



December 11, 2022

Re: 212 Durham Avenue
Borough of Metuchen, NJ
Harbor Consultants Project Number 2022029.001

Dear Planning Board Members:

Our office has reviewed the referenced documents for Preliminary and Final Major Site Plan for the property located at 212 Durham Avenue. We offer the following project review report related to Affordable Housing Requirements for the Board's consideration:

A. DOCUMENTS REVIEWED

The following materials were received from the Applicant and reviewed:

- 1) Preliminary and Final Major Site Plan for "212 Durham Urban Renewal, LLC", "Overall Site Layout Plan", Sheet C-302, prepared by B.S. Crowder, PE of Bohler Engineering, NJ, LLC, dated August 24, 2022 and revised through October 25, 2022;
- 2) Unit Tabulation Form, dated November 29, 2022;
- 3) Settlement Agreement by and between the Borough of Metuchen and Fair Share Housing Center, dated May 12, 2016.

B. AFFORDABLE HOUSING REQUIREMENTS

The site is otherwise known as the former Gulton factory site, which is subject to the requirements of the "Gulton Tract Redevelopment Plan". The subject Application proposes the construction of a multi-family residential development consisting of 272 total units. Pursuant to Section 5.7 of the Redevelopment Plan, it provides that "The provision of affordable housing within the Project Area shall be addressed in accordance with the Borough's Affordable Housing Ordinance and Housing Element and Fair Share Plan". Thus, Ordinance No. 2020-09 applies, which requires a mandatory set-aside of affordable units with a "set-aside of 15 percent if the affordable units will be for rent and 20 percent if the affordable units will be for sale". The 272-unit rental development requires a 15% set-aside, or 41 total affordable units

Bedroom Distribution

Pursuant to the Uniform Housing Affordability Controls (UHAC), the following regulations are applicable under N.J.A.C. 5:80-26.3(b):

- (b) *Affordable developments that are not age-restricted shall be structured in conjunction with realistic market demands such that:*

1. *The combined number of efficiency and one-bedroom units is no greater than 20 percent of the total low- and moderate-income units;*
2. *At least 30 percent of all low- and moderate-income units are two bedroom units;*
3. *At least 20 percent of all low- and moderate-income units are three bedroom units; and*
4. *The remainder, if any, may be allocated at the discretion of the developer.*

The UHAC requirements are codified in the Borough of Metuchen Zoning Ordinance under Article 21, "Affordable Housing", Section 110-95.7.A(3). It is recommended that the Borough should enforce the UHAC bedroom distribution requirements. Units that do not comply with the required bedroom distribution and the Borough's Settlement Agreement run the risk of not being credit-worthy, and thus it is vital that this project meet the agreed upon requirements.

The Applicant has provided the following proposed bedroom distribution for the affordable units, in compliance with the UHAC regulations:

Affordable Unit Bedroom Distribution Gulton Redevelopment Site Borough of Metuchen, Middlesex County, New Jersey		
Unit Size	Number of Units	Percent of Total Affordable Units
1 Bedroom	8	19.5%
2 Bedroom	24	58.5%
3 Bedroom	9	21.9%
	41	100%

Income Distribution

Pursuant to Article 21 "Affordable Housing" of the Borough of Metuchen Zoning Ordinance, Section 110-95.7.E(2)(a):

- “(E) Any townhouse, garden apartment or other multiple-family residential development, including PURDS, containing five or more dwelling units shall comply with the following:*
- (a) A minimum of 15 percent of the total number of units in a rental development shall be set-aside as affordable housing units with half being affordable to low-income households and 13 percent shall be affordable to very low-income households. If the calculation of the total number of such affordable units yields a fractional unit of less than 0.5 percent then a payment in lieu shall be provided or one additional unit. If the calculation of the total number of such affordable units yields a fractional unit of greater than 0.5, it shall count as one additional unit.”*

The unit matrix provided by the Applicant does not indicate the income breakdown of the units as very-low, low, or moderate. At a minimum, it is recommended that the Applicant agree to comply with the Borough Ordinance and UHAC income distribution requirements. The following income distribution has been outlined as follows, in accordance with UHAC requirements:

Affordable Unit Income Distribution Gulton Redevelopment Site Borough of Metuchen, Middlesex County, New Jersey				
Unit Size	Income-Level			Percent of Total Affordable Units
	VL	L	M	
1 Bedroom	1	3	4	8
2 Bedroom	3	9	12	24
3 Bedroom	2	3	4	9
	6	15	20	41
	41			

Phasing

Phasing of the affordable units, and including the off-site unit, must be in accordance with the phasing requirements set forth in N.J.A.C. 5:93-5.6(d).

Minimum Percentage of Low and Moderate Income Units Completed	Percentage of Market Housing Units Completed
0%	25%
10%	25% + 1 unit
50%	50%
75%	75%
100%	90%
	100%

Other Affordable Housing Requirements

Finally, it is recommended as a condition of Approval that the Applicant contract with an experienced and qualified third party administrative agent, which may be the Borough’s administrative agent (“Administrative Agent”), for the administration of the Affordable Units and shall have the obligation to pay all costs associated with the properly deed restricting the Affordable Units in accordance with UHAC and other applicable laws for the Deed-Restriction Period. It is recommended that if acted favorable upon, as a continuing condition of approval, the Applicant and its Administrative Agent shall work with the Borough and the Borough’s administrative agent, should the Applicant’s and Borough’s administrative agent not be one and the same, regarding any affordable housing monitoring requirements imposed by COAH or the Court.

Very Truly Yours,

A handwritten signature in black ink, appearing to read 'K. Sarmad', written in a cursive style.

Katherine Sarmad, PP, AICP
Harbor Consultants, Affordable Housing Planner

cc: Jay Muldoon (jmuldoon@metuchen.com), Director of Special Projects
Chris Consenza (ccosenza@lrk.com), Planning Board Planner
Melissa Perilstein (mperilstein@metuchen.com), Borough Administrator
Robert Renaud (rrenaud@rdlawnj.com)