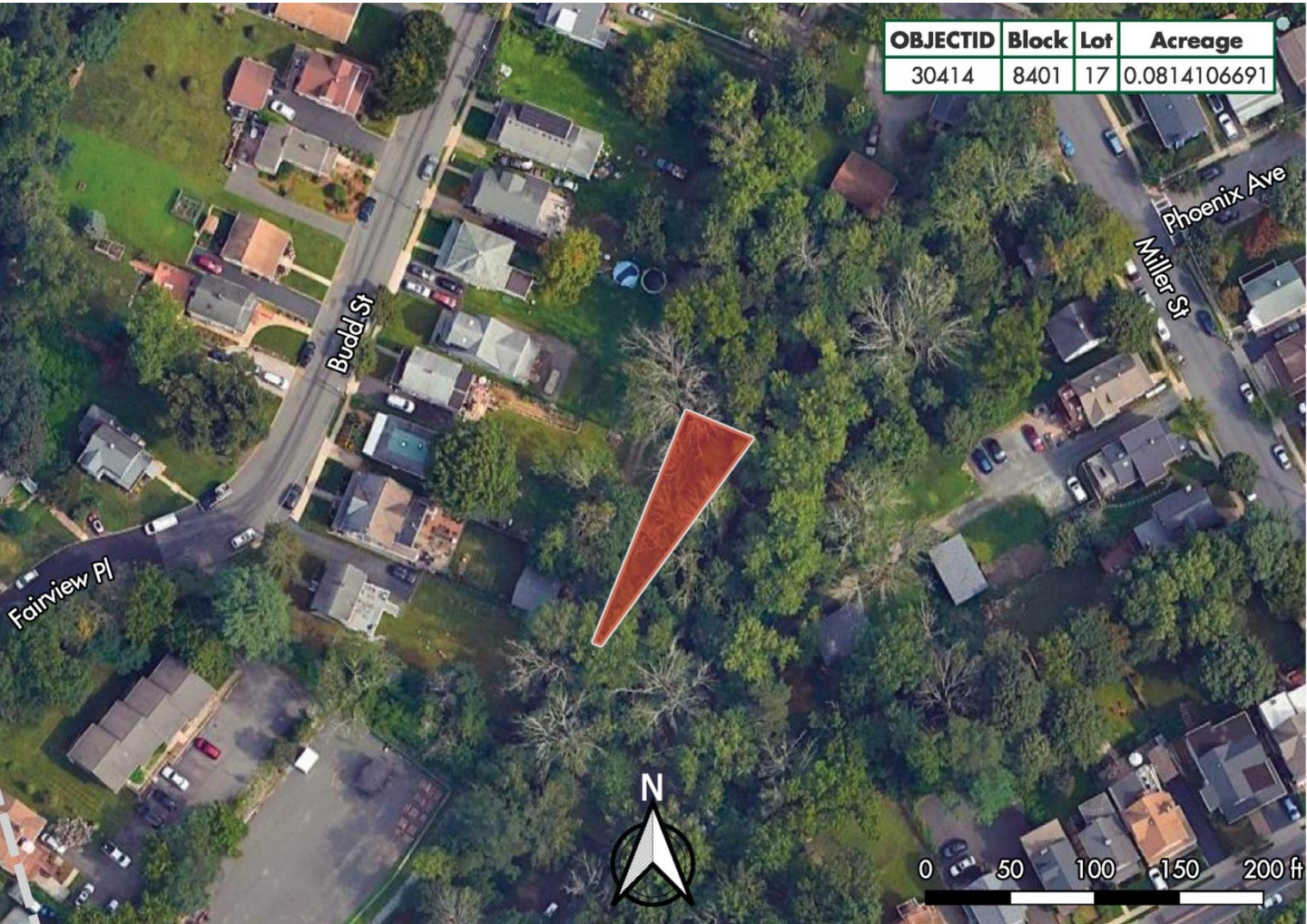
Area in red is developable area as identified by DCA



Area in red is developable area as identified by DCA



Area in red is developable area as identified by DCA



OBJECTID	Block	Lot	Acreage
30414	8401	17	0.0814106691

Area in red is developable area as identified by DCA

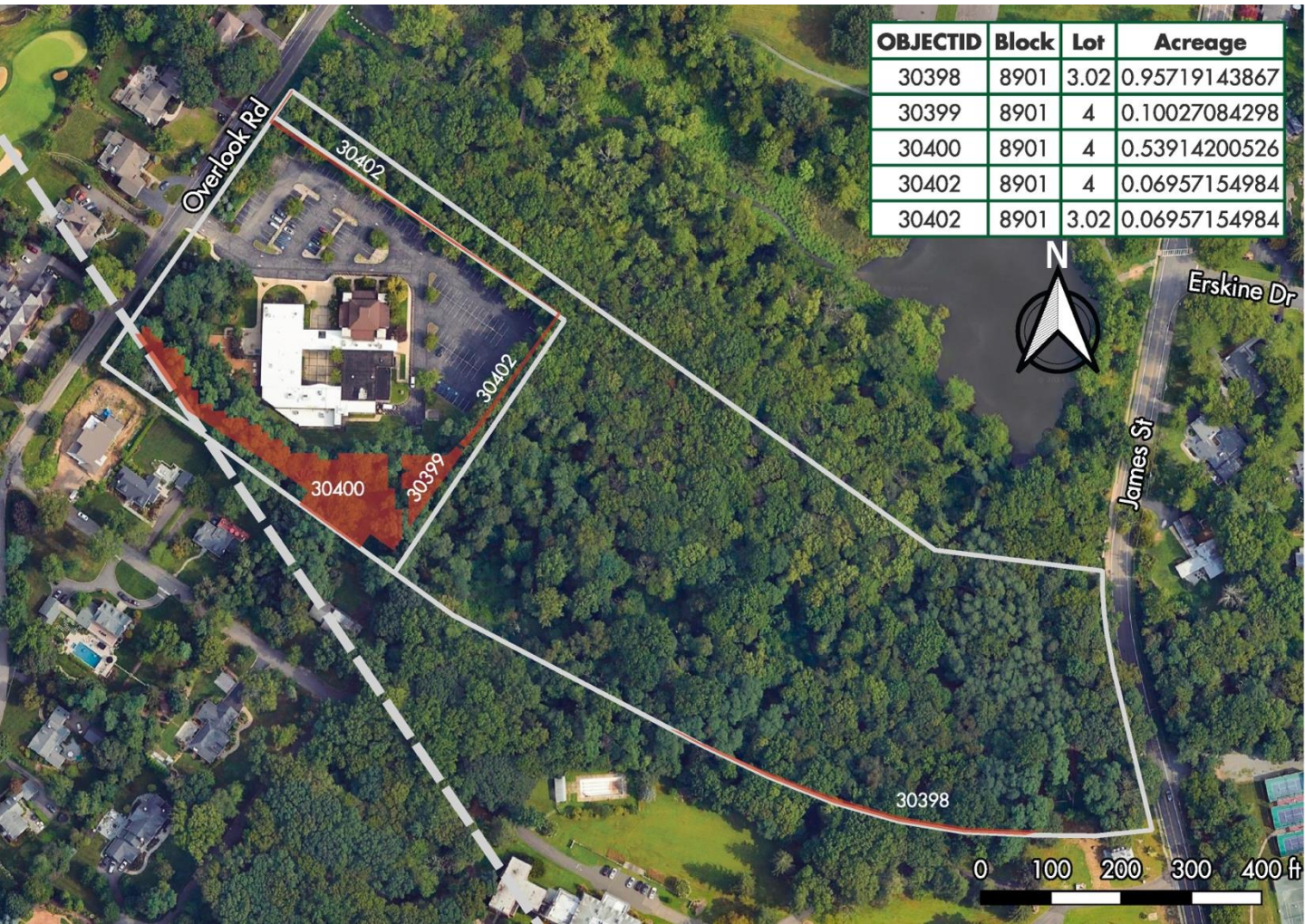


OBJECTID	Block	Lot	Acreage
30411	8401	2	0.06393978638

Area in red is developable area as identified by DCA



Area in red is developable area as identified by DCA

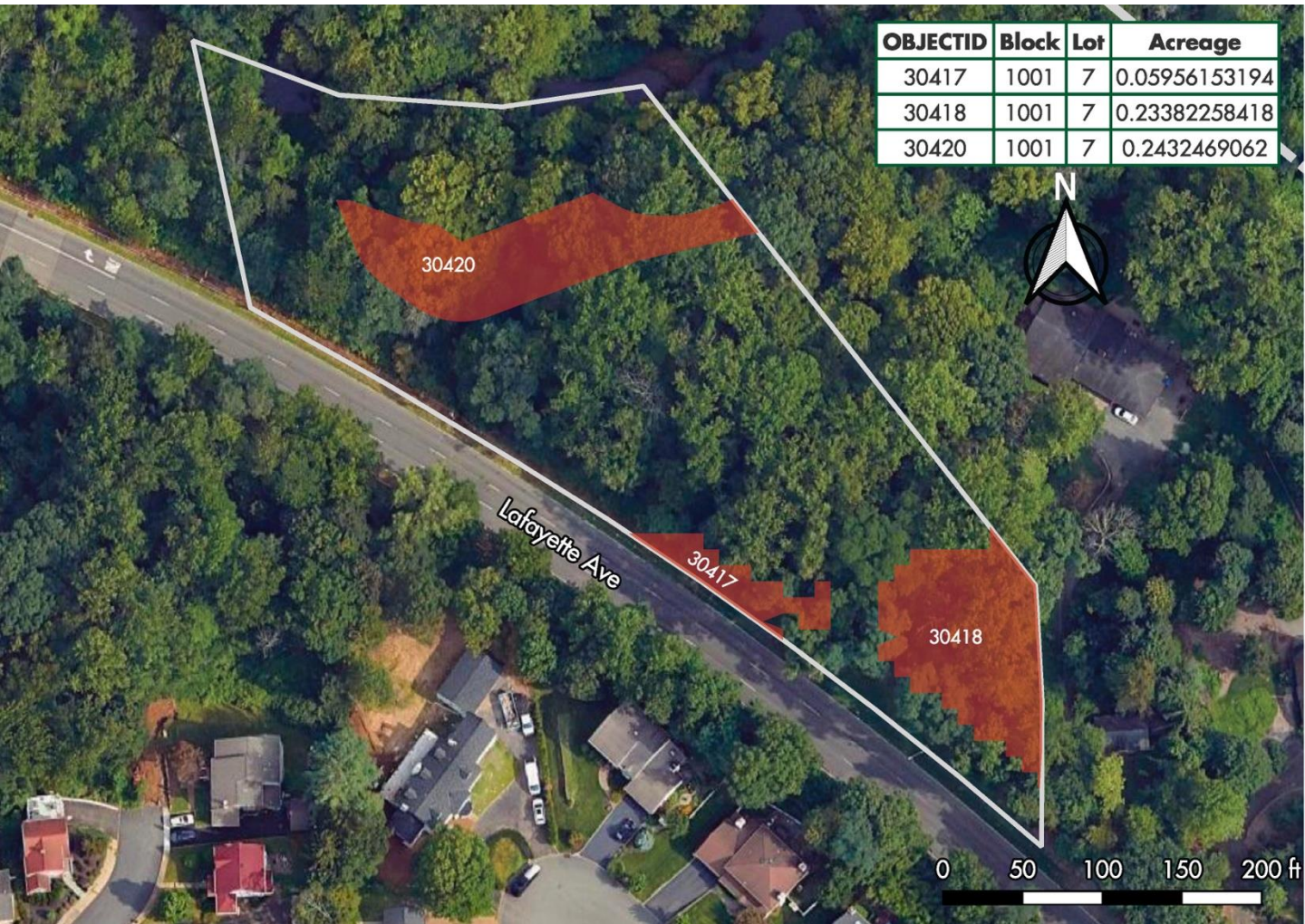


Area in red is developable area as identified by DCA



OBJECTID	Block	Lot	Acreage
30425	402	10	0.83058916959

Area in red is developable area as identified by DCA



Area in red is developable area as identified by DCA