

# **Master Plan Housing Element and Fair Share Plan**

## **Borough of Middlesex** Middlesex County, New Jersey

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## **I. INTRODUCTION**

This Housing Element and Fair Share Plan has been prepared on behalf of the Borough of Middlesex, Middlesex County, in accordance with the New Jersey Municipal Land Use Law (N.J.S.A. 40:55D-1 et seq.) and the New Jersey Fair Housing Act (N.J.S.A. 52:27D-301 et seq. as amended through P.L. 2024, c. 2 and hereinafter referred to as “FHA II”).

The Municipal Land Use Law requires that a municipality’s master plan include a Housing Element for it to exercise the power to zone and regulate land use.

FHA II established a new process whereby a municipality could secure approval of its Housing Element and Fair Share Plan. FHA II requires any municipality that wishes to participate in the new process to adopt a resolution committing to fair share obligations by January 31, 2025, and to file a declaratory relief action within 48 hours of adopting this resolution. By adopting this resolution and filing this declaratory judgment action, FHA II provides that the municipality is immune from exclusionary zoning lawsuits. FHA II further provides that if a municipality wishes to extend immunity, it must adopt a Housing Element and Fair Share Plan by June 30, 2025, and file the duly adopted Housing Element and Fair Share Plan with the Dispute Resolution Program created by FHA II.

The Borough has determined that it is in the best interest of the community to participate in the procedures established by FHA II.

Accordingly, the Borough of Middlesex adopted a resolution committing to certain fair share numbers by January 31, 2025 and subsequently filed a declaratory relief action within 48 hours of its adoption. In a further effort to follow the procedures created by FHA II, the Borough directed Paul Ricci, AICP, PP to prepare a Housing Element and Fair Share Plan for consideration by the Land Use Board and Governing Body. Accordingly, Paul Ricci, AICP, PP prepared this Housing Element and Fair Share Plan. If the Land Use Board adopts, this plan will be filed with the Dispute Regulation Program within 48 hours.

FHA II specifies that all parties may continue to rely on regulations previously adopted by the agency until new rules and regulations are adopted. A municipality’s affordable housing obligation consists of its rehab obligation, also known as its Present Need and its new construction obligation, also known as its Prospective Need. The new construction obligations consist of the Borough’s Prospective Need for Round 1 through the Round 4.

As to the rehabilitation obligation, the obligation is 14 units.

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As to the Prospective Need, the total combined obligation is 274 units for all rounds. This consists of a total obligation of 105 units for Rounds 1 and 2, an obligation of 88 units from Round 3, and an obligation of 81 units from Round 4. A municipality with insufficient vacant land may request an adjustment of its new construction obligation by means of Vacant Land Adjustment, currently pursuant to N.J.S.A. 52:27D-310.1 and formerly N.J.A.C. 5:93-4.

The Borough of Middlesex has a Vacant Land Adjustment from Rounds 1 and 2 that was approved by the Council on Affordable Housing (COAH) in 2005. Said Vacant Land Adjustment results in a Realistic Development Potential (RDP) of 16 units and an unmet need of 89 units.

The Borough is requesting a Vacant Land Adjustment for Rounds 3 and 4 and has determined that its combined Realistic Development Potential (RDP) is three (3) units, thereby resulting in a combined unmet need of 166 units.

This Housing Element and Fair Share Plan constitutes an amendment of the Middlesex Borough Master Plan and explains how it proposes to address its obligations. N.J.S.A. 52:27D-310 sets forth the required contents of a Housing Element as follows:

- a. An inventory of the municipality's housing stock by age, condition, purchase or rental value, occupancy characteristics, and type, including the number of units affordable to low- and moderate-income households and substandard housing capable of being rehabilitated, and in conducting this inventory the municipality shall have access, on a confidential basis for the sole purpose of conducting the inventory, to all necessary property tax assessment records and information in the assessor's office, including but not limited to the property record cards;
- b. A projection of the municipality's housing stock, including the probable future construction of low- and moderate-income housing, for the next ten years, taking into account, but not necessarily limited to, construction permits issued, approvals of applications for development and probable residential development of lands;
- c. An analysis of the municipality's demographic characteristics, including but not necessarily limited to, household size, income level and age;
- d. An analysis of the existing and probable future employment characteristics of the municipality;
- e. A determination of the municipality's present and prospective fair share for low- and moderate-income housing and its capability to accommodate its present and prospective

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housing needs, including its fair share for low- and moderate-income housing, as established pursuant to section 3 of P.L. 2024, c.2 (C.52:27D-304.1);

- f. A consideration of the lands that are most appropriate for construction of low- and moderate-income housing and of the existing structures most appropriate for conversion to, or rehabilitation for, low- and moderate-income housing, including a consideration of lands of developers who have expressed a commitment to provide low- and moderate-income housing.
- g. An analysis of the extent to which municipal ordinances and other local factors advance or detract from the goal of preserving multigenerational family continuity as expressed in the recommendations of the Multigenerational Family Housing Continuity Commission, adopted pursuant to paragraph (1) of subsection f. of section 1 of P.L.2021, c.273 (C.52:27D-329.20);
- h. For a municipality located within the jurisdiction of the Highlands Water Protection and Planning Council, established pursuant to section 4 of P.L.2004, c.120 (C.13:20-4), an analysis of compliance of the housing element with the Highlands Regional Master Plan of lands in the Highlands Preservation Area, and lands in the Highlands Planning Area for Highlands-conforming municipalities. This analysis shall include consideration of the municipality's most recent Highlands Municipal Build Out Report, consideration of opportunities for redevelopment of existing developed lands into inclusionary or 100 percent affordable housing, or both, and opportunities for 100 percent affordable housing in both the Highlands Planning Area and Highlands Preservation Area that are consistent with the Highlands regional master plan; and
- i. An analysis of consistency with the State Development and Redevelopment Plan, including water, wastewater, stormwater, and multi-modal transportation based on guidance and technical assistance from the State Planning Commission.

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## II. HOUSING ELEMENT

### A. Analysis of Demographic, Housing and Employment Characteristics

As required by N.J.S.A. 52:27D-310, all housing elements must contain a discussion of the community's demographic, housing, and economic characteristics. In fulfillment of this requirement, the following subsections profile the Borough of Middlesex with information obtained from the United States Census Bureau and the New Jersey Department of Labor and Workforce Development.

#### 1. Housing Stock Inventory

According to the most recent data of the United States Census Bureau, there are 5,703 housing units in the Borough of Middlesex, of which 136 or 2.4 percent are vacant. Of the 5,567 occupied housing units, 4,042 are owner-occupied and the remaining 1,525 units are renter-occupied. See Table 1, Housing Tenure by Number of Units in Structure, 2023 for a detailed explanation of the housing units identified in the United States Census Bureau's 5-Year American Community Survey.

**Table 1: Housing Tenure by Number of Units in Structure, 2023**

<i>Unit Type</i>	<i>Owner-Occupied Units</i>	<i>Percent of Total Occupied Units</i>	<i>Renter-Occupied Units</i>	<i>Percent of Total Occupied Units</i>	<i>Total Occupied Units</i>	<i>Percent of Total Occupied Units</i>
1 unit, detached	3,704	91.6	125	8.2	3,829	68.8
1 unit, attached	234	5.8	166	10.9	400	7.2
2 units	80	2.0	209	13.7	289	5.2
3 or 4 units	0	0.0	251	16.5	251	4.5
5 to 9 units	0	0.0	115	7.5	115	2.1
10 to 19 units	14	0.3	100	6.6	114	2.0
20 to 49 units	0	0.0	129	8.5	129	2.3
50 or more	10	0.2	430	28.2	440	7.9
Mobile home	0	0.0	0	0.0	0	0.0
Boat, RV, van, etc.	0	0.0	0	0.0	0	0.0
<b>Total Units</b>	<b>4,042</b>	<b>100.0</b>	<b>1,525</b>	<b>100.0</b>	<b>5,567</b>	<b>100.0</b>

**Note:** Percentage totals may not sum to 100 percent due to rounding

**Source:** United States Census Bureau, 2023 Five-Year American Community Survey

As can also be seen in Table 1, the Borough of Middlesex has a mix of housing types. Although 4,229, or approximately 76.0 percent of all occupied housing units, are single-family units, including 3,829 single-family detached and 400 single-family attached units, a total of 1,338 occupied housing units, or about 24 percent of all occupied housing units, are in structures that

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contain at least two housing units. Moreover, 10.2 percent of the occupied housing units are in structures that contain at least 20 units.

Table 2, Housing Units by Age of Structure, 2023, indicates the age of the Borough's housing stock. Approximately two-thirds (66.1 percent) of Middlesex's existing housing units were constructed before 1970, which reflects the trend towards suburbanization in the New York/New Jersey/Connecticut metropolitan area during this period. The Borough's housing stock is aging, with the median year built of all housing units being 1965; owner-occupied housing units being 1962; and renter-occupied housing units being 1972.

**Table 2: Housing Units by Age of Structure, 2023**

<i><b>Year Built</b></i>	<i><b>Total Units</b></i>	<i><b>Percent of Total Units</b></i>	<i><b>Owner-Occupied Units</b></i>	<i><b>Percent of Owner-Occupied Units</b></i>	<i><b>Renter-Occupied Units</b></i>	<i><b>Percent of Renter-Occupied Units</b></i>
2020 or Later	78	1.4	28	0.7	50	3.3
2010 to 2019	370	6.5	301	7.4	69	4.5
2000 to 2009	56	1.0	45	1.1	11	0.7
1990 to 1999	457	8.0	266	6.6	191	12.5
1980 to 1989	475	8.3	169	4.2	278	18.2
1970 to 1979	500	8.8	286	7.1	214	14.0
1960 to 1969	1,639	28.7	1,220	30.2	419	27.5
1950 to 1959	1,517	26.6	1,304	32.3	114	7.5
1940 to 1949	145	2.5	123	3.0	13	0.9
1939 or Earlier	466	8.2	300	7.4	166	10.9
<b>Totals</b>	<b>5,703</b>	<b>100.0</b>	<b>4,042</b>	<b>100.0</b>	<b>1,525</b>	<b>100.0</b>
<b>Median Year Built</b>	<b>1965</b>	<b>N/A</b>	<b>1962</b>	<b>N/A</b>	<b>1972</b>	<b>N/A</b>

**Note:** Percentage totals may not sum to 100 percent due to rounding

**Source:** United States Census Bureau, 2023 Five-Year American Community Survey

Table 3, Housing Units by Number of Rooms, 2023, shows that 60.5 percent of the Borough's housing stock contains six or more rooms, with all housing units containing a median of 6.0 rooms. When considering just owner-occupied units, however, it is noted that they contain a median of 6.6 rooms, with 77.9 percent of them containing six or more rooms. On the other hand, the Borough's renter-occupied units contain a median of 3.7 rooms, with just 14.5 percent of them containing six or more rooms.

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**Table 3: Housing Units by Number of Rooms, 2023**

<i>Rooms</i>	<i>Total Units</i>	<i>Percent of Total Units</i>	<i>Owner-Occupied Units</i>	<i>Percent of Owner-Occupied Units</i>	<i>Renter-Occupied Units</i>	<i>Percent of Renter-Occupied Units</i>
1 room	0	0.0	0	0.0	0	0.0
2 rooms	331	5.8	0	0.0	274	18.0
3 rooms	454	8.0	57	1.4	397	26.0
4 rooms	629	11.0	153	3.8	476	31.2
5 rooms	841	14.7	684	16.9	157	10.3
6 rooms	1,203	21.1	1,037	25.7	157	10.3
7 rooms	978	17.1	929	23.0	21	1.4
8 rooms	516	9.0	448	11.1	26	1.7
9 or more rooms	751	13.2	734	18.2	17	1.1
<b>Total</b>	<b>5,703</b>	<b>100.0</b>	<b>4,042</b>	<b>100.0</b>	<b>1,525</b>	<b>100.0</b>
<b>Median Rooms</b>	<b>6.0</b>	<b>N/A</b>	<b>6.6</b>	<b>N/A</b>	<b>3.7</b>	<b>N/A</b>

**Note:** Percentage totals may not sum to 100 percent due to rounding

**Source:** United States Census Bureau, 2023 Five-Year American Community Survey

Table 4, Value of Owner-Occupied Housing Units, 2023, provides a detailed description of housing values within the Borough of Middlesex. Indeed, it shows that most (64.2 percent) of the owner-occupied housing units in the Borough have a value of between \$300,000 and \$499,999, with the median value of owner-occupied housing units being \$414,600.

**Table 4: Value of Owner-Occupied Housing Units, 2023**

<i>Home Value</i>	<i>Number</i>	<i>Percent</i>
\$199,999 or less	258	6.4
\$200,000 to \$299,999	520	12.9
\$300,000 to \$499,999	2,594	64.2
\$500,000 to \$999,999	628	15.5
\$1,000,000 or more	42	1.0
<b>Total</b>	<b>4,042</b>	<b>100.0</b>
<b>Median Value</b>	<b>\$414,600</b>	<b>N/A</b>

**Note:** Percentage totals may not sum to 100 percent due to rounding

**Source:** United States Census Bureau, 2023 Five-Year American Community Survey

Table 5, Gross Rent of Renter-Occupied Units, 2023, details gross rents within Middlesex. As shown in Table 5, a cash rent is paid in all except 123, or 8.1 percent, of Middlesex's 1,525 renter-occupied housing units. When a cash rent is paid, the gross rent of most (56.7 percent) renter-occupied housing units with a cash rent ranges from \$1,000 to \$1,999 per month.

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**Table 5: Gross Rent of Renter-Occupied Units, 2023**

<b>Gross Rent</b>	<b>Number</b>	<b>Percent</b>
\$499 or less	145	9.5
\$500 to \$999	30	2.0
\$1,000 to \$1,499	538	35.3
\$1,500 to \$1,999	326	21.4
\$2,000 to \$2,499	317	20.8
\$2,500 to \$2,999	46	3.0
\$3,000 or more	0	0.0
No Cash Rent Paid	123	8.1
<b>Total Units</b>	<b>1,525</b>	<b>100.0</b>
<b>Median Rent</b>	<b>\$1,493</b>	<b>N/A</b>

**Note:** Percentage totals may not sum to 100 percent due to rounding

**Source:** United States Census Bureau, 2023 Five-Year American Community Survey

Evidence of the quality of Middlesex’s housing stock is provided by the United States Census Bureau, 2023 Five-Year American Community Survey, which indicates that none of the Borough’s 5,567 occupied housing units lack complete plumbing facilities, kitchen facilities, or phone service. This lack of units with incomplete facilities points to a well-maintained housing stock.

## 2. General Population Characteristics

According to the information from the United States Census Bureau that is presented in Table 6, Comparison of Middlesex Borough and Middlesex County Population Growth, 1920-2020, Middlesex’s population grew by 13,186 residents between 1920 and 1970, when it reached 15,038 residents. In the period since 1970, the Borough’s population has fluctuated with populations ranging between 13,055 in 1990 to 14,636 in 2020. Overall, however, the Borough’s population has declined by 402 residents or about 2.7 percent in the period from 1970 to 2020.

With regard to Middlesex County overall, it is noted that the County’s population has steadily increased in the period from 1920 to 2020, with an overall increase of 700,828 residents or 431.7 percent.

It is noted that the United States Census Bureau’s 2023 Five-Year American Community Survey estimates the populations of Middlesex and Middlesex County to be 14,518 and 861,535, respectively. While these values represent decreases over the values reported by the 2020 United States Census, we note that the 2023 Five-Year American Community Survey represents *average* values over the five-year period ending in 2023.

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**Table 6: Comparison of Middlesex Borough and Middlesex County Population Growth, 1920-2020**

<i><b>Decennial Census</b></i>	<i><b>Middlesex Borough</b></i>	<i><b>Percent Change Since Prior Census</b></i>	<i><b>Middlesex County</b></i>	<i><b>Percent Change Since Prior Census</b></i>
1920	1,852	—	162,334	—
1930	3,504	89.2	212,208	30.7
1940	3,763	7.4	217,077	2.3
1950	5,943	57.9	264,872	22.0
1960	10,520	77.0	433,856	63.8
1970	15,038	42.9	583,813	34.6
1980	13,480	-10.4	595,893	2.1
1990	13,055	-3.2	671,780	12.7
2000	13,717	5.1	750,162	11.7
2010	13,635	-0.6	809,858	8.0
2020	14,636	7.3	863,162	6.6

**Source:** United States Census Bureau

Middlesex's age distribution, which is provided in Table 7, Middlesex Age Distribution, 2010-2020, results in a median age of 40.2 years, which is 1.2 percent less than the 2010 median age of 40.7 years. This median age is higher than exhibited by Middlesex County, where the median age was 38.8 years in 2020 and 37.2 years in 2010.

The decrease in Middlesex's median age is reflected in decrease in population aged 80 years and above, and between 40 and 54. In 2010, a combined total of 29.9 percent of the Borough's population belonged to these age cohorts. By 2020, however, these age cohorts accounted for 23.8 percent of the Borough's population.

It is noted that the United States Census Bureau's 2023 Five-Year American Community Survey estimates the median age of Middlesex's population to be 44.3 years. This is a significant increase over 2020 values. As previously mentioned, however, it is noted that the 2023 Five-Year American Community Survey represents *average* values over the five-year period ending in 2023. Additionally, it should be mentioned that the 2023 Five-Year American Community Survey estimates are derived from statistical analysis, not actual population counts as with the United States Census.

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**Table 7: Middlesex Age Distribution, 2010-2020**

<b>Age Cohort</b>	<b>2010</b>	<b>Percent</b>	<b>2020</b>	<b>Percent</b>	<b>Percent Change (2010-2020)</b>
Under 5 Years	754	5.5	793	5.4	5.2
5 through 9 Years	818	6.0	878	6.0	7.3
10 through 14 Years	879	6.4	917	6.3	4.3
15 through 19 Years	939	6.9	858	5.9	-8.6
20 through 24 Years	783	5.7	848	5.8	8.3
25 through 29 Years	801	5.9	947	6.5	18.2
30 through 34 Years	777	5.7	1,035	7.1	33.2
35 through 39 Years	926	6.8	1,003	6.9	8.3
40 through 44 Years	1,059	7.8	939	6.4	-11.3
45 through 49 Years	1,175	8.6	973	6.6	-17.2
50 through 54 Years	1,204	8.8	1,051	7.2	-12.7
55 through 59 Years	896	6.6	1,118	7.6	24.8
60 through 64 Years	741	5.4	1,032	7.1	39.3
65 through 69 Years	547	4.0	732	5.0	33.8
70 through 74 Years	373	2.7	582	4.0	56.0
75 through 79 Years	323	2.4	403	2.8	24.8
80 through 84 Years	334	2.4	253	1.7	-24.3
85 Years and Over	306	2.2	274	1.9	-10.5
<b>Total Population</b>	<b>13,635</b>	<b>100.0</b>	<b>14,636</b>	<b>100.0</b>	<b>7.3</b>
<b>Median Age</b>	<b>40.7</b>	<b>N/A</b>	<b>40.2</b>	<b>N/A</b>	<b>-1.2</b>

**Note:** Percentage totals may not sum to 100 percent due to rounding

**Source:** United States Census Bureau

### 3. Household Characteristics

As defined by the Census Bureau, a household includes all persons who occupy a single housing unit, regardless of blood relation. Thus, a household may also include a group of unrelated individuals sharing group quarters. A family is identified as a group of persons that includes a householder and one or more persons related by blood, marriage or adoption, all living in the same household. According to the 2020 United States Census, there were 5,302 households in the Borough, with an average of 2.76 persons per household. In total, there were 3,295 families with an average of 3.27 persons per family. Of these family households, approximately 53.6 percent were comprised of married couples with or without children.

### 4. Income Characteristics

According to the United States Census Bureau's 2023 Five-Year American Community Survey, the median household income in Middlesex was \$107,063, which was about 1.8 percent lower than the median household income of \$109,028 in Middlesex County overall. Table 8, Household Income – Middlesex Borough and Middlesex County, 2023 provides additional information on household income in Middlesex and Middlesex County overall.

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**Table 8: Household Income – Middlesex Borough and Middlesex County, 2023**

	<b><i>Middlesex</i></b>	<b><i>Middlesex County</i></b>
<b><i>Total Households</i></b>	<b><i>5,567</i></b>	<b><i>305,610</i></b>
Percent of Households with Less than \$10,000	110	9,699
Percent of Households with \$10,000 to \$14,999	126	7,697
Percent of Households with \$15,000 to \$24,999	256	13,810
Percent of Households with \$25,000 to \$34,999	206	12,665
Percent of Households with \$35,000 to \$49,999	426	22,016
Percent of Households with \$50,000 to \$74,999	539	38,152
Percent of Households with \$75,000 to \$99,999	771	36,214
Percent of Households with \$100,000 to \$149,999	1,369	59,875
Percent of Households with \$150,000 or more	1,764	105,482
<b><i>Median Household Income</i></b>	<b><i>\$107,063</i></b>	<b><i>\$109,028</i></b>

**Note:** Percentage totals may not sum to 100 percent due to rounding

**Source:** United States Census Bureau, 2023 Five-Year American Community Survey

The United States Census Bureau's 2023 Five-Year American Community Survey indicates that 8.0 percent of the Borough's population lived below the poverty level within the last 12 months.

#### 5. Resident Employment Characteristics

Table 9, Distribution of Employment by Industry, Employed Middlesex Residents, 2023, indicates the distribution of Middlesex's 7,878 residents aged 16 years and over who are employed in the civilian labor force. The three industries with the largest share of employment in Middlesex include: Professional, Scientific, Management, Administrative, and Waste Management Services with 15.8 percent of employment; Education, Health and Social Services with 27.4 percent of employment; and Arts, Entertainment, Recreation, Accommodation and Food Services with 8.5 percent of employment.

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**Table 9: Distribution of Employment by Industry, Employed Middlesex Residents, 2023**

<i><b>Industry</b></i>	<i><b>Number</b></i>	<i><b>Percent</b></i>
Agriculture, Forestry, Fishing and Hunting, and Mining	0	0.0
Construction	613	7.8
Manufacturing	566	7.2
Wholesale Trade	319	4.0
Retail Trade	646	8.2
Transportation and Warehousing, and Utilities	482	6.1
Information	151	1.9
Finance, Insurance, Real Estate, and Renting and Leasing	572	7.3
Professional, Scientific, Mgmt., Administrative, and Waste Mgmt. Services	1,247	15.8
Education, Health and Social Services	2,161	27.4
Arts, Entertainment, Recreation, Accommodation and Food Services	670	8.5
Other	111	1.4
Public Administration	340	4.3
<b>Total</b>	<b>7,878</b>	<b>100.0</b>

**Note:** Percentage totals may not sum to 100 percent due to rounding

**Source:** United States Census Bureau, 2023 Five-Year American Community Survey

Table 10, Employment by Occupation, Middlesex Residents, 2023 more specifically identifies the occupation types of Middlesex's 7,878 residents aged 16 years and over who are employed in the civilian labor force. The numbers indicate that the most common occupation type is Management, Business, Science and Arts Occupations with 49.7 percent of employment, followed by Sales and Office Occupations with 20.6 percent of employment and Service Occupations with 13.3 percent of employment. In total, these three occupation types account for 83.6 percent of all employment in the Borough.

**Table 10: Employment by Occupation, Middlesex Residents, 2023**

<i><b>Occupation Type</b></i>	<i><b>Number</b></i>	<i><b>Percent</b></i>
Management, Business, Science and Arts Occupations	3,912	49.7
Service Occupations	1,045	13.3
Sales and Office Occupations	1,621	20.6
Natural Resources, Construction, and Maintenance Occupations	528	6.7
Production, Transportation, and Material Moving Occupations	772	9.8
<b>Total</b>	<b>7,878</b>	<b>100.0</b>

**Note:** Percentage totals may not sum to 100 percent due to rounding

**Source:** United States Census Bureau, 2023 Five-Year American Community Survey

## 6. Employment within Middlesex

According to the New Jersey Department of Labor and Workforce Development, Middlesex was estimated to have an average of 6,564 private sector jobs in 2023. As there is minimal developable land, it is anticipated there will be limited employment growth in coming years.

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### **III. FAIR SHARE PLAN**

#### **A. Introduction**

This section presents the Borough of Middlesex's plan to address its fair share obligation, which is broken down as follows:

Present Need (i.e., Rehabilitation)	14 units
Prospective Need for Rounds 1 and 2	105 units
Prospective Need for Rounds 3 and 4	169 units

The remainder of the Fair Share Plan outlines how the Borough of Middlesex proposes to address these obligations.

#### **B. Present Need Obligation**

To address the 14-unit present need (i.e., rehabilitation) obligation, the Borough intends to either establish a local rehabilitation program using funds from the Borough's Affordable Housing Trust Fund or participate in the Middlesex County Housing Rehabilitation Program.

In the event that the Borough establishes a local rehabilitation program, it will contract with a qualified consultant to manage and administer the rehabilitation program to provide for the rehabilitation for both owner- and renter-occupied homes. Program funds will be used for work and repairs required to make units standard and abate all interior and exterior violations of the New Jersey State Housing Code (N.J.A.C. 5:28) and the Rehabilitation Subcode (N.J.A.C. 5:23-6); remove any health and/or safety hazards; and perform any other work or repairs that are directly related to such objectives.

Municipal rehabilitation investment for hard costs shall average at least \$20,000 per unit and include the rehabilitation of at least one major system. The current plan is to dedicate \$20,000 per unit to rehabilitate at least two units per year over the course of the next seven years to satisfy the Borough's Present Need of 14 units. This will be reflected in the Spending Plan. If low- and moderate-income households elect not to participate, monies in the trust fund will be redirected to other activities.

#### **C. Prospective Need Obligation**

The Borough's combined prospective need obligation for all rounds is 274 units, which includes 105 units from Rounds 1 and 2 and 169 units for Rounds 3 and 4.

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The Borough's plan to address its prospective need is described below.

1. Rounds 1 and 2

The Borough's prospective need obligation for Rounds 1 and 2 was addressed in a Housing Element and Fair Share Plan, which was certified by COAH through December 20, 2005.

As detailed in said plan, the Borough lacked sufficient vacant developable land to address its 105-unit prospective need obligation from Rounds 1 and 2. The Borough, therefore, prepared a Vacant Land Adjustment, which resulted in an RDP of 16 units and an unmet need of 89 units.

To satisfy its RDP from Rounds 1 and 2, the Borough applied credits for four units in the 85-unit, 100-percent affordable, age-restricted rental development known as Watchung Terrace, which was built in 1995 and is located at 100 Watchung Terrace on Block 222, Lot 1.01. Additionally, the Borough applied 11 bedrooms in three alternative living arrangements and four associated rental bonus credits. In total, these credits from Watchung Terrace and the three alternative living arrangements resulted in 19 credits, which exceeded the 16-unit RDP by three units. The Borough's Rounds 1 and 2 RDP compliance is summarized in Table 11:

**Table 11: Rounds 1 and 2 RD Compliance**

<i><b>Compliance Mechanism</b></i>	<i><b>Units/ Credits</b></i>
Watchung Terrace (85-Unit, 100-Percent Affordable, Age-Restricted Rental Development)	4
Alternative Living Arrangements (11 Bedrooms and 4 Rental Bonus Credits Among 3 Sites)	15
<b>Total</b>	<b>19</b>
<b>RDP</b>	<b>16</b>
<b>Surplus</b>	<b>3</b>

**Note:** Percentage totals may not sum to 100 percent due to rounding

**Source:** United States Census Bureau, 2023 Five-Year American Community Survey

To address its unmet need of 89 units, the Borough applied 81 units of credit resulting from Watchung Terrace, which has been described above.

To address the remaining Rounds 1 and 2 unmet need obligation of eight units, the Borough applies the three-unit surplus in RDP compliance that has been identified in Table 11 (above). This results in a remainder of five units of Rounds 1 and 2 unmet need obligation, which the Borough will address in unison with its unmet need for Rounds 3 and 4.

2. Rounds 3 and 4

As previously noted, the Borough's combined prospective need for Rounds 3 and 4 is 169 units, which includes 88 units from Round 3 and 81 units from Round 4.

Middlesex Borough has a limited supply of vacant, developable land and, therefore, applies a Vacant Land Adjustment to its Rounds 3 and 4 prospective need. The Borough's Vacant Land Adjustment, which is detailed in Appendix A, results in a Realistic Development Potential (RDP) of three units and an unmet need of 166 units.

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*RDP Compliance*

Fairfield Avenue and Bound Brook Road. To address its RDP of three units, the Borough proposes to adopt zoning for Block 15, Lots 18, 20 and 22, which is located at the intersection of Fairfield Avenue and Bound Brook Road, to provide the development of inclusionary residential development at a density of 29 units per acre with a 20-percent affordable housing set-aside. It is envisioned that the affordable units created on this site would be two (2) family or non-age-restricted units. This site is:

1. Is free of encumbrances which preclude the development of affordable housing;
2. Is located in a public water and sewer district without restriction;
3. Can be developed consistent with the Residential Site Improvement Standards, N.J.A.C. 5:21, where applicable;
4. Is located in Planning Area 1 (Metropolitan) and accordingly is consistent with the current State Development and Redevelopment Plan;
5. Does not contain mapped environmental constraints (viz., flood hazard areas, wetlands, lakes, and streams);
6. Is located outside of a historic preservation district, is not regulated by Highlands, CAFRA, Pinelands or other state agencies;
7. Is located adjacent to suitable land uses; and
8. Adjoins an arterial roadway.

Group home. In addition to the site listed above, the Borough will coordinate with the Arc of Middlesex or a similar agency to create a minimum of a three-bedroom group home. To increase the likelihood of the generation of a group home, the Borough will dedicate up to \$300,000 from its trust fund to assist in the creation of these units. The Borough will also work to identify other potential funding sources to match or complement the Borough's contribution.

*Unmet Need Compliance*

To address its unmet need of approximately 166 units, the Borough proposes the adoption of overlay zoning ordinances on the following sites/at the following locations:

- Acme Supermarket Site (Block 6, Lot 2): The former Acme Supermarket has been vacant for several years. It covers an area of about 2.1 acres and is currently located in the GB (General Business) Zone. However, it adjoins the R-4 (Residential) Zone to the west and north. The R-4 (Residential) Zone permits garden apartments on 80,000-square-foot lots. The site fronts on Bound Brook Road (State Route 28) and is located near NJ Transit bus stops. The site is also a three-minute drive, eight-minute bus ride, and 19-minute walk to Dunellen Station, which provides service to Newark Penn Station and New York Penn Station. An overlay zoning ordinance to permit mixed-use development with a residential

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density of 20 units per acre would generate 42 units, including nine affordable units, with a set-aside of 20 percent.

- Block 286, Lots 1 and 1.01: Block 286, Lots 1 and 1.01 are partially located in the Lincoln Boulevard Redevelopment Area and within the CLW (Commercial/Light Manufacturing/Wholesale) Zone, which has historically been used for light industrial purposes in this area of the Borough. Including these properties in a new, mixed-use zone the permits development similar to that which is permitted in the Lincoln Boulevard Redevelopment Area at a density of 115 units per acre will provide for the creation of 297 units with a 20-percent affordable housing set-aside of 60 affordable units. Note that this area, which is located at the intersection of Mountain Avenue and Lincoln Boulevard, has already been planned for new mixed-use development adjacent to the Lincoln Statue Park and the location of the former Middlesex Station.
- Town Center (21.5 Acres): The goals of the Town Center is to encourage rehabilitation and redevelopment with the idea of creating a true “center” for Middlesex Borough. The Town Center is the current location of the Lincoln Statue, which is a focal point for the Borough. The Town Center also has the potential to act as transit hub, with possibilities of a train station and/or regional bus stop where there was previously a train station. The concept for the Town Center features a unique plaza, three- to five-story mixed-use and residential buildings, live-work units, a rehabilitated park for the Lincoln Statue, and a potential location for a future train station and/or bus stop. Overlay zoning that provides developer incentives and implements an affordable housing set-aside of 20 percent will be adopted.
- West Market (16.7 Acres): West Market is near the existing Super Fresh Supermarket that is currently the only major supermarket in the Lincoln Boulevard Area of the Borough. This Focus Area is intended to be the major retail node on Lincoln Boulevard with the Super Fresh Supermarket as its anchor. The redevelopment of this Focus Area is based on the creation of an economically viable “market” streetscape with an active pedestrian realm. Within the West Market area, it is recommended that new housing be added in addition to the substantial retail base to bring life to the street. To ensure a safe and active street life, a variety of building types with residential above the retail at grade is proposed. Overlay zoning that provides developer incentives and implements an affordable housing set-aside of 20 percent will be adopted.
- Gateway (17.4 Acres): To encourage the remediation of this tract in accordance with the 2007 Lincoln Boulevard Redevelopment Plan objectives, amendments to the Plan were undertaken in 2011. While this area has fewer redevelopment opportunities, several opportunities exist to expand upon mixed-use development that occurred at 150 Lincoln

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Boulevard. Overlay zoning that provides developer incentives and implements an affordable housing set-aside of 20 percent will be adopted.

It is anticipated that the foregoing mechanisms could easily result in the potential for at least 100 units of affordable housing to be created within the Borough. With the removal of five units to address the Borough's remaining unmet need from Rounds 1 and 2, it is determined that the foregoing mechanisms result in the potential for at least 95 units of credit toward the Rounds 3 and 4 unmet need.

**D. The 25 Percent Requirement**

Pursuant to N.J.S.A. 52:27D-310.1, any municipality that receives an adjustment of its prospective need obligations for Round 4 or subsequent rounds based on a lack of vacant land shall, as part of the process of adopting and implementing its housing element and fair share plan, identify sufficient parcels likely to redevelop during the current round of obligations to address at least 25 percent of the prospective need obligation that has been adjusted, and adopt realistic zoning that allows for such adjusted obligation or demonstrate why the municipality is unable to do so. Note that 25 percent of the Township's prospective need obligation that has been adjusted is 1 because 25 percent of 3 rounds to 1.

As has been previously demonstrated, this Housing Element and Fair Share Plan identifies concrete mechanisms that could easily result in the potential for at least 100 units of affordable housing. Therefore, the 25 percent requirement is exceeded.

**F. Developers Who Have Committed to a Project with Affordable Housing**

FHA II requires municipalities to address the following requirement in their housing element and fair share plans:

*A consideration of the lands that are most appropriate for construction of low- and moderate-income housing and of the existing structures most appropriate for conversion to, or rehabilitation for, low- and moderate-income housing, **including a consideration of lands of developers who have expressed a commitment to provide low- and moderate-income housing** [emphasis added].*

The foregoing requirement is provided at N.J.S.A. 52:27D-310.f.

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It is noted that no developer has provided a commitment to provide low- and moderate-income housing at this time.

**G. Reservation of Right and Authority**

Planning is a dynamic process, not a static one. Over the span of a ten-year compliance period, much may change that might warrant the Borough adjusting its approach to how it best addresses its obligations. Accordingly, the Borough reserves the right and authority to seek the right to amend or modify this Housing Element and Fair Share Plan for any reason.

## **Appendices**

## **Appendix A – Vacant Land Adjustment**

## **Rounds 3 and 4 Vacant Land Adjustment**

### **Borough of Middlesex**

Middlesex County, New Jersey

June 5, 2025

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*The original of this document was signed  
and sealed in accordance with New Jersey Law*

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## Vacant Land Adjustment

A vacant land adjustment is a means by which a municipality may adjust its fair share obligation due to a limited amount of vacant land capable of supporting the new development of affordable housing. The concept of adjusting a municipality's fair share obligation has been included within the Fair Housing Act at N.J.S.A. 52:27D-310.1.

As part of the development of this Fair Share Plan, all Class 1 (Vacant) and Class 15C (Public) properties, which comprise a combined total of 429.22 acres throughout the Borough, were inventoried and evaluated for the potential to accommodate the new development of affordable housing. The analysis, which is detailed below, determined that there is a realistic development potential (RDP) of three (3) units to support new development of affordable housing in the Borough.

### Methodology

N.J.S.A. 52:27D-310.1 establishes the criteria by which sites or portions of sites in a municipal vacant land inventory may be excluded from the calculation of RDP. For instance, environmentally constrained areas may be excluded from consideration. In addition, small, isolated lots having an insufficient acreage to generate one (1) affordable unit based on a 20 percent affordable housing set-aside and appropriate standards pertaining to housing density may be excluded. Vacant lots under development as part of an approved subdivision or properties that received site plan approval for development may also be excluded. Landlocked parcels or sites with limited or no access may also be excluded from the calculation of growth projections. Sites may also be excluded based upon incompatible land use.

The Vacant Land Inventory Table of Appendix B provides a parcel-by-parcel description of the exclusions that have been made. The general categories of exclusions are summarized below.

- Environmental Constraints: Environmentally constrained lands may be eliminated pursuant to N.J.S.A. 52:27D-310.1(g). Key environmental constraints of Middlesex include the following:
  - Wetlands: Some of the vacant lots contain freshwater wetlands. Wetlands areas and their associated transition area buffers have been overlaid on the vacant land inventory sites and are identified in the mapping of Appendix C. A uniform buffer width of 50 feet has been assumed to be conservative, as the transition area requirement could be increased to 150 feet for some wetlands areas.
  - Special Flood Hazard Areas: Special flood hazard areas have been eliminated from the developable land acreage of properties included in the vacant land inventory. The Borough of Middlesex has used digital geographic Flood Insurance Rate Map from

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- FEMA to analyze the special flood hazard areas within the Borough. Areas located in the special flood hazard area are shown in the mapping of Appendix C.
- Small and Isolated Sites: A large number of vacant lots in the municipality are too small to be realistically developed with an inclusionary development. Consequently, they have been eliminated as they are too small to accommodate one (1) affordable unit based on a 20 percent affordable housing set-aside and appropriate standards pertaining to housing density, and they are not located adjacent to another vacant lot that would result in the combined potential for one (1) affordable unit if merged. Such sites are identified as vacant with zero (0) RDP in the Vacant Land Inventory Table of Appendix B.
  - Access: Sites may be eliminated due to inadequate access. Any exclusions due to reason of access are identified in the Vacant Land Inventory Table of Appendix B.
  - Association-Owned Properties and Dedicated Open Space or Recreation: Sites may be eliminated due to their status as association-owned properties and dedicated open space or recreation. Any exclusions due to such reasons are identified in the Vacant Land Inventory Table of Appendix B.
  - Properties with Approved or Pending Development Applications: Sites may be eliminated due to existing approval or pending development applications. Any exclusions due to such reasons are identified in the Vacant Land Inventory Table of Attachment B.
  - Incompatible Land Uses: Sites may be eliminated when their development with affordable housing would be incompatible with surrounding land uses, such as heavy industrial uses. Any exclusions due to such reasons are identified in the Vacant Land Inventory Table of Appendix B.
  - Developed Status: It should be noted that Class 1 (Vacant) and Class 15C (Public) properties as identified in MOD-IV property tax assessment records frequently contain properties that are not actually vacant. This could be the result of errors in property tax assessment records, delay in updating property tax assessment records after a site has been developed, or a variety of other reasons. To determine actual vacancy, each lot in the Vacant Land Inventory Table of Appendix B was reviewed using the most recent aerial photographs of the New Jersey Department of Environmental Protection and other resources, local knowledge, input from municipal officials, and site visit. Where a site was identified in the MOD-IV property tax assessment records as Class 1 (Vacant) or Class 15C (Public), but developed, such development is noted in the Vacant Land Inventory Table of Appendix B.

After the exclusions detailed above have been made, a total of 94.67 acres remains as vacant and developable land. The mapping of Attachment A includes mapping of vacant parcels with developable land.

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Realistic Development Potential (RDP)

The RDP is calculated based on the 94.67 acres remaining as vacant and developable land. More specifically, as detailed in the Vacant Land Inventory Table of Appendix B, a density ranging from eight (8) to 32 units per acre was applied to each parcel containing vacant and developable land. The result of this calculation is that the municipality's RDP is 2.09 units, which rounds up to three (3) units. This low RDP is explained by the fact that most of the areas remaining as vacant and developable land are small and isolated, and do not have the area required to generate one (1) unit of RDP.

Unmet Need

The difference between the prospective need obligation and RDP is commonly referred to as the unmet need. Based on Middlesex's total prospective need obligation for Round 3 and Round 4 of 169 units and its RDP of three (3) units, the unmet need is 166 units.

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**Attachment A: Vacant Land Adjustment Mapping**

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