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**MASTER PLAN AMENDMENT TO THE 1996 LAND USE
ELEMENT TO IMPLEMENT THE 2018 HOUSING ELEMENT AND
FAIR SHARE PLAN AS AMENDED IN 2020**

AUGUST 7, 2020

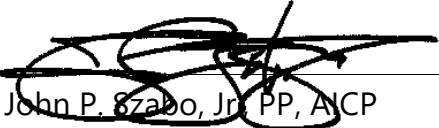
This document originally adopted by the Land Use Board of the Borough of Peapack and Gladstone at their public hearing held on _____.

MASTER PLAN AMENDMENT TO THE 1996 LAND USE ELEMENT TO IMPLEMENT THE 2018 HOUSING ELEMENT AND FAIR SHARE PLAN AS AMENDED IN 2020

Borough of Peapack and Gladstone
Somerset County, New Jersey

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The original document was appropriately signed and sealed on in accordance with the State Board of Professional Planners and adopted by the Peapack and Gladstone Land Use Board after public hearing on _____.



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INTRODUCTION

The Municipal Land Use Law (MLUL), N.J.S.A. 40:55D-62a, requires every municipality with a zoning ordinance to adopt a master plan containing at least a land use plan element and housing plan element. What follows is a brief historical description of the Borough of Peapack's master planning efforts over the past years.

The Borough of Peapack and Gladstone Land Use Board adopted its last comprehensive master plan including a land use element on December 18, 1996. Land Use Element was subsequently amended on February 3, 1999 and by Reexamination Reports adopted on February 16, 2005 and January 29, 2015.

The February 16, 2005 Master Plan Reexamination and Land Use Plan Update Report incorporated a number of recommended amendments to the Borough's Land Use Plan and Zoning Ordinance. The report:

- Specifically considered a request by Peapack Residential Associates, LLC, that the Borough permit the construction of a luxury age-restricted community on certain lands within the "ORL" and "RR-5" zoning districts on the west side of Route 206 as an optional development alternative.
- Concluded that the construction of an age-restricted housing development on the subject lands would have less adverse impacts upon the road network, infrastructural needs, the environment, the Borough's then potential affordable housing obligations, etc., then would result if the lands were developed in accordance with the underlying "ORL" zoning.

The 2005 Reexamination and Land Use Element Update recommended that the Borough zoning ordinance be amended to reflect the Land Use Board's findings. The Governing Body accepted the Land Use Board's recommendation and the zoning ordinance was amended accordingly.

The Land Use Board conducted its most current reexamination of the 1996 Master Plan, its updated elements and previous reexamination reports in 2014 adopting a master plan periodic reexamination report on January 29, 2015 (2014 Reexamination Report). The 2014 Reexamination Report made a number of recommendations to amend the Borough's master plan goals and objectives and zoning ordinance.

At the time of adoption, the 2014 Reexamination Report acknowledged the uncertainty surrounding the Borough's affordable housing obligation. Consequently, the 2014 Reexamination Report deferred to a future housing element and fair share plan to finalize the Borough's housing compliance with the COAH Third Round. The report acknowledged that a new housing plan document would have to be adopted based on a process yet to be determined.

Since adoption of the 2014 Reexamination Report court decisions have clarified the process by which municipalities can obtain substantive certification of their affordable housing plans. The New Jersey Supreme Court *In re Adoption of N.J.A.C. 5:96 & 5:97*, 221 N.J. 1 (2015) on March 10, 2015 stripped the Council on Affordable Housing (COAH) of its administrative duties relating to the affordable housing certification process. This decision granted the Fair Share Housing Center's (FSHC) motion in aid of litigant's rights, declared COAH ineffective in complying with the mandates of the Fair Housing Act of 1985 (FHA), dissolved the substantive certification process before COAH and created a judicial process by which a municipality can file a declaratory judgment action with the court seeking a judicial determination that their housing element satisfied their "third round" affordable housing obligation. The New Jersey Supreme Court appointed "Mount Laurel" judges for each of the state's fifteen (15) judicial vicinages to

hear and decide these actions. The Court directed that the reviewing judges utilize methodologies similar to that developed by COAH in the prior first and second rounds. The Court further established a specific deadline (July 8, 2015) by which municipalities could file such actions.

In response to the Supreme Court's March 10, 2015 decision, the Borough filed a declaratory judgment action with the Superior Court on July 8, 2015, seeking a judicial determination of compliance with the Borough's Third Round affordable housing obligation.

The DJ Action was settled, and the settlement was reviewed and approved by the Superior Court of New Jersey (the Honorable Hon. Thomas C. Miller, P.J.Ch. presiding) after a Fairness Hearing held on June 14, 2018, which approval is memorialized in an order entered by the court and filed on June 27, 2018 (the "Settlement Approval Order").

The Borough then proceeded to adopt the necessary documents to comply with the requirements of the settlement agreement and Court order including the adoption of a Housing Element and Fair Share Plan in 2018 (2018 HE&FSP) with all required ordinances and resolutions. The 2018 HE&FSP provided the methodology for implementing the Borough's settlement agreement with FSHC as approved by the Court.

The adopted plan components for compliance included rezoning two adjoining properties identified as the Elks Club and American Legion Hall sites on Route 206 for inclusionary housing development and 10 bedrooms of special needs housing at the Matheny Hospital and School facility.

The combined Elks and American Legion sites were rezoned to produce 11 affordable housing units. A subsequent application for a gasoline service station with convenience store was approved by the Borough's Land Use Board effectively removing the Elks property as a potential site for affordable housing development. The remaining parcel, the American Legion property, is not of sufficient land area by itself to provide for the difference in units that would have been constructed in combination with the adjoining Elks Club property and therefore, is no longer a viable property for inclusionary development.

Subsequent to adoption of the 2018 HE&FSP, the Borough was also informed by the Matheny School that the State of New Jersey's Division of Developmental Disabilities advised that the State would not license group homes on the Matheny property as it was contrary to state regulations. The two group homes contemplated for the Matheny site no longer presents a viable opportunity for affordable housing.

As a consequence of these two unforeseen circumstances it has become necessary for the Borough to develop an alternative plan to address the units that would have otherwise been constructed under the originally adopted 2018 HE&FSP.

In response to the changed circumstances the Land Use Board prepared a revised and amended Housing Element and Fair Share Plan dated August 7, 2020 (amended HE&FSP). The amended HE&FSP identifies properties for the development of affordable housing that requires amendment to the Borough's zoning ordinance.

The amended HE&FSP further requires amendment of the Borough's Master Plan Land Use Element in order to promote consistency between the Borough's amended HE&FSP and the most current version of the Land Use Element as required by the Municipal Land Use Law.

This document identifies specific amendments to the Land Use Element necessary to achieve the required consistency to implement the amended HE&FSP.

AMENDMENT TO THE LAND USE PLAN

Goals and Objectives

The following amendment is hereby incorporated into the Borough of Peapack and Gladstone Land Use Plan. This amendment is intended to accomplish the following goals and objectives:

1. Promote consistency with and implementation of the amended Housing Element and Fair Share Plan dated August 7, 2020 including the designation of Borough owned land for 100 percent affordable housing development, the designation of the Residential Housing Community zone for non-age restricted inclusionary affordable housing development and the creation of a mixed use inclusionary development zone within the Borough as described by this document;
2. Promote redevelopment of the Main/Lackawanna Avenue area to revitalize otherwise underutilized properties to increase the land use potential within the VN zone; and
3. Promote mixed use development within the Main/Lackawanna Avenue area that is compatible with the character of the community in a manner that is consistent with the Borough's Master Plan.

Property descriptions

A. Borough Owned – Smith Property

The Borough has purchased property located at 15 Apgar Avenue further identified as Block 20, Lot 1.03 for the specific purpose of promoting the development of a 100 percent affordable housing project. The property is presently undeveloped and encompasses an area of 3.21 acres. The property has been identified for affordable housing in Housing Element and Fair Share Plans previously adopted by the Borough Land Use Board and was included in the 2008 Housing Plan that was the subject of substantive certification by COAH just prior to the March, 2015 New Jersey Supreme Court's decision that invalidated the COAH process requiring the preparation of a new plan. The site was again included in the 2018 HE&FSP and continues to represent a key component of the Borough's compliance plan as adopted in the amended HE&FSP.

The Borough has entered into agreements with Bethel-Ridge, a non-profit affordable housing corporation to develop two group homes with 4 bedrooms each and with the Alpert Group who has agreed to develop 20 affordable family rental units on the site thereby resulting in a 100% affordable housing development as contemplated by the 2018 Housing Plan. The property is presently zoned for R-18 single family residential development. This amendment is intended to formally recognize this property for affordable housing development within the Borough's Master Plan Land Use Element as an affordable housing site with the intent of rezoning the property for this use consistent with the Borough's amended HE&FSP Affordable Housing, AH.

B. SJP Properties.

SJP Properties previously received approvals from the Borough Land Use Board to construct 68 age restricted housing units within the ORL/RR-5 zones specific to property located at 125 Route 206 further identified as Block 33, Lot 13 by Borough tax assessment records. As a result of negotiations with the Fair

Share Housing Center in settlement of the Borough's fair share housing obligation and the property owner, the Borough has amended its zoning ordinance to permit the construction of sixty-eight (68) non-aged restricted market-rate homes with the requirement that an additional fourteen (14) units of affordable housing be provided as part of the development of Block 33, Lot 13. The Borough has also entered into a memorandum of agreement confirming the affordable housing commitment for the development.

This land use element amendment is intended to formally recognize this property for non-age restricted inclusionary affordable housing development within the Borough's Master Plan Land Use Element for consistency with the Borough's amended HE&FSP.

C. Main and Lackawanna Avenue

This land use plan amendment includes properties located at 219 Main Street further identified as Block 22, Lot 13 by Borough tax assessment records containing 2.15 acres and 9-35 Lackawanna Street further identified as Block 20, Lot 5 containing 0.75 acres. The combined land area associated with the subject property is 2.9 acres. Both parcels are included in the 2020 amendment to the 2018 HE&FSP for inclusionary mixed use development.

An aerial of the subject area outlining the boundaries of the proposed land use amendment is appended to this document as Figure 1.

Portions of the subject properties are impacted by the presence of the Peapack Brook including floodway and flood hazard areas associated with the brook. It is noted, however, that a significant portion of the property is developable with sufficient land area available to support the type and scale of mixed use development contemplated by this plan amendment.

The area is also served by public water and is situated within the Borough's sewer service area with adequate capacity to support development as described in this document.

1. *Existing Land Use*

Existing land uses on the subject properties include retail sales (a tack shop, boutique store, and specialty car sales showroom), a restaurant (Cafe Saponi), a pizzeria, unused office/warehouse buildings, and a barn with garage structures.

Adjoining land uses include the rail line associated with the NJ Transit Gladstone line to the west, the Gladstone Station to the northwest, and Liberty Park to the south. Land Uses to the east along Main Street include one and two family residential structures and the St. Luke's Village Senior housing complex.

Although the subject properties are occupied by buildings that are not necessarily blighted, the buildings are dated, lack aesthetic appeal and are in need of improvement. There are no design elements of building design or streetscaping that creates a sense of neighborhood or place. The properties are not developed in a manner that represents an efficient arrangement of land uses and the properties are underutilized with nonperforming structures represented by the abandoned office/warehouse, barn and garage buildings.

2. *Subject Area Zoning*

The subject properties are located within the Village Neighborhood Zone (VN) which permits the following uses:

1. Single- and two-family dwellings.
2. Houses of worship.
3. Public or private schools approved by the State of New Jersey, Department of Education.
4. Government facilities.
5. Municipally sponsored affordable housing.

The VN zone also permits mixed use buildings subject to site plan approval by the Land Use Board:

Mixed use buildings, with a combination of personal service facilities and retail uses catering to the residential population of the Borough such as beauty and barber shops, travel agencies, florists, wine and liquor stores, restaurants, real estate offices, travel agencies, medical and general offices and financial institutions, provided that no drive-through window is permitted for any use, and provided further that residential apartments shall be permitted on the second and/or rear of a building.

Master Plan Land Use Element Amendment

The Master Plan Land Use Element is amended to create and apply an a Mixed Use Inclusionary Housing land use designation to properties identified as Block 20, Lot 5 and Block 22, Lot 13 in order to promote mixed use commercial and residential development with a required inclusionary component to provide affordable housing opportunities consistent with the Borough's 2020 Housing Element and Fair Share Plan. Any development within this designation shall be required to set aside affordable housing units in a manner that would be consistent with the 2020 HE&FSP.

The amendment to the Land Use Element envisions residential development both above ground floor commercial uses and as stand-alone multifamily structures and commercial uses with ground floor commercial with offices above. It is anticipated that this amendment will result in the development of 39,850 square feet of commercial space and 40 residential rental units including 3 units that will be affordable to low- and moderate-income families. Development contemplated by the plan includes the demolition of existing structures and new construction with associated parking and public improvements.

Further, the development contemplated by this amendment is envisioned to incorporate a cohesive design that complements the area in a manner that does not adversely impact the surrounding area. Landscaping, public amenities with open space and upscale architectural design is to be encouraged.

FINDINGS AND CONCLUSIONS

It is determined that the land use plan amendments, as detailed in this document, promotes compliance with the Borough's affordable housing obligation for the Third Round as described in the 2020 amendment to the adopted 2018 HE&FSP and thereby implements Goal Number 8 of the Borough Master

Plan which seeks to “meet the Borough’s affordable housing obligation” identified in the 2014 Reexamination Report. The adoption of the amended HE&FSP with this amendment to the land use element finalizes, with certainty, the affordable housing question deferred by the 2014 Reexamination Report. Figure 2 identifies the affordable housing sites described in this document.

Furthermore, the promotion of affordable housing on properties located on Main and Lackawanna Streets, as proposed in the amended HE&FSP, is consistent with **Goal Number 3** of the Borough Master Plan which seeks to limit the areas of higher, residential development to areas appropriate for such development. The 2014 Reexamination Report specifically refers to and identifies a “Village Community Boundary” line that includes lands east of the railroad zoned within the Borough’s “VN”, “R-11” and “R-18” zoning districts as appropriate areas for higher density housing. The 2014 Reexamination Report reinforces this policy by emphasizing that future development be directed solely within the sewer service zone of the Borough. The Main and Lackawanna Street mixed use zone is within the Village Community Boundary area as identified by the Borough’s Master Plan and within the Borough’s sewer service area.

Finally, the 2014 Reexamination Report seeks to promote “sustainable development.” As defined by the report:

A simple definition of sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs. More broadly stated, sustainable development creates and maintains conditions under which humans and nature can exist in productive harmony that permits fulfilling the social, economic, environmental and other requirements of present and future generations. This synergistic goal of altogether promoting socially, fiscally and environmentally responsible development often is referred to as "smart growth".

The proposed land use amendment described herein is consistent with the 2014 Reexamination Report definition of sustainable development and smart growth planning principles described above and continues the Borough’s broader land use policy of directing growth within the VN zone. Specifically, the following community wide benefits of adopting the proposed land use element amendments are noted:

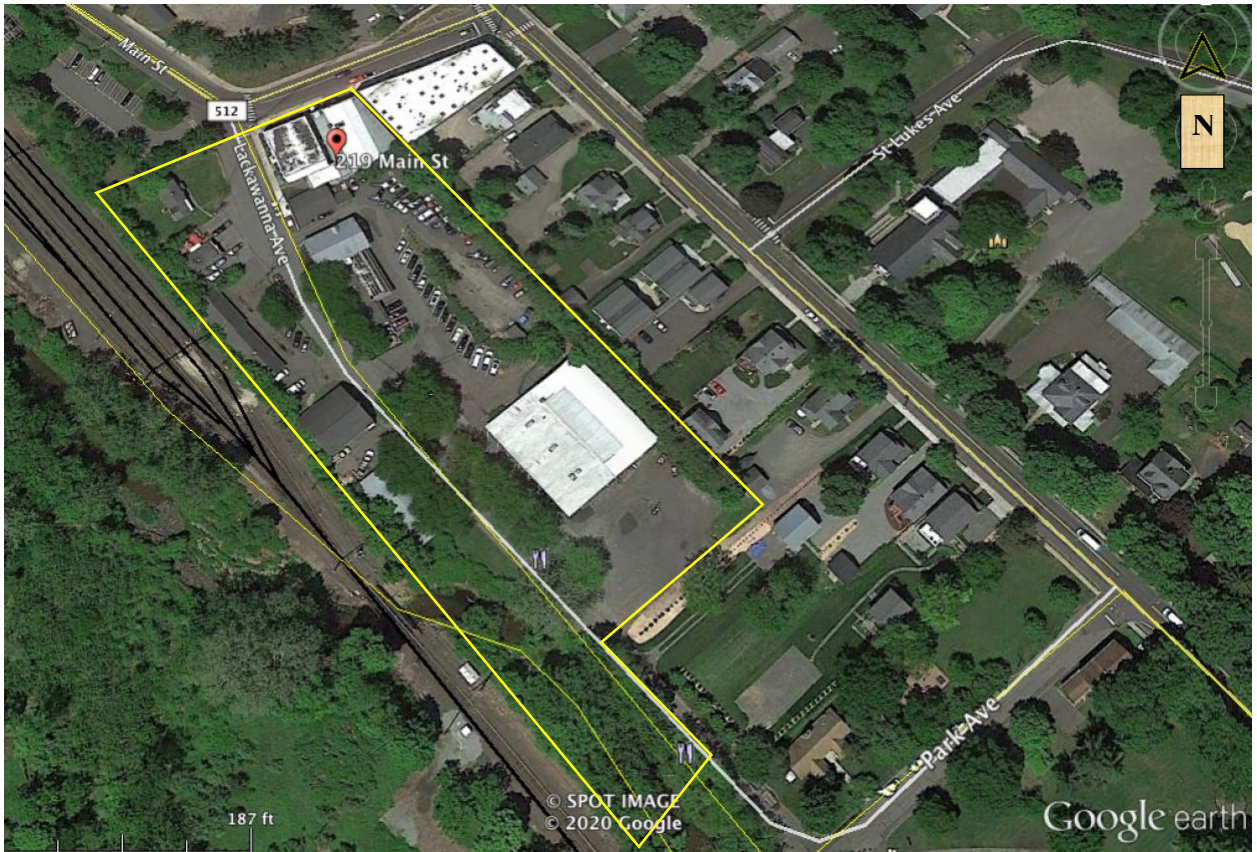
1. The property and neighborhood characteristics of the selected parcels for affordable housing are particularly suited for residential development given their close proximity to transit facilities, specifically the Gladstone rail station, community parks and the Borough’s business district. The Gladstone Rail station and Liberty Park are both within 0.2 miles of the subject area which is a 4 minute walk. Further, residents within the mixed use zone will enjoy walking distance proximity to commercial stores, restaurants and services;
2. The land use element amendment promotes the efficient use of land consistent with New Jersey Smart Growth principles and advances the purposes of the Municipal Land Use Law by locating residential development near major transit hubs. The benefit of locating housing development near a community transit hub and its downtown business area include but are not limited to the following:
 - a. Providing multiple transit options by both rail and bus to future residents reduces traffic congestion and parking demand;
 - b. Promoting the more efficient use of land through redevelopment. Development as envisioned

by this Land Use Element amendment will revitalize the surrounding area near the identified properties on Main and Lackawanna Streets which are characterized by aging buildings with poor site arrangements (excessive building and pavement coverage, lack of green or public space or landscaping, poor site circulation and poor parking lot arrangements);

- c. Proximity to the Borough's business district will afford future residents convenient access to shop and enjoy downtown amenities and services which will also benefit downtown businesses.

Therefore, given the Borough's policy to direct growth towards the Village Community Boundary area which is serviced by adequate sewer and water infrastructure, near the denser developed areas of the Borough with access to transit facilities and commercial services, the proposed amendment addresses the intent of the Borough to balance its current rural residential character with the need to provide affordable housing in a manner that is consistent with the Borough's Master Plan goals and objectives and land use policies.

Figure 1 – Lackawanna/Main Street Area Of Land Use Amendment



Source: Google Earth Accessed March 19, 2020

Figure 2 – Affordable Housing Sites

