



BOROUGH OF DUNELLEN FOURTH ROUND HOUSING ELEMENT AND FAIR SHARE PLAN

PREPARED BY DMR ARCHITECTS
JUNE 2025

ADOPTED BY THE DUNELLEN PLANNING BOARD
JUNE 23, 2025

ENDORSED BY THE BOROUGH COUNCIL
_____, 2025

SIGNED & SEALED ORIGINAL ON FILE WITH BOROUGH CLERK

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EXECUTIVE SUMMARY

This Fourth Round Housing Element and Fair Share Plan (“HEFSP” or “Plan”) has been prepared for the Borough of Dunellen (“Borough” or “Dunellen”) in Middlesex County, New Jersey, in order to comply with its affordable housing obligation in accordance with the Fair Housing Act of 1985 (N.J.S.A. 52:27D-301 et seq.) (“FHA”) as amended by the bill known as A4/S50 or P.L. 2024 c.2, signed by Governor Phil Murphy on March 20, 2024.

An HEFSP is a document required by the FHA to be adopted by each municipality in the state to identify and address their respective, allocated need for safe and adequate housing for low- and moderate-income households, in order for the municipality to control the development of land through its zoning powers. The HEFSP establishes the manner and means by which the Borough of Dunellen will satisfy its State-mandated affordable housing or fair share obligation as that obligation is established in the Settlement Agreement. The Fair Share obligation is comprised of three components:

- ▶ The **Present Need** obligation, which reflects the estimated number of housing units in the Borough which are occupied by low- and moderate-income households and are in deteriorated condition that can be corrected through rehabilitation¹. This obligation is also known as the “Rehabilitation Share”, and the Borough’s obligation for this component is **79** units.
- ▶ The Prospective Need obligation, which reflects the number of affordable units the Borough must create to address its share of the projected “regional” need for low- and moderate-income housing for the period running from July 1, 2025 to June 30, 2035. That number is **23** units.
- ▶ A “review” of the Borough’s satisfaction of its Prospective Need obligations from the First, Second, and Third Rounds, also referred to in this Plan as “Prior Rounds”.

WHAT IS AFFORDABLE HOUSING

In 1975, the New Jersey Supreme Court (“Supreme Court”) ruled in the case of Southern Burlington County NAACP v. The Township of Mount Laurel, now simply referred to as “Mount Laurel I”, that every “developing” municipality in the State of New Jersey has a constitutional obligation to provide a reasonable opportunity for the construction of housing that is affordable to low- and moderate-income households. Eight years later, in 1983, the Supreme Court decided in what is known as “Mount Laurel II” that every municipality, regardless if its stage of development, must provide that opportunity for construction of affordable housing.

Two years after the Mount Laurel II decision, the New Jersey State Legislature adopted the Fair Housing Act which, among other things, created the Council on Affordable Housing (“COAH”) to:

- ▶ Establish housing regions for calculation of housing need, qualifying incomes, housing cost, and other factors;
- ▶ Estimating low- and moderate-income housing needs;
- ▶ Establishing the rules and means by which each municipality may address its need; and
- ▶ Create a process for reviewing and “certifying” that need has been met.

The Fair Housing Act, when first adopted, identified only the income categories of “low” and “moderate” income households, but was updated to include the category of “very-low” income in 2008 as part of the legislation known as the “Roberts Bill”, which made a number of changes to

Figure 1. Fair Housing Act Income Categories

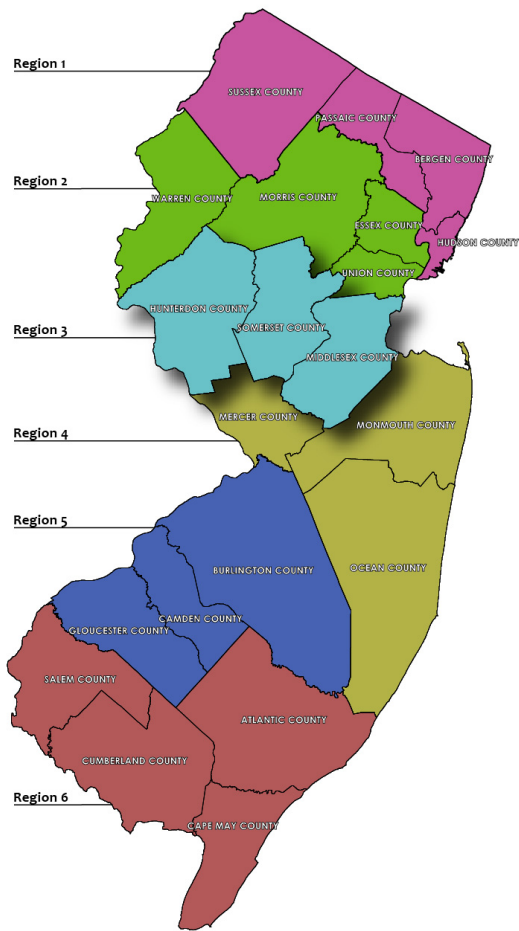
Very-Low Income Household: Earns 30% or less of Regional Median Income
Low-Income Household: Earns 30% to 50% of Regional Median Income
Moderate Income Household: Earns 50% to 80% of Regional Median Income

¹ Rehabilitation: Defined as the repair, renovation, alteration, or reconstruction of any building or structure, pursuant to the Rehabilitation Subcode, N.J.A.C. 5:23-6

the Act. The three categories are defined in Figure 1 - "Fair Housing Act Income Categories".

The values for what constitute very-low, low, or moderate income are based on the median incomes in COAH-defined "Regions". The Fair Housing Act tasked COAH with the delineation of these "Regions" having between two and four counties each which have "significant social, economic, and income similarities and which constitute to the greatest extent practicable the primary metropolitan statistical areas" reflected by the U.S. Census. Map 1 - "COAH Region Map" shows the current housing regions.

The Fair Housing Act defers to HUD and other "recognized" standards to define what makes housing "affordable". HUD has, since the 1980s, considered housing to be affordable where the cost of such housing is less than 30% of the household's income. This rate has also been adopted by banks and other institutions as the threshold for "affordability". In practice, affordable housing in New Jersey must adhere to the Uniform Housing Affordability Controls (UHAC) at N.J.A.C. 5:80-26.1 et seq, which uses the 30% threshold for renter-household income and a 28% threshold for homeowner-household income. The UHAC also establishes additional standards to ensure that affordable housing units are available to households of various sizes and incomes and priced affordably, as shown in Figure 2 - "Required Distributions" and Figure 3 - "Affordability Standards"



Map 1. COAH Region Map, with Region 3 highlighted, consisting of Middlesex, Somerset, and Hunterdon Counties

NEW JERSEY MOUNT LAUREL HISTORY

FIRST AND SECOND ROUNDS

COAH published what has come to be known as its "first round" rules (*N.J.A.C.* 5:92-1 et seq.) to calculate the affordable housing need which municipalities would be required to address between 1987 and 1993, and established the acceptable means to address that need. The rules included a calculation of an existing need based on an estimate of substandard housing that was occupied by low- and moderate-income households (commonly referred to as "present need", as well as a projection of future demand for housing opportunities by low- and moderate-income households (commonly referred to as "prospective need" or "new construction obligation"). The income classifications were based on the income metrics established by the U.S. Department of Housing and Urban Development. The present need would be addressed by rehabilitating existing substandard housing and the prospective need would be addressed by creating new housing.

In 1994, COAH adopted *N.J.A.C.* 5:93-1 et seq. which retroactively recalculated the present and prospective needs for 1987 to 1993 and provided new calculations of those needs for the period of 1993 to 1999. While the rules at the time were considered to be COAH's "second round" of rules, the obligations calculated through those rules are referred to today as the "Prior Round" because the Second Round need numbers were recalculated and combined with the need calculated for 1987 to 1993.

THIRD ROUND RULES

While the Fair Housing Act required COAH to adopt new rules in 1999, COAH did not adopt its Third Round rules until 2004, meaning there had been a five year gap following the effective period of the Second Round rules and the creation of new rules and need calculations. The 2004-adopted rules, located at N.J.A.C. 5:94-1 and 5:95-1 et seq., calculated a need period extending from 1999 to 2014 in order to capture the five years when rules were not in place and to project Prospective Need over the next 10 years (In 2001 the Fair Housing Act was amended to extend the effective time frame of any future-adopted COAH rules from the original 6 years used in Rounds 1 and 2 to a period of 10 years).

The 2004-adopted Third Round rules used a new method called "Growth Share" for calculating municipal new-construction obligation. Growth Share tied each municipality's affordable housing obligation to actual residential and non-residential growth between 2004 to 2014. The New Jersey Appellate Court invalidated substantial portions of the Third Round rules, including the Growth Share methodology, in the January 25, 2007 decision In re Adoption of N.J.A.C. 5:94 and 5:95, and ordered COAH to adopt amendments to the rules within six (6) months.

COAH *did* adopt amended rules more than 15 months later on June 2, 2008 (N.J.A.C. 5:96 and 5:97), which used a modified Growth Share methodology establishing a need for the period of 1999-2018, which had to be addressed by 2018, and recalculating the Prior Round obligations and the means of addressing those obligations. Once again, however, the new rules were challenged and largely invalidated in 2010 due to the continued use of the Growth Share methodology to calculate municipal obligations despite the methodology being struck down in 2007.

COAH once more attempted to adopt Third Round rules in 2014. Draft rules were published in April 30 of that year and scheduled for a decision on adoption on October 20, 2014. At that October 20 meeting, COAH deadlocked in its vote to adopt the rules and did not reschedule to consider the rules again, effectively failing to adopt the new rules.

MOUNT LAUREL IV

After COAH failed to adopt its 2014 draft rules, Fair Share Housing Center, a prominent advocacy organization for the creation of affordable housing in New Jersey, filed with the New Jersey Supreme Court a motion in aid of litigant's rights. On March 10, 2015, the Supreme Court issued a ruling on that Motion In re Adoption of N.J.A.C. 5:96 & 5:97, which is now commonly referred to as "Mount Laurel IV", which transferred COAH's responsibilities to designated Mount Laurel trial judges. These responsibilities primarily consist of reviewing and approving municipal Housing Elements and Fair Share Plans. Additionally, the Mount Laurel IV decision directed municipalities to file Declaratory Judgments with those judges to seek to find themselves in compliance with their fair share obligations,

Figure 2. Required Distributions

Within and across all developments addressing the Borough's Prospective Need, the following ratios must be met:

Income Distribution: Income Categories as a % of affordable units

- Moderate Income: 50% or less
- Low Income: 37% or more
- Very-Low Income: 13% or more

Bedroom Distribution: Unit type as a % of affordable units (non-age-restricted development)

- One-Bedroom or Studios: 20% or less
- Two-Bedroom: At least 30%
- Three-Bedroom: At least 20%

Figure 3. Affordability Standards

Rentals Units:

- Maximum Rent: Affordable to 60% of RMI
- Average Rent: Affordable to 52% of RMI

For-Sale Units

- Maximum Rent: Affordable to 70% of RMI
- Average Rent: Affordable to 55% of RMI

RMI=Regional Median Income

and to prepare Housing Element and Fair Share Plans based on COAH's Second Round rules and those portions of COAH's 2008-adopted Third Round rules that were upheld by the Appellate Division in 2010.

Given that the Supreme Court did not establish the affordable housing obligations that each municipality would be required to address, there had been much debate in the years following the Mount Laurel IV decision as to how to calculate municipal present and prospective need obligations in a manner that complies with that decision as well as Appellate Division decisions that had invalidated earlier versions of the Third Round rules. Numbers had been offered by experts recruited by Fair Share Housing Center, a consortium of municipalities, and even the Courts.

Figure 4. Builder's Remedy

Defined at N.J.S.A. 52:27D-328 as "a court imposed remedy for a litigant who is an individual or a profit-making entity in which the court requires a municipality to utilize zoning techniques such as mandatory set-asides or density bonuses which provide for the economic viability of a residential development by including housing which is not for low and moderate income households."

As an intervenor recognized by the Courts in the affordable housing matters, Fair Share Housing Center (FSHC) has played a key role in municipalities' Declaratory Judgment actions to be certified as compliant with their affordable housing obligation. As a result, municipalities have been required to enter into Settlement Agreements with FSHC as part of their compliance actions.

On March 8, 2018, The Honorable Judge Mary Jacobson of the Superior Court of New Jersey Law Division in Mercer County published her opinion in the Matters of the Municipality of Princeton and the Township of West Windsor settling on a methodology for establishing the affordable housing obligations of municipalities in the vicinage containing Mercer County. Judges across New Jersey have since accepted and adopted her opinion and it has served as the basis for affordable housing settlement agreements since that time. Up until that point, most Settlement Agreements sought to find a middle ground between the affordable housing obligation calculations offered by the various "numbers" experts.

Historically, a municipality that prepared a Housing Element and Fair Share Plan for compliance with the Fair Housing Act would prepare and submit a Plan to COAH pursuant to COAH's rules and seek "substantive certification", a documented determination by COAH that a municipality's HEFSP complies with COAH's regulations and the FHA. Substantive certification would have the affect of protecting municipality's from "builder's remedy" lawsuits, defined in Figure 4 - "Builder's Remedy" . Rather than seeking substantive certification, a municipality currently participating in the affordable housing compliance process is seeking a Judgment of Compliance from the Court stating that the municipality has adopted an HEFSP and any ordinances and resolutions required to implement that HEFSP according to the Supreme Court's Mount Laurel IV decision, which has the same affect as substantive certification.

FOURTH ROUND RULES

On March 20, 2024, Governor Phil Murphy signed into law the bill known as A4/S50, which amended the Fair Housing Act ("FHA" or "Act") to abolish the Council on Affordable Housing ("COAH") and set forth the processes by which municipal affordable housing obligations will be determined and satisfied for the Fourth Affordable Housing Round (beginning on July 1, 2025 and terminating on June 30, 2035) and beyond.

The Bill tasked the New Jersey Department of Community Affairs ("DCA") with determining municipal affordable housing obligations for the Fourth Round by October 20, 2024, and required municipalities to declare their affordable housing obligations by binding resolution no later than January 31, 2025, and to adopt their HEFSPs by June 30, 2025, along with draft implementing ordinances, adopted resolutions, and supporting documents. Ordinances are to be adopted by March 16, 2026.

The Bill also created a new body called the Affordable Housing Dispute Resolution Program (Program)

which will be responsible for reviewing plans for consistency with the Fair Housing Act and handling challenges to municipalities' stated housing obligations or to their affordable housing plans.

THE AFFORDABLE HOUSING OBLIGATION

The Borough's obligation consists of two components:

- The "Prospective Need" new construction obligation reflecting the need for affordable housing projected between 2025 and 2035; and
- The "Present Need" or "Rehabilitation" obligation, reflecting the number of estimated housing units in the municipality that are substandard and occupied by low- and moderate-income households.

The Plan must also review the Borough's satisfaction of its new construction obligation for the previous three rounds.

DETERMINING PROSPECTIVE NEED

Prospective Need obligations are calculated at the housing Region level and allocated to the municipalities within the region based on household income, non-residential property values, and land use factors, which are meant to reflect the municipality's wealth, job opportunities, and land availability². These obligations are required to be addressed through the creation of new affordable units, the renewal of affordability controls on existing affordable housing units (Figure 6 - "Affordability Controls"), or the creation of zoning or redevelopment plans that provide for a realistic opportunity create affordable housing units.

Present Need obligations are calculated at the local level using estimates from the U.S. Census or American Community Survey of the number of existing deficient housing units occupied by low- and moderate-income, with deficiency based upon a lack of plumbing, kitchen facilities, age of housing, and crowding³. Present Need is typically addressed by funding and/or participating in programs that offer to rehabilitate deficient housing with income-qualified owner or renter occupants in exchange for 10-year deed restrictions, although it may be addressed by building new housing as well.

The NJ DCA⁴ published its non-binding calculations of the Prospective and Present Needs for every municipality in New Jersey on October 18, 2024, based upon the methodology prescribed in A4/S50. The DCA determined that the Borough had a **79-unit Present Need**, and a **23-unit Prospective Need**. In a resolution passed on January 21, 2025, the Borough accepted DCA's calculations while reserving the right to adjust its Present Need and Prospective Need through two tools authorized by P.L. 2024, c.2 and Prior Round rules that have not been invalidated by Court rulings or prohibited by P.L. 2024, c.2.

Figure 5. 4th Round Housing Plan Ratios

The affordable housing development and units addressing the Borough's Prospective Need Obligation must also comply with the following ratios:

Family Unit: Affordable units that are available to families (i.e. units that are not age-restricted or for persons with special needs) must comprise at least half of:

- All affordable units
- All rental units
- All very-low income units

Rental Minimum: At least 25% of affordable units shall be rentals;

Age-Restricted Maximum: Not more than 30% of affordable units

Transitional Housing: Not more than 10% of the obligation

Very-Low Income Units: At least 13% of affordable units

Figure 6. Affordability Controls

Controls by deed restriction, contract, or other legal or binding means which ensure that housing units remain affordable to low- and moderate-income households over a certain period of time in accordance with the Fair Housing Act and applicable regulations.

2 N.J.S.A. 52:27D-304.3.c

3 N.J.S.A. 52:27D-304.3.b

4 Department of Community Affairs

SATISFACTION OF THE PROSPECTIVE NEED

Satisfaction of the Prospective Need is subject to certain restrictions and minimum requirements, some of which are detailed in [Figure 5 - "Housing Plan Ratios"](#).

The Fourth Round Rules allow municipalities to claim a number of bonus credits equal to not more than 25% of the Prospective Need for the units from the types of projects listed below. Bonuses are per unit falling into the respective category:

- Special Needs/Supportive Housing - 1 bonus credit per bedroom
- Non-Profit Partnership - 0.5 bonus credits per affordable unit
- Transit Oriented (0.5 mile from public transit stop) - 0.5 bonus credits per affordable unit
- Age-Restricted Units - 0.5 bonus credits per age-restricted affordable unit available for up to 10% of the age-restricted units.
- Surplus Very-Low Income Units - 0.5 bonus credits per affordable unit
- Surplus Three-Bedroom Units - 0.5 bonus credits per surplus 3-BR unit
- Redevelopment of commercial properties - 0.5 bonus credits per affordable unit
- Extension of Affordability Controls - 1 bonus credit per affordable unit with extended controls
- Municipally-Sponsored Development (contribute lands or funds equal to at least 10% of cost of constructing a 100% affordable development) - 1 bonus credit per affordable unit with extended controls
- Market-to-Affordable Program - 1 bonus credit per affordable unit

WHAT IS A HOUSING ELEMENT AND FAIR SHARE PLAN

A Housing Element and Fair Share Plan is a document required by the New Jersey Fair Housing Act of 1985 ("FHA") to be adopted by each municipality in the state to identify and address their respective, allocated need for safe and adequate housing for low- and moderate-income households.

As the next section of this report discusses, the "need" and the manner in which that "need" can be addressed had historically been promulgated by the Council on Affordable Housing (COAH), an entity created by the Fair Housing Act in 1985.

However, A4/S50 (P.L. 2024, c.2.) amended the Fair Housing Act and other statutes such that it disbanded COAH, restructured the jurisdictional regime for the administration of the affordable housing process, and established the Fair Housing Act as the regulatory document for calculating and addressing the affordable housing obligation. Where the amended Fair Housing Act falls short in outlining the means of determining and satisfying a municipality's responsibilities, it permits municipalities, the Courts, and developers to rely on previously accepted and upheld practices and rules to fill in the gaps in the statute. See "Figure 8. Section 24 of P.L. 2024, c.2 (Section 311.m of the Fair Housing Act)" on page 12.

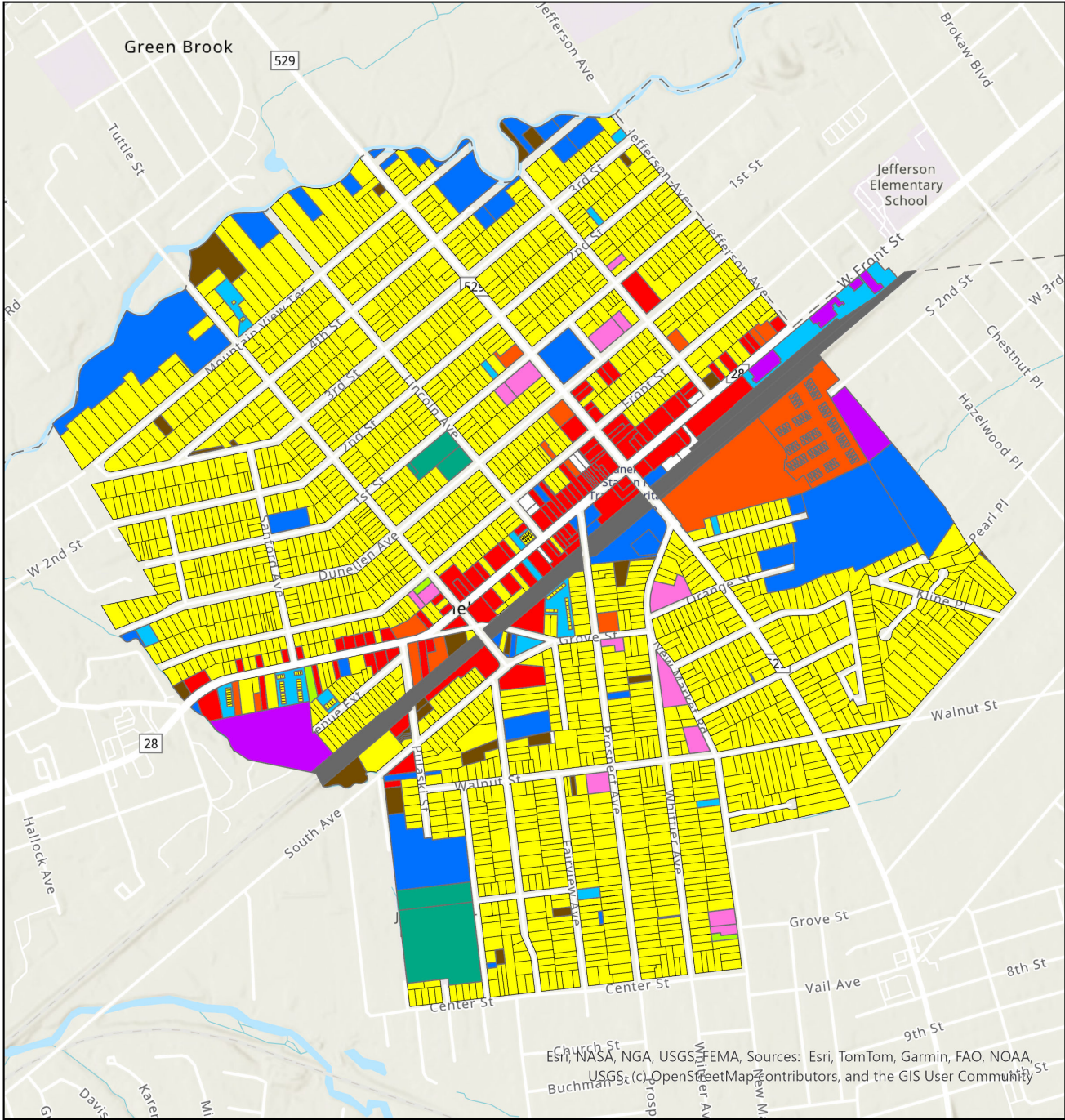
The affordable housing "need" identified and addressed in this Plan is comprised of the Present Need and Fourth Round Prospective Need for 2025 to 2035, and is based on the methodology detailed in A4/S50, which largely codifies the methodology that was approved by the Honorable Mary C. Jacobson of Mercer County in 2018 to resolve disputes over the Third Round methodology in the absence of COAH or legislative intervention.

Figure 7. Required HEFSP Contents

- Inventory of municipal housing stock and occupant characteristics;
- Demographic analysis;
- Analysis of existing and 10-year projected employment characteristics;
- 10-year housing stock projection;
- Determination of municipal present and prospective needs for low- and moderate-income housing;
- Consideration of lands most appropriate for the construction of low- and moderate-income housing and/or identification of existing structures appropriate to convert to low- and moderate-income housing;
- Analysis of the extent to which municipal ordinances and other local factors advance or detract from the goal of preserving multi-generational family continuity;
- 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

Figure 8. Section 24 of P.L. 2024, c.2 (Section 311.m of the Fair Housing Act)

- All parties shall be entitled to rely upon regulations on municipal credits, adjustments, and compliance mechanisms adopted by the Council on Affordable Housing unless those regulations are contradicted by statute, including but not limited to P.L.2024, c.2 (C.52:27D-304.1 et al.), or binding court decisions.



DUNELLEN 2024 ASSESSED LAND USE

- 1- to 4-Family Dwellings
- Multi-Family
- Commercial
- Industrial
- Public Property
- Public School
- Religious & Charitable Property
- Other School Property
- Other Tax Exempt Properties
- Railroad
- No Data/Parking & Common Areas
- Vacant



Map 2. Land Use as assessed by the Tax Assessor

ABOUT DUNELLEN

The Borough of Dunellen is a primarily residential community at the northern edge of Middlesex County N.J. approximately 30 miles southwest of New York City. It lies astride N.J State Highway Route 28 and the Raritan Valley rail line of New Jersey Transit. The Dunellen Station on the Raritan Valley Line provides commuter rail service to Newark ,N.J. and from there to New York. It is bordered on the south by Piscataway Township in Middlesex County, on the north by Green Brook Township in Somerset County , on the east by the City of Plainfield in Union County and on the west by Middlesex Borough in Middlesex County. Dunellen is a small borough containing only 1.06 square miles. The 2020 population according to the U.S. Census was 7,637. The Borough enjoys the nickname of “ The Miracle Mile “ owing to its thriving downtown.

AFFORDABLE HOUSING HISTORY

The Borough of Dunellen prepared its first Housing Plan Element and Fair Share Plan in response to COAH’s Third Round rules and to address its “growth share” obligation in January of 2006. The Borough subsequently petitioned COAH for substantive certification of this plan on February 8, 2006. After the Appellate Division invalidated the Third Round Rules, COAH adopted a second iteration of these rules in 2008. The Borough re-petitioned COAH for substantive certification of its Housing Plan Element and Fair Share Plan in February of 2009. However, the Borough did not receive substantive certification from COAH for its 2006 Plan and the Appellate Division invalidated the revised Third Round Rules in 2010.

Following the Supreme Court's 2015 Mount Laurel IV decision, the Borough entered into settlement negotiations with Fair Share Housing Center to come to an agreement regarding the Borough's obligations and the manner in which those obligations would be met. The agreement assigned the Borough a 118-unit Prospective Need for the years 1999 to 2025, which was adjusted to a “realistic development potential” of 22 units, with an “unmet need” of 96 units. The obligation was satisfied through an amendment to the Borough’s Downtown Redevelopment Plan to incentivize mixed-use development with an affordable housing set-aside, and facilitating the redevelopment of the former Art Color Factory site to the mixed-use development now known as “The Nell”.

WHAT IS “AFFORDABLE” IN DUNELLEN

Dunellen is located in Housing Region 3, which includes Middlesex, Somerset, and Hunterdon Counties. Whereas COAH has historically had the responsibility of annually publishing “income limits” establishing the maximum very-low, low-, and moderate-income household incomes based on household size in each region, as well as the maximum value of assets qualifying households may own, that responsibility now falls with the New Jersey Housing and Mortgage Finance Agency (“HMFA”). Income limits are generally calculated based on HUD’s methodology for calculating its own income limits.

Chart 1 - “2024 Region 3 Income Limits” summarizes the maximum incomes for very-low, low, and moderate income households in Region 3 by household size as published for the year 2025 by NJ HMFA.

Chart 1. 2025 Region 3 Income Limits

HOUSEHOLD INCOME CATEGORY	1-PERSON	2-PERSON	3-PERSON	4-PERSON	5-PERSON
MODERATE	\$85,920	\$98,240	\$110,480	\$122,720	\$132,560
LOW	\$53,700	\$61,400	\$69,050	\$76,700	\$82,850
VERY-LOW	\$32,220	\$36,840	\$41,430	\$46,020	\$49,710

Source: Affordable Housing Professionals of NJ/FSHC 2024 Affordable Housing Regional Income Limits

Based on the Uniform Housing Affordability Controls (UHAC) at N.J.A.C. 5:80-26.3, the “gross” rent for affordable units, which means the rents and any utilities and services (example: trash, gas, electric,

water/sewer) included therein, cannot exceed 30% of gross incomes at the 30% of regional median income level for very-low income units, 50% of regional median income level for low-income units, or 60% of regional median income for moderate income units.

The UHAC limits the highest affordable-unit sales price to that which is affordable to moderate income households earning 70% of regional median income. Affordability for for-sale / homeowner units are more variable than rental units as they depend upon current mortgage rates, homeowner insurance rates, and homeowner association or condominium fees, but are not affected by utilities. Additionally, unlike affordable rents, which are based upon 30% of gross household income, sales prices are considered to be affordable when the costs of the mortgage, insurance, and HOA/Condo fees are less than or equal to 28% of gross household income.

As of the writing of this Plan, the HMFA has not yet published calculators, like those previously provided by COAH or the Affordable Housing Professionals of New Jersey, to assist in calculating affordable rents or sales prices. However, based on the guidelines for affordability as a percentage of household income, affordable monthly renter and homeowner costs for a 1, 2, or 3 bedroom unit would be as follows. See [Chart 2 - "2025 Region 2 Affordable Rents"](#) and [Chart 3 - "2025 Region 2 Affordable Monthly Costs for Homeowners"](#).

Chart 2. 2025 Region 3 Affordable Rents

HOUSEHOLD INCOME CATEGORY	1-BEDROOM (1.5-PERSON H.H.)	2-BEDROOM (3-PERSON H.H.)	3-BEDROOM (4.5-PERSON H.H.)
MODERATE (60% RMI)	\$1,727	\$2,072	\$2,393
LOW	\$1,439	\$1,726	\$1,994
VERY-LOW	\$863	\$1,036	\$1,197

Source: NJHMFA 2025 UHAC Affordable Regional Income Limits

Chart 3. 2025 Region 3 Affordable Monthly Costs for Homeowners

HOUSEHOLD INCOME CATEGORY	1-BEDROOM (1.5-PERSON H.H.)	2-BEDROOM (3-PERSON H.H.)	3-BEDROOM (4.5-PERSON H.H.)
MODERATE (70% RMI)	\$1,880	\$2,256	\$2,606
LOW	\$1,343	\$1,611	\$1,861
VERY-LOW	\$806	\$967	\$1,117

Source: NJHMFA 2025 UHAC Affordable Regional Income Limits

DUNELLEN BOROUGH DEMOGRAPHICS AND HOUSING STOCK

INTRODUCTION

This section of the Housing Element and Fair Share Plan is intended to provide the following information required at N.J.S.A. 52:27D-310:

- ▶ 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;
- ▶ 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;
- ▶ An analysis of the municipality's demographic characteristics, including but not necessarily limited to, household size, income level and age; and
- ▶ An analysis of the existing and probable future employment characteristics of the municipality.

The data in this section represents the most recent data publicly available from standard and typical data sources used in preparing Housing Elements, including from the 2019-2023 Five-year American Community Survey (ACS) data published by the U.S. Census Bureau, Longitudinal Employer Household Data (LEHD) published by the U.S. Census Bureau, and labor statistics published by the New Jersey Department of Labor and Workforce Development (LWD), which are standard data sources for use in preparing this section. Due to statistical methods used to create some of these data sources, there may be actual or perceived discrepancies between the story told by the data versus true "on the ground" conditions.

HOUSING CHARACTERISTICS

Chart 4 - "Housing Units in Dunellen Borough by Type of Structure, Tenure and Occupancy Status in 2023" displays the total number of housing units in the Borough broken down by tenure type (renter or owner) and the type of building containing the housing unit(s). More than six out of every ten (64%) of the housing units is in a detached single-family house,

typical for suburban communities in New Jersey. Only 3% of the housing units are in apartment buildings with 20 or more units. The remainder of the Borough's housing is in buildings with 2 units (16%), small apartment buildings with 3 to 19 units (16%) and mobile homes (6 units). The 2023 ACS data shows vacancy rates of 10% for detached single family houses and 18% for buildings with 2 units. The vacancy rate was 0% for all other unit types. As would be expected over 90% of the Borough's single-family housing stock is owner occupied while the two unit stock consists of 59% rentals.

Chart 4. Housing Units in Dunellen Borough by Type of Structure, Tenure, and Occupancy Status in 2023

TYPE OF BUILDING/STRUCTURE	TOTAL UNITS	PERCENT OF TOTAL	OWNER OCCUPIED	RENTER OCCUPIED	NOT OCCUPIED
1, DETACHED	1,757	64%	1,424	155	178
1, ATTACHED	34	1%	34	0	0
2 UNITS	427	16%	99	252	76
3 OR 4	210	8%	0	210	0
5 TO 9	157	6%	0	157	0
10 TO 19	51	2%	0	51	0
20 TO 49	0	0%	0	0	0
50 OR MORE	83	3%	0	83	0
MOBILE HOME	6	0%	6	0	0
BOAT, RV, VAN, ETC.	0	0%	0	0	0
TOTAL	2,725 (100%)	100%	1,563 (57.35%)	908 (33.32%)	254 (9.33%)

Source: 2023 American Community Survey - 5 year estimate (B25024, B25032)

Chart 5. Housing Units in Dunellen Borough by Year Built and Tenancy Type in 2023

YEAR BUILT	OCCUPIED UNITS	PERCENT OF TOTAL	OWNER	RENTER
2020 OR LATER	-	0.00%	-	0
2010 TO 2019	215	8.70%	66	149
2000 TO 2009	46	1.86%	18	28
1990 TO 1999	48	1.94%	27	21
1980 TO 1989	7	0.28%	7	0
1970 TO 1979	400	16.19%	84	316
1960 TO 1969	263	10.64%	165	98
1950 TO 1959	305	12.34%	273	32
1940 TO 1949	168	6.80%	168	0
1939 OR EARLIER	1,019	41.24%	755	264
(%) OF TOTAL	2,471	100.00%	1,563	908
MEDIAN YEAR BUILT	1973		1970	1977

Source: 2023 American Community Survey - 5 year estimate (B25035, B25036, B25037)

Chart 5 - "Housing Units in Dunellen Borough by Year Built and Tenancy Type in 2023" breaks down the number of housing units occupied in 2023 by the time period in which they were built, as well as whether the units were owner or renter occupied. The chart shows that over 41% were built in 1939 or earlier, another 19% were built between 1940 and 1959 and nearly 27% were built between 1960 and 1979. Between 1980 and 2009 only 4% were built before a growth spurt between 2010 and 2019 produced nearly 9% of the current occupied housing stock. Much of the renter occupied housing stock was constructed between 1970 and 1979 or between 2010 and 2019 when both periods combined contributed over 50% of the entire renter housing stock constructed. This is reflected in the median year of construction of renter occupied units (1977) compared with the median year of construction for owner occupied units (1970).

Chart 6 - "Housing Units in Dunellen Borough by Number of Rooms in a Unit in 2023" shows the number of units in Dunellen by their number of rooms. The most common configuration is 5, 6 or 7 rooms which together constitute over two-thirds of the total units. Less than 7% of units have 1 or 2 rooms, those with 3 rooms make up 12.37%, while those with more than 7 rooms constitute 9.5%. The average number of rooms reflects the solid middle-income nature of Dunellen.

Chart 7 - "Housing Units in Dunellen Borough by Number of Bedrooms In 2023" indicates that nearly half of the housing units in Dunellen have 3 bedrooms (48.37%) and another 17.62% have 4 or more bedrooms, consistent with the predominantly single-family nature of the Borough's housing stock.

Chart 6. Housing Units in Dunellen Borough by Number of Rooms in a Unit in 2023

ROOMS	# OF UNITS	%
1 ROOM	130	4.77%
2 ROOMS	54	1.98%
3 ROOMS	337	12.37%
4 ROOMS	112	4.11%
5 ROOMS	675	24.77%
6 ROOMS	558	20.48%
7 ROOMS	600	22.02%
8 ROOMS	115	4.22%
9+ ROOMS	144	5.28%
TOTAL	2,725	100.00%
MEDIAN # OF ROOMS	5.6	

Source: 2023 American Community Survey - 5 year estimate (DP04)

Chart 7. Housing Units in Dunellen Borough by Number of Bedrooms in 2023

BEDROOMS	# OF UNITS	%
EFFICIENCY	151	5.54%
1 BEDROOM	322	11.82%
2 BEDROOMS	454	16.66%
3 BEDROOMS	1318	48.37%
4 BEDROOMS	421	15.45%
5 BEDROOMS	59	2.17%
5 OR MORE BEDROOMS	2,725	100.00%
TOTAL	2,725	100%

Source: 2023 American Community Survey - 5 year estimate (DP04)

Chart 8 - “ Owner-Occupied Housing Units in Dunellen Borough by Value in 2023 ” compares the estimated housing values of owner -occupied housing in 2015 and 2023 according to American Community Survey data. The plurality of home values was between \$200,000 and \$299,000 in 2015 (43.64%) jumping to a value between \$300,00 and \$4999,000 in 2023 (61.36%). The median occupied home value was \$282,400 in 2015 and \$380,200 in 2023.

Chart 8. Housing Units in Dunellen Borough by Value

HOUSING UNIT VALUE	2015 UNITS	%	2022 UNITS	%
LESS THAN \$50,000	9	0.51%	85	5.44%
\$50,000-\$99,000	31	1.75%	0	0.00%
\$100,000-\$149,000	0	0.00%	0	0.00%
\$150,000-\$199,000	218	12.32%	16	1.02%
\$200,000-\$299,000	772	43.64%	213	13.63%
\$300,000-\$499,000	702	39.68%	959	61.36%
\$500,000-\$999,999	37	2.09%	290	18.55%
\$1,000,000 OR MORE	0	0.00%	0	0.00%
TOTAL	1,769	100.00%	1,563	100.00%
MEDIAN (NOMINAL)	\$282,400	(X)	\$380,200	(X)
MEDIAN (REAL, 2023)	\$362,088			

Source: 2015 and 2023 American Community Survey - 5 year estimate (DP04, B25075)

Chart 9 – “ Housing Units in Dunellen Borough, Middlesex County, and New Jersey by Gross Rent in 2023 ” compares gross rent payments in Dunellen Borough, the entirety of Middlesex County, and the State of New Jersey in 2023. Housing costs for renters in Dunellen are generally lower than those across Middlesex County and the rest of the state. The median rent in Dunellen was \$1,461 compared to \$1,810 for Middlesex County and \$1,653 for New Jersey. Only 5.90% of renters pay more than \$2,500 each month in Dunellen versus 12.93% in Middlesex County and 14.34% across New Jersey; while 54.98% pay less than \$1,500 per month in Dunellen versus 29.12% in Middlesex County and 41.26% across New Jersey.

Chart 9. Housing Units in Dunellen Borough, Middlesex County, and New Jersey by Gross Rent in 2023

GROSS RENT	DUNELLEN BOROUGH		MIDDLESEX COUNTY		NEW JERSEY	
	UNITS	%	UNITS	%	UNITS	%
LESS THAN \$500	83	9.61%	4,968	4.59%	76,830	6.27%
\$500 TO \$999	23	2.66%	4,691	4.33%	106,648	8.70%
\$1,000 TO \$1,499	369	42.71%	21,863	20.20%	322,368	26.29%
\$1,500 TO \$1,999	136	15.74%	36,441	33.67%	349,936	28.54%
\$2,000 TO \$2,499	202	23.38%	26,270	24.27%	194,492	15.86%
\$2,500 TO \$2,999	51	5.90%	9,099	8.41%	82,425	6.72%
\$3,000 OR MORE	0	0.00%	4,894	4.52%	93,469	7.62%
MEDIAN DOLLARS	\$1,461	(X)	\$1,810	(X)	\$1,653	(X)
NO CASH RENT	44	(X)	3,421	(X)	36,705	(X)
TOTAL OCCUPIED RENTAL UNITS	864	(X)	108,226	(X)	1,226,168	(X)

Source: 2023 American Community Survey - 5 year estimate (DP04, B25063)

Chart 10 - "Housing Units in Dunellen Borough by Tenure and Monthly Cost of Housing as a Percent of Household Income in 2023". Housing is considered to be affordable if costs associated with occupying that housing unit are lower than 28% of gross household income for owner occupied units and 30% of gross household income for renter occupied units. Households paying more than 30% of their gross income (before taxes and other deductions) for housing are considered to be "cost burdened", and households paying more than 50% of their gross income for housing are considered to be "severely cost burdened".

Chart 10. Housing Units in Dunellen Borough by Tenure and by Monthly Cost of Housing as a Percent of Household Income in 2023

MONTHLY COST AS % OF INCOME	OWNER	%	RENTER	%	ALL OCCUPIED	%
LESS THAN 10%	142	9.09%	22	2.42%	164	6.64%
10 TO 14.9%	296	18.94%	32	3.52%	328	13.27%
15 TO 19.9%	178	11.39%	162	17.84%	340	13.76%
20 TO 24.9%	198	12.67%	151	16.63%	349	14.12%
25 TO 29.9%	172	11.00%	8	0.88%	180	7.28%
30 TO 34.9%	70	4.48%	140	15.42%	210	8.50%
35 TO 39.9%	72	4.61%	41	4.52%	113	4.57%
40 TO 49.9%	73	4.67%	80	8.81%	153	6.19%
50% OR MORE	362	23.16%	228	25.11%	590	23.88%
NOT COMPUTED	0	0%	44	4.85%	44	1.78%
TOTAL H.H.	1,563	100.00%	908	100.00%	2,471	100.00%
TOTAL COST BURDENED	577	36.92%	489	53.85%	856	34.64%

Source: 2023 American Community Survey - 5 year estimate (B25070, B25091)

Chart 10 shows that 34.64% of households in Dunellen are cost burdened, including 23.88% who are severely cost burdened. The rates are higher among renters where 53.85% are cost burdened including 25.11% who are severely cost burdened.

POPULATION AND HOUSEHOLD CHARACTERISTICS

Chart 11 - " Population Changes in Dunellen Borough, Middlesex County, and New Jersey Between 2000 and 2023 " compares the population change over the last two-and-a-half decades in Dunellen, Middlesex County and New Jersey. The trend across the three jurisdictions between 2000 and 2023 has been different with Dunellen growing significantly (+13%) Middlesex County declining slightly (- 2.6%) and the State growing moderately (+10.1%). Dunellen grew significantly between 2000 and 2015 (+ 7.99%) while during the same period Middlesex County declined by 6.09% and the State grew by 5.82%. Between 2015 and 2023 all three jurisdictions grew nominally; Dunellen grew 4.7%, Middlesex County grew 3.8% and the State grew 4.1%.

Chart 11. Population Changes in Dunellen Borough, Middlesex County, and New Jersey between 2000 and 2023

LOCATION	2000	2015	00 -'15 CHANGE	2023	15- '23 CHANGE	00' TO 23' CHANGE
DUNELLEN BOROUGH	6,823	7,368	7.99%	7,711	4.7%	13.0%
MIDDLESEX	884,118	830,300	-6.09%	861,535	3.8%	-2.6%
NEW JERSEY	8,414,350	8,904,413	5.82%	9,267,014	4.1%	10.1%

Source: 2000 and 2010 Decennial Census, 2023 American Community Survey

Chart 12 - "Population Age Distribution in 2015 and 2023" shows the age distribution of individuals living in Dunellen, and the change in age distribution between 2015 and 2023. Similar to many communities in New Jersey the Dunellen population got older between 2015 and 2023. The most significant changes from a percentage standpoint were increases of 18.00% and 13.40% in the 35 to 44 and 65+ age categories, respectively and decreases of 11.62% and 8.46% in the 45 to 54 and 25 to 34 age categories, respectively. Unlike many other communities around New Jersey,

Chart 12. Population Age Distribution in 2015 and 2023.

AGE GROUP (YEARS OLD)	2015	% OF TOTAL	2023	% OF TOTAL	CHANGE
UNDER 5	643	8.73%	465	6.03%	-27.68%
5 TO 9	247	3.35%	265	3.44%	7.29%
10 TO 14	652	8.85%	642	8.33%	-1.53%
15 TO 19	415	5.63%	625	8.11%	50.60%
20 TO 24	446	6.05%	535	6.94%	19.96%
25 TO 34	1,005	13.64%	652	8.46%	-35.12%
35 TO 44	885	12.01%	1,388	18.00%	56.84%
45 TO 54	1,255	17.03%	896	11.62%	-28.61%
55 TO 59	562	7.63%	685	8.88%	21.89%
60 TO 64	540	7.33%	525	6.81%	-2.78%
65+	718	9.74%	1,033	13.40%	43.87%
TOTAL	7,368	100.00%	7,711	100.00%	4.66%
MEDIAN AGE (YEARS OLD)	37.60	(X)	41.70	(X)	(X)

Source: 2015 and 2023 American Community Survey - 5 year estimate (DP05)

Chart 13 - "Households in Dunellen Borough by Type in 2023" breaks down households in Dunellen by type (married, single, etc.). The Census Bureau defines a household as consisting of "all the people who occupy a given housing unit including related family members and unrelated people, if any, such as lodgers, foster children, wards, or employees". A person living alone or a group of unrelated people sharing a housing unit is also counted as a household. The count of households excludes group quarters.

Chart 13. Households in Dunellen Borough by Type

HOUSEHOLD TYPE	2015		2023	
	# OF HOUSEHOLDS	%	# OF HOUSEHOLDS	%
MARRIED COUPLE	1,178	56.42%	1,497	70.51%
WITH CHILD UNDER 18	450	21.55%	674	31.75%
COHABITANT COUPLE	(X)	(X)	137	6.45%
WITH CHILD UNDER 18	(X)	(X)	90	4.24%
SINGLE MALE	189	9.05%	338	15.92%
WITH CHILD UNDER 18	73	3.50%	14	0.66%
SINGLE FEMALE	434	20.79%	499	23.50%
WITH CHILD UNDER 18	332	15.90%	16	0.75%
LIVING ALONE	427	20.45%	466	21.95%
65 AND OLDER	86	4.12%	117	5.51%
TOTAL	2,088	100.00%	2,123	100.00%

Source: 2015 and 2023 American Community Survey (DP02)

Married couples made up 56.42% of households in Dunellen in 2015 and 70.51% in 2023. Roughly 40% of these married households had children younger than 18 years living at home. Single female households outnumbered single male households in both 2015 and 2023. Seniors over 65 living alone was a low 4.12% in 2015 and 5.51% in 2023.

Chart 14 - "Average Household Size in Dunellen Borough in 2015 and 2023" shows that average household size has increased for both owner occupied and renter households between 2015 and 2023. Average household size increased from 3.06 to 3.11 for owner occupied households between 2015 and 2023 and increased from 2.98 to 3.11 for renter households between 2015 and 2023.

Chart 14. Average Household Size in Dunellen

HOUSEHOLD TYPE	AVERAGE HH SIZE	
	2015	2023
OWNER	3.06	3.11
RENTER	2.98	3.11
ALL HOUSEHOLDS	3.04	3.11

Source: 2015 and 2023 American Community Survey (DP02, DP04)

ECONOMIC CHARACTERISTICS

Chart 15 - "Households in Dunellen Borough by Income (2023)" shows that approximately 60% of households in Dunellen earned less than \$100,000 a year in 2023 and approximately 40% earned more than \$100,000. The median household income was \$84,789 in 2023 which was lower than the New Jersey household median income of \$99,781, which was second highest among all states.

Chart 15. Households in Dunellen by Income (2023)

HOUSEHOLD INCOME	# OF HOUSEHOLDS	%
LESS THAN \$10,000	230	9.31%
\$10,000 TO \$14,999	201	8.13%
\$15,000 TO \$24,999	29	1.17%
\$25,000 TO \$34,999	37	1.50%
\$35,000 TO \$49,999	258	10.44%
\$50,000 TO \$74,999	308	12.46%
\$75,000 TO \$99,999	373	15.10%
\$100,000 TO \$149,999	490	19.83%
\$150,000 TO \$199,999	239	9.67%
\$200,000 OR MORE	306	12.38%
MEDIAN INCOME	\$84,789	(X)

Source: 2023 American Community Survey - 5 year estimate (DP03)

Chart 16 - "Poverty Rates in Dunellen Borough, Middlesex County, and New Jersey 2023" shows the distribution of individuals and families living below the poverty level. Dunellen has a higher poverty rate for both individuals and families than Middlesex County and the State. The poverty rate for individuals is about 2 ½ times that of the County and State and the poverty rate for families is nearly 3-½ times that of the County and State.

Chart 16. Poverty Rates in Dunellen, Middlesex County, and New Jersey

LOCATION	INDIVIDUAL POVERTY	FAMILY POVERTY
DUNELLEN BOROUGH	23.10%	24.50%
MIDDLESEX COUNTY	8.50%	6.20%
NEW JERSEY	9.80%	7%

Source: 2023 American Community Survey - 5 year estimate (DP03)

Chart 17 - "Employed Dunellen Borough Residents by Sector" shows the number of employed Dunellen residents by sector as defined by the North American Industrial Classification System (NAICS). The most represented industries of resident employment in Dunellen are the professional, scientific, management administration and waste management industries at 18.17%. Retail trade is the next most represented industry at 13.74% followed by construction at 12.38%. A relatively low number (for a New Jersey municipality) are employed in education, health care, and social assistance (9.77%).

Chart 17. Employed Dunellen Residents by Sector

SECTOR	NUMBER	PERCENT
AGRICULTURE, FORESTRY, MINING, FISHING & HUNTING	0	0.00%
CONSTRUCTION	464	12.38%
MANUFACTURING	229	6.11%
WHOLESALE TRADE	200	5.34%
RETAIL TRADE	515	13.74%
TRANSPORTATION, WAREHOUSING, UTILITIES	256	6.83%
INFORMATION	88	2.35%
FINANCE/INSURANCE, REAL ESTATE	348	9.29%
PROFESSIONAL, SCIENTIFIC, MANAGEMENT, ADMINISTRATION, WASTE MGMT.	681	18.17%
EDUCATION, HEALTH CARE, SOCIAL ASSISTANCE	366	9.77%
ARTS, ENTERTAINMENT, RECREATION, HOSPITALITY	302	8.06%
OTHER SERVICES	236	6.30%
PUBLIC ADMIN	62	1.65%
TOTAL EMPLOYED WORKFORCE	3,747	100.00%

Source: 2023 American Community Survey - 5 year estimate (DP03)

Chart 18 - "Employed Dunellen Residents by Occupation Category" shows the number of employed Dunellen residents by "Occupation", which describes the nature of the jobs performed. The leading occupation was management, business, science and arts at 31.31% followed by sales and office occupations at 23.59%. The remaining three occupation groups are all clustered at around 15%.

Chart 18. Employed Dunellen Residents by Occupation Category

OCCUPATION CATEGORY	NUMBER	PERCENT
MANAGEMENT, BUSINESS, SCIENCE, ARTS	1,173	31.31%
SERVICE	553	14.76%
SALES AND OFFICE	884	23.59%
NATURAL RESOURCES, CONSTRUCTION, MAINTENANCE	540	14.41%
PRODUCTION, TRANSPORTATION, MATERIALS	597	15.93%
TOTAL EMPLOYED WORKFORCE	3,747	100.00%

Source: 2023 American Community Survey - 5 year estimate (DP03)

Chart 19 - "Labor Force and Unemployment Rates for Dunellen Borough 2015 - 2023". This chart provides estimates on number of employed persons, unemployed persons and the unemployment rate in Dunellen from 2015 through 2023 from the New Jersey Department of Labor and Workforce Development. The lowest unemployment rate occurred in 2019 when it was 3.1%. The highest rate of unemployment was in 2020 at 8.8% during the Covid pandemic. By 2023 the unemployment rate had recovered to 4.2%. Between 2015 and 2023 the workforce in Dunellen increased by slightly more than 300 people (7.3%).

Chart 19. Labor Force and Unemployment Rates Since 2015

YEAR	LABOR FORCE	EMPLOYED PERSONS	UNEMPLOYED PERSONS (#)	UNEMPLOYMENT RATE (%)
2015	4,533	4,302	231	5.1
2016	4,535	4,340	195	4.3
2017	4,686	4,493	193	4.1
2018	4,643	4,479	164	3.5
2019	4,697	4,550	147	3.1
2020	4,589	4,186	403	8.8
2021	4,626	4,346	280	6.1
2022	4,718	4,563	155	3.3
2023	4,815	4,615	200	4.2

Source: NJ Department of Labor and Workforce Development Annual Average Labor Estimates by Municipality

Chart 20 - "Mode of Commute for Employed Residents of Dunellen Borough, Middlesex County and New Jersey in 2023" shows the means of commuting to work for employed residents at the local, County, and State level in 2023. More Dunellen residents drove alone or carpooled to work (79.4%) than County (71.3%) or State (69.8%) residents. The percentage of Dunellen residents who took public transportation to work was similar to the County percentage but less than the State percentage. The percentage of Dunellen residents who worked from home (7.50%) was less than half of the percentage of County (16.10%) or State residents (16.70%).

Chart 20. Mode of Commute for Employed Residents of Dunellen Borough, Middlesex County, and New Jersey

MODE OF TRANSPORT	DUNELLEN	MIDDLESEX COUNTY	NEW JERSEY
DROVE ALONE	69.30%	63.10%	61.50%
CARPOOLED	10.10%	8.20%	8.30%
PUBLIC TRANSPORTATION	6.40%	6.30%	8.00%
WALKED	0.00%	2.80%	3.00%
OTHER MEANS	6.80%	3.40%	2.50%
WORKED FROM HOME	7.50%	16.10%	16.70%
MEAN COMMUTE TIME (MINUTES)	28	31.9	30.3

Source: 2023 American Community Survey - 5 year estimate (DP03)

Chart 21. Number of Employees in Dunellen Covered by Unemployment Insurance in 2023

EMPLOYMENT SECTOR	2023 AVERAGE NUMBER OF EMPLOYERS / FIRMS	2023 AVERAGE NUMBER OF EMPLOYEES	AVERAGE ANNUAL WAGES IN 2023
FEDERAL GOVERNMENT	1	19	\$79,868
LOCAL GOVERNMENT (INCLUDING EDUCATION)	3	277	\$66,165
LOCAL PUBLIC EDUCATION ONLY	1	193	\$71,197
CONSTRUCTION	16	92	\$52,090
MANUFACTURING	7	42	\$61,364
RETAIL TRADE	16	139	\$30,385
TRANSPORTATION/WAREHOUSING	18	31	\$34,855
FINANCE/INSURANCE	5	17	\$79,748
PROFESSIONAL / TECHNICAL	9	26	\$83,604
ADMINISTRATION / WASTE REMEDIATION	12	32	\$52,350
HEALTH / SOCIAL SERVICES	13	48	\$28,267
ACCOMMODATIONS / FOOD	19	159	\$24,657
OTHER	15	89	\$31,443
UNCLASSIFIED	12	19	\$27,813
PRIVATE SECTOR TOTAL	158	777	\$40,902
ALL TOTALS	162	1,073	\$48,113

Source: NJ LWD 2023 Covered Employment - Annual Municipal Data By Sector

Employees who work in Dunellen that were covered by Unemployment Insurance are reflected in Chart 21 – “ Number of Employees in Dunellen Borough Covered by Unemployment Insurance in 2023 “. Employees covered by unemployment insurance represent approximately 95% of all workers in the state of New Jersey. This chart indicates that there were 777 private sector employees employed by 158 firms and another 296 employees employed by federal and local government and 193 employed in local education. The highest annual wage was enjoyed by those employed in the private Professional/Technical sector (\$83,604) followed by the Federal Government sector (\$79,863) and local government education (\$71,197). The lowest average annual wage was in the Accommodations/Food sector (\$24,657). The average annual wage for all employees in Dunellen in 2023 was \$48,113.

HOUSING, EMPLOYMENT, AND POPULATION PROJECTIONS

The North Jersey Transportation Planning Authority (NJTPA) publishes demographic forecasts for future population, households, and employment levels in north Jersey municipalities. In 2021 NJTPA published the forecasts shown in **Chart 22 – “Projection of Population, Households, Employment from 2015 – 2050 ”**. The NJTPA's projections for Dunellen Borough's population and employment in 2023 was fairly accurate with actual population and employment exceeding NJTPA's projections by roughly 2% and 5%, respectively. NJTPA projects a 2050 population for Dunellen of 8,547 (annualized rate of change of 0.4%), 3,038 households, and 1,256 jobs. In 2035, the year the Fourth Affordable Housing Round ends, NJTPA projects a population of 8,131 in Dunellen across 2,254 households.

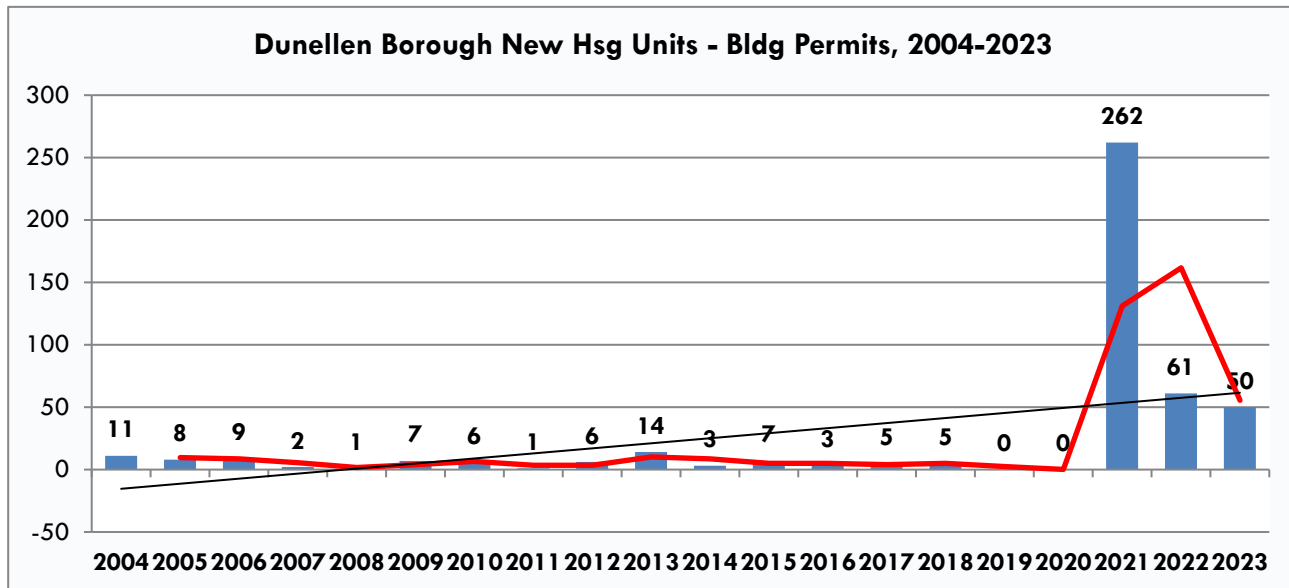
Chart 22. Projection of Population, Households, Employment from 2015-2050

DEMO YEAR	DUNELLEN BOROUGH					
	2015 ACTUAL	2023 PROJECTED	2023 ACTUAL	2035 PROJECTED*	2050 PROJECTED	ANNUALIZED RATE OF CHANGE
POPULATION	7,323	7,586	7,711	8,131	8,547	0.4%
HOUSEHOLDS	2,579	2,684	2,123	2,254	3,038	0.50%
EMPLOYMENT	961	1,022	1,073	1,176	1,256	0.77%

Source: NJTPA Municipal Demographics Forecast, 2021

*Based on 2023 actual data

The HEFSP is required to include a projection of the number of housing units to be constructed in a municipality during the Fourth Round based on known factors including historic development patterns and pending development applications. According to the NJ DCA's Development Trend Viewer tool, which provides data on building and demolition permits through 2023, the Borough issued building permits for 396 units between 2013 and 2023, for an average of 39.6 units a year. The trend-line in the chart below shows that building permit issuance peaked in 2021 with an estimate of 262 permits and has mellowed out since. The same data source suggests that only 14 housing units were demolished during the same 10-year period, for a net total of 382 new units permitted.



CONSIDERATION OF LANDS

The Fair Housing Act requires the HEFSP to include “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”.

In identifying lands appropriate for construction of low- and moderate-income housing to address its Fourth Round Obligation, the Borough considered lands proposed for inclusionary development by their owners or interested developers, as well as the capacity of its Downtown Redevelopment Area, which was used to address its Third Round unmet need, to continue to produce affordable housing over the next decade.

With regards to lands proposed for inclusionary development, the Borough worked with an interested developer to designate the property at 130 South 2nd Street to redevelop an abandoned industrial complex with an inclusionary residential project. No other realistic opportunities for inclusionary development emerged outside of the Downtown Redevelopment Area for consideration in the Borough's Fourth Round Housing Plan.

FAIR SHARE PLAN

Dunellen's Fourth Round Housing Element and Fair Share Plan lays out the Borough's plan to satisfy its 23-unit Prospective Need (new construction obligation) for the years 2025 to 2035.

VACANT LAND ADJUSTMENT

As a largely built-out municipality, the Borough is eligible to seek an adjustment to its Prospective Need based upon an analysis of available vacant land, commonly referred to as a "vacant land adjustment". The rules for conducting an analysis of vacant land to request a vacant land adjustment are located at N.J.S.A. 52:27D-310.1.

The analysis begins with an identification of vacant public and private land, based upon the criteria identified in the rules. Properties or portions thereof may then be shown to be unavailable or undevelopable based on the presence of deed restrictions, designation of land for open space purposes, the presence of environmental constraints, and other conditions. The analysis is a theoretical exercise; none of the lands identified as vacant are required to provide for affordable housing, as long as a suitable mechanism to create the affordable housing units is provided for.

At the conclusion of the Vacant Land Analysis, the municipality calculates what is called a "Realistic Development Potential" (RDP) by applying an appropriate density to the available vacant lands to calculate the total number of units that can be created, and assuming that 20% of those units could be affordable based on standard set-asides. In the case of Dunellen, the analysis identified just one property that generated an **RDP of six (6) units**, from the 130 South 2nd Street Redevelopment Site.

P.L. 2024, c.2 added a new requirement to N.J.S.A. 52:27D-310.1, requiring towns that request a vacant land adjustment to "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".

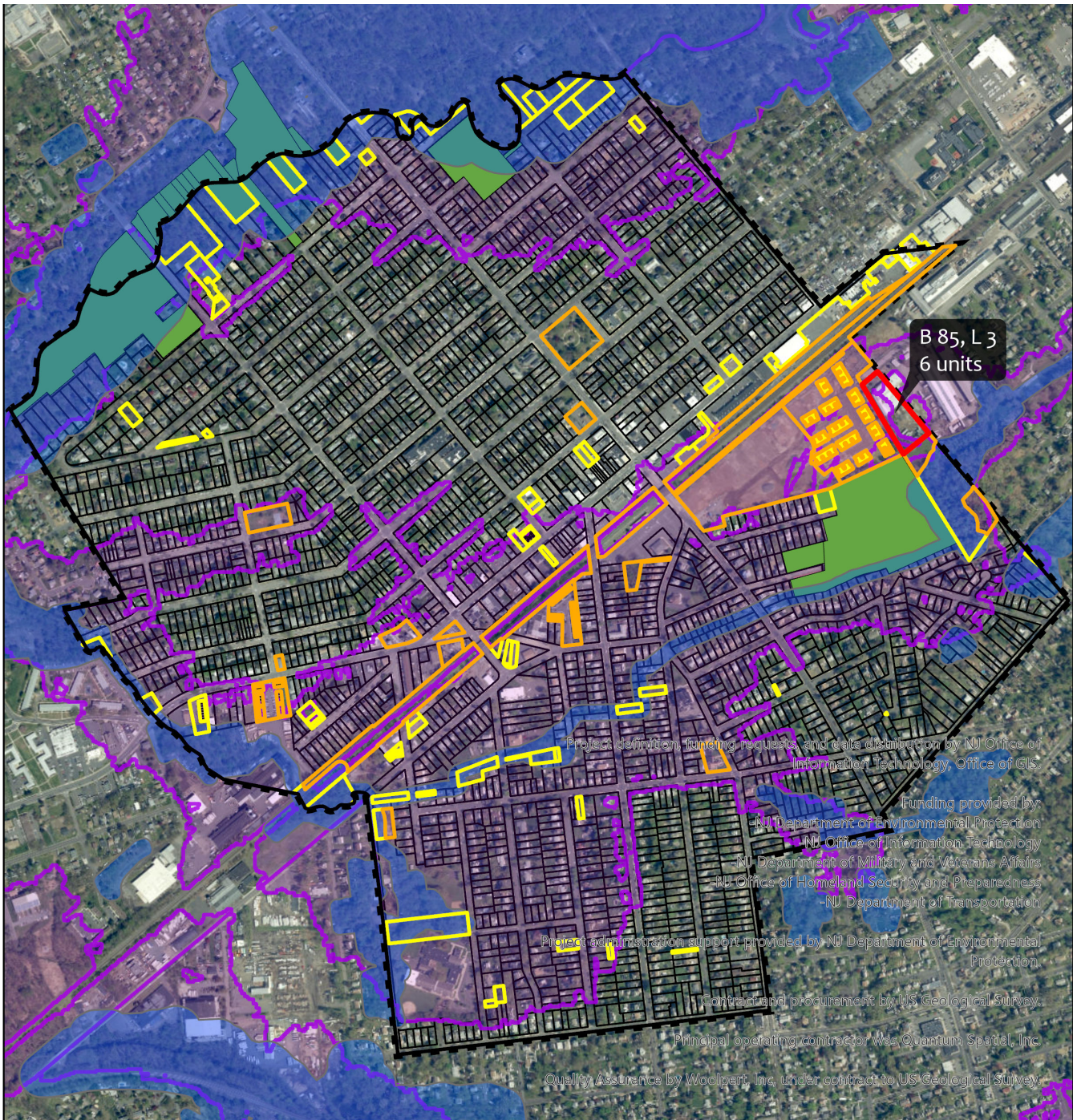
This language has been subject to a variety of interpretations, particularly as to what the "prospective need obligation that has been

Figure 9. Vacant Land Adjustment

Vacant land is previously defined in the rules of the now defunct Council on Affordable housing as "undeveloped and unused land area" which has clear title and is free of encumbrances which preclude development for low- and moderate-income housing.

The following categories of land can be excluded from the inventory of vacant land (N.J.S.A. 52:27D-310.1):

- a. Local government owned land restricted by resolution prior to 1/1/1997 for public purposes other than housing;
- b. Land listed in the municipal master plan as being dedicated, by easement or otherwise, for purposes of conservation, park lands or open space and which is owned, leased, licensed, or in any manner operated by a county, municipality or tax-exempt, nonprofit organization including a local board of education, or by more than one municipality by joint agreement;
- c. Any vacant contiguous parcels of land in private ownership of a size which would accommodate fewer than five housing units based on appropriate housing densities;
- d. Sites listed on the State Register of Historic Places or National Register of Historic Places prior to the date of filing a housing element and fair share plan;
- e. Preserved agricultural lands;
- f. Sites designated for active recreation that are designated for recreational purposes in the municipal master plan; and
- g. Environmentally sensitive lands where development is prohibited by any State or federal agency, including, but not limited to, the Highlands Water Protection and Planning Council, established pursuant to section 4 of P.L.2004, c.120 (C.13:20-4), for lands in the Highlands Preservation Area, and lands in the Highlands Planning Area for Highlands-conforming municipalities.



DUNELLEN FOURTH ROUND VACANT LAND ANALYSIS

Vacant Land Analysis

- RDP Eligible
- Analyzed - Not RDP Eligible
- Environmentally Constrained, Undersized

- Water/Wetland Buffer Areas
- State Open Space Mapping
- NJ Inland Design Flood Elevation (FEMA 1% Chance Annual Flood Plus 3 Feet) (Mapped by Rutgers)
- Dunellen 2024 Parcels



Map 3. Vacant land analysis map

adjusted” or the “adjusted obligation” refers to. Out of an abundance of caution, this plan has been prepared to comply with the interpretation of the statute which would account for the production of the largest number of units over the next 10 years. This interpretation, touted by Fair Share Housing Center, states that a municipality must adopt a plan that satisfies, at a minimum, the RDP plus 25% of the Unmet Need¹ by adopting zoning on lands that have a realistic probability of being redeveloped. Dunellen’s analysis of its vacant land resulted in an RDP of 6 units (See Appendix 4), making its Unmet Need 17 units (23-6=17). A quarter of 17 is 5, rounded up to the nearest whole number. **This Plan provides for realistic opportunities for the production of more than the 11 units required by this interpretation.**

PRIOR ROUND PLANS & MECHANISMS

The Borough has satisfied its Third Round RDP of 22 units and unmet need of 96 units through the redevelopment of the Art Color Factory site and the enforcement of its affordable housing set-aside requirements in the Downtown Redevelopment Area.

The Nell is substantially complete with 58 affordable units. An additional 11 affordable units have been built and 32 more units have been approved in the Downtown, for a total of 101 affordable units created through the Borough’s Third Round compliance mechanisms.

The Borough recently became aware that the mixed-use development at 364-368 North Avenue, which was required as part of the Third Round Settlement Agreement and Third Round Plan, may not have provided the two (2) affordable units that were proposed against the Borough’s Third Round unmet need. The Borough will use the tools and resources available to it to attempt to cause the two (2) affordable units to be created at the original site or at another development controlled or proposed by the developer of 364-268 North Avenue.

FOURTH ROUND

The Borough will satisfy its six (6) unit RDP with the redevelopment of 130 South 2nd Street and the presumed 5-unit minimum Unmet Need through continued enforcement of its highly successful Downtown Redevelopment Plan.

130 SOUTH 2ND STREET -BLOCK 85, LOT 3 (APPENDIX 6)

The South 2nd Street site, Block 85, Lot 3, an abandoned industrial property at the border with Piscataway, was declared to be an area in need of redevelopment in 2023. The Borough authorized the preparation of a Redevelopment Plan for the site, which is attached in draft form to the appendices of this Plan. The Redevelopment Plan as written would permit an inclusionary development consisting of up to 35 stacked townhome units including 6 affordable units on the two acre site.

The six (6) affordable units on the site will be eligible for one (1) bonus credit, resulting in a total of seven (7) credits against the six (6) unit RDP, for a surplus of one (1) credit.

The rules of the Council on Affordable Housing (COAH) at N.J.A.C. 5:97-5.3(b) required fair share plans to demonstrate that sites intended for inclusionary development are “available, suitable, developable and approvable, as defined in N.J.A.C. 5:93-1”. Operating on the presumption that those rules continue to be valid, the “suitability analysis”, as it has historically been referred, is below:

- ▶ *“Available site” means a site with clear title, free of encumbrances which preclude development for low- and moderate-income housing.*

The Borough is not aware of any deed restrictions or other legal encumbrances that would preclude redevelopment of the site for affordable housing.

1 Unmet Need= Prospective Need minus RDP

- ▶ *“Suitable site” means a site that is adjacent to compatible land uses, has access to appropriate streets and is consistent with the environmental policies delineated in N.J.A.C. 5:93-4.*

The site is contiguous to the “The Nell” mixed-use development, to the west, and will be part of a larger inclusionary redevelopment extending into Piscataway, to the east. It is in close proximity to the Borough’s downtown and to amenities such as the library and open space areas.

- ▶ *“Developable site” means a site that has access to appropriate water and sewer infrastructure, and is consistent with the applicable areawide water quality management plan (including the wastewater management plan) or is included in an amendment to the areawide water quality management plan submitted to and under review by DEP.*

The site is served by public water and sewer and is consistent with the areawide water quality management plan.

- ▶ *“Approvable site” means a site that may be developed for low and moderate income housing in a manner consistent with the rules or regulations of all agencies with jurisdiction over the site. A site may be approvable although not currently zoned for low and moderate income housing.*

The site is developable consistent with the Residential Site Improvement Standards, N.J.A.C. 5:21.

DOWNTOWN REDEVELOPMENT PLAN (APPENDIX 7)

Dunellen’s Downtown Redevelopment Area, amended in 2016 in accordance with the Third Round Settlement Agreement with Fair Share Housing Center, has been an engine of growth for the Borough. As previously stated, there have been more than 100 affordable units created in the Downtown. In the Borough’s 2023 Climate Resilience Plan, which included a build-out analysis based on current zoning, it was projected that at full build-out the Borough’s Downtown (with the exception of Redevelopment sites 1, 2, and 3, which include The Nell and the properties immediately surrounding the NJ Transit train station) and “B” business zones could theoretically be built out with over 1,700 units if every property was redeveloped with mixed-use with certain assumptions about bulk and parking layout. If this were the case, a 15% set-aside across the board would result in 255 affordable units. Redevelopment Site 1, consisting of the properties on the north side of the train station, had a projected build-out of 67 units, which could theoretically provide for an additional 11 affordable units. Based on this information, the Borough does not believe any changes are needed to the Downtown Redevelopment Plan to provide for the minimum 5-unit unmet need.

REHABILITATION (APPENDIX 11)

The ORDER FIXING MUNICIPAL OBLIGATIONS FOR “PRESENT NEED” AND “PROSPECTIVE NEED” FOR THE FORTH ROUND HOUSING CYCLE BY The Hon. Thomas Daniel McCloskey, J.S.C. filed March 24, 2025 established the “present need” obligation of Dunellen Borough as 79 affordable units. However, the Borough’s Construction Official conducted a Structural Conditions Survey in April 2025 which identified 27 single-family dwellings that were in need of rehabilitation.

COAH’s rules for conducting this survey allow the municipality to multiply the number identified (27 units, in this case) by a “deterioration ratio”, which is meant to reflect the percentage of deficient units that are likely to be occupied by low- and moderate-income households. In previous affordable housing rounds, COAH published deficiency ratios at the region or county level. In this Round, the percentages of low- and moderate-income households in deficient housing were calculated at the municipal level. According to the Present Need calculation sheet provided by NJ DCA, 75.9% of overcrowded housing in Dunellen is estimated to be occupied by low- and moderate-income households. If this is the appropriate deterioration ratio to apply, **the Borough must provide funding to rehabilitate 21 units.**

N.J.A.C.5:93-1.3 defines a dwelling needing rehabilitation as "... a housing unit with health and safety code violations that require the repair or replacement of a major system." Major systems include foundations, exterior cladding, roofing, plumbing, heating, windows and doors and lead abatement.

The Borough of Dunellen will satisfy its rehabilitation obligation of 21 units through its continued participation in the Middlesex County Housing First program. The Housing First program is Middlesex County's program for the rehabilitation of low and moderate income housing. The Housing First program is funded by the County Board of Commissioners. The Borough will also commit to funding a local rehabilitation program through current and future affordable housing trust fund revenues, and will tap other funding sources as needed where the trust fund falls short.

OTHER HEFSP REQUIREMENTS

ADMINISTRATION AND MARKETING OF AFFORDABLE HOUSING

Dunellen's current and future affordable housing inventory and programs are and will be administered by CGP&H. The Borough's affordable housing and development fee ordinances were amended during the Third Round to reflect the terms and conditions of the Settlement Agreement with Fair Share Housing Center and the regulations in effect at the time. The Borough will amend those ordinances as may be needed at such time that the New Jersey Department of Community Affairs and the Housing and Mortgage Finance Agency adopt their proposed new and updated rules at N.J.A.C. 5:99 and N.J.A.C. 5:80-26.1 et seq., which pertain to the administration of affordable housing and expenditure of affordable housing trust funds. Similarly, the Borough's administrative agents may amend their manuals and materials as needed to reflect those and any other new and updated rules.

COST GENERATION

The Fair Housing Act requires the Fair Share Plan to detail efforts by the municipality to eliminate features of municipal land use ordinances and regulations that generate unnecessary or prohibitive costs on builders of inclusionary or affordable housing. The Borough has or will facilitate the creation of the affordable housing units identified in this Plan by adopting redevelopment plans (for eligible sites) which reasonably accommodate the developments conceptually agreed upon between the parties.

MULTIGENERATIONAL FAMILY HOUSING CONSISTENCY

The Multigenerational Family Housing Continuity Commission was established by the State of New Jersey in 2021. As noted in N.J.S.A. 52:27D-329.20, one of the primary duties of the Commission is to "prepare and adopt recommendations on how State government, local government, community organizations, private entities, and community members may most effectively advance the goal of enabling senior citizens to reside at the homes of their extended families, thereby preserving and enhancing multigenerational family continuity, through the modification of State and local laws and policies in the areas of housing, land use planning, parking and streetscape planning, and other relevant areas." As of the date of this HEFSP, the Multigenerational Family Housing Continuity Commission has not yet adopted any recommendations to .

STATE DEVELOPMENT & REDEVELOPMENT PLAN CONSISTENCY

The sites included and proposed to satisfy the Fourth Round Prospective Need are located in Planning Area 1 - Metropolitan Planning Area, which is the priority area for the creation of inclusionary housing through redevelopment. The sites are in proximity to public transit, supporting multi-modal transportation, and all of the sites are located outside of environmentally constrained or sensitive areas, or will be designed in accordance with NJ DEP regulations to mitigate environmental concerns. All of the sites are in approved sewer service areas.

CONCLUSION

This 2025 Fourth Round Housing Element and Fair Share Plan prepared for and adopted by the Borough of Dunellen, Middlesex County, New Jersey, complies with P.L. 2024, c.2, the Fair Housing Act of New Jersey, and all applicable regulations. It also maintains consistency and compliance with the Settlement Agreement entered into between the Borough and Fair Share Housing Center on May 16, 2016.

The Plan provides a realistic opportunity for the creation of affordable housing in Dunellen through 2035 and beyond, through redevelopment planning and cooperation with developers interested in providing their fair share of affordable housing. The Plan addresses the 6-unit Realistic Development Potential claimed through a vacant land adjustment, and also exceeds any and all interpretations of the vacant land adjustment rules at P.L. 2024, c.2 with regards to an “unmet need” for the Fourth Round.

The Appendices to this HEFSP include other required components of the Plan including the Spending Plan, adopting and endorsing resolutions, documentation of the creditworthiness of the affordable housing mechanisms, and documentation concerning the affirmative marketing and administration of the Borough's affordable housing program.