Borough of Chatham

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BOROUGH OF CHATHAM
RESOLUTION NO. #25-369
RESOLUTION OF THE BOROUGH COUNCIL OF THE BOROUGH OF CHATHAM, AUTHORIZING THE SETTLEMENT OF CLAIMS RAISED BY INTERESTED PARTIES 23 S PASSAIC OWNER LLC AND 33 SOUTH PASSAIC OWNER LLC IN THE MATTER OF THE APPLICATION OF THE BOROUGH OF CHATHAM, PENDING IN THE SUPERIOR COURT OF NEW JERSEY, MORRIS COUNTY, DOCKET NUMBER MRS-L-238-25

WHEREAS, on January 28, 2025, the Borough of Chatham ("Borough") filed a complaint for declaratory relief relating to its "Fourth Round" affordable housing obligations in the Superior Court of New Jersey, Morris County, under Docket Number MRS-L-238-25; and,

WHEREAS, in furtherance of this declaratory judgment litigation, on June 19, 2025, the Borough filed a Housing Element and Fair Share Plan ("HEFSP") in accordance with its legal requirements under the Amended Fair Housing Act ("FHA"), for the purpose of addressing the Borough's affordable housing obligations as set forth in the FHA; and,

WHEREAS, on August 27, 2025, 23 South Passaic Owner LLC and 33 South Passaic Owner LLC, owners of real property within the Borough at 23 and 33 South Passaic Avenue (Block 121, Lots 12 and 13 on the Borough's Tax Map), filed a challenge under the authority of the FHA to the Borough's application for declaratory relief, and contesting the adequacy of the HEFSP (the "Owner's Challenge"); and,

WHEREAS, the Borough's Affordable Housing Counsel has negotiated and in consultation with the Borough Attorney, is recommending an amicable resolution and settlement of the Owner's Challenge; and,

WHEREAS, the Mayor and Council desire to approve and enter into a Settlement Agreement (the "Agreement") effectuating the terms of the settlement between the parties and resolving the Owner's Challenge on terms agreeable to all parties; and,

WHEREAS, the Agreement does not reflect any admissions by the Borough as to the merits of the Owner's Challenge, but it is proposed to fully resolve the disputed claims between the parties without further cost or expense, while mitigating legal risk to the Borough.

NOW, THEREFORE BE IT RESOLVED, by the Mayor and Council of the Borough of Chatham, in the County of Morris, State of New Jersey as follows:

1. The above recitals are hereby incorporated as if restated herein in full.
2. The Mayor and Council of the Borough of Chatham find and determine that it is in the best interests of the Borough to accept the recommendation of its Affordable Housing Counsel and Borough Attorney and settle the Owner's Challenge.

3. The settlement of the Owner's Challenge is hereby approved and accepted, subject to such additions, deletions, modifications or amendments deemed necessary by the Mayor and/or the Borough Administrator in their discretion in consultation with counsel, which additions, deletions, modifications or amendments do not alter the substantive rights and obligations of the parties thereto. The Borough is authorized to execute the Agreement and to take all other necessary and appropriate action to effectuate the Agreement.

4. The Borough Administrator, Borough Attorney, and the Borough Affordable Housing Counsel are authorized and directed to take all necessary and appropriate action to effectuate the settlement.

5. This Resolution shall take effect immediately.

Name	Motion	Second	Yes	No	Abstain	Absent
Mathiasen		X	X			
Hargrove			X			
Hay			X			
Koronkiewicz	X		X			
Strickland					X	
Treloar			X			

Adopted: December 8, 2025
Attest:

BOROUGH OF CHATHAM

Vanessa L. Nienhouse, RMC, CMC
Borough Clerk

Carolyn Dempsey
Mayor

CERTIFICATION

I, Vanessa L. Nienhouse, Borough Clerk for the Borough of Chatham, County of Morris, State of New Jersey, do hereby certify this is a true and correct copy of the resolution adopted by the Borough Council at its Regular Meeting held on December 8, 2025.

Vanessa L. Nienhouse, Borough Clerk