

Land Use Ordinances Adoption

Affordable Housing Administrative Documents

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Municipal Land Use Law (MLUL) Requirements

Per N.J.S.A. [40:55D-62a](#). A governing body may adopt a land use ordinance after it is reviewed by the Planning Board and deemed consistent with Master Plan and Housing Element and Fair Share Plan (HEFSP).

The Planning Board reviewed the ordinances for the South Second Redevelopment Plan, the amended Dunellen Downtown Redevelopment Plan, and the Affordable Housing Ordinance on February 23, 2026, and deemed them consistent with the Master Plan and the HEFSP.

These ordinances were introduced at the February 16, 2026, Mayor and Council meeting. Tonight, they are for a second reading for consideration to be adopted.

These documents are related to the Borough's Fourth Round Affordable Housing Plan, where all affordable housing ordinances, plans, and administrative documents need to be adopted by March 16, 2026, necessary for the Borough to be protected from builder's remedy lawsuits until 2035.

South Second Street Redevelopment Plan

- Redevelopment Plan area is identified as Block 85, Lot 3.
- Property was declared a non-condemnation area in need of redevelopment in 2023.
- The Redevelopment Plan area is located directly along the municipal boundary with Piscataway, and a comprehensive townhouse redevelopment project is proposed to be situated partially within the Borough of Dunellen and partially within the Township of Piscataway.
- In Dunellen, proposed are 24 market rate stacked townhomes and 6 affordable units.
- In Piscataway, there will be 140 market rate townhomes and 36 affordable units.
- Dunellen's Fourth Round Affordable Housing Plan was adopted by the Planning Board on June 23, 2025 and endorsed by the Borough Council on July 7, 2025.
- The Fourth Round Affordable Housing Plan requires the Borough to provide a realistic development potential (RDP) of 6 affordable housing units.
- The South Second Street Redevelopment Plan provides this affordable housing requirement of 6, and is eligible for one bonus credit.
- This is the primary component of providing affordable housing with the Borough per the HEFSP.

South Second Street Redevelopment Plan

- Permits stacked townhomes.
- Maximum number of units – 35
- Minimum setback from road – 20 feet
- Minimum side/rear setback – 20 feet
- Maximum building coverage – 25%
- Parking
 - 2 bedroom – 1.5 spaces
 - 3 bedroom – 2 spaces
 - 4 bedroom – 2.5 spaces
- Architectural standards
- Landscape and streetscape standards

South Second Street Redevelopment Plan



South Second Street Redevelopment Plan



Figure 3: Conceptual Site Plan with Affordable Housing
Courtesy of KHovnanian Homes

South Second Street Redevelopment Plan



Amended Downtown Redevelopment Plan

- The proposed amendment to the Redevelopment Plan would increase the affordable housing set-aside for rental units from 15 percent to 20 percent, consistent with the State's Fourth Round Affordable Housing regulations, and would apply to all redevelopment areas except the Nell property.
- Update language related to the Fourth Round HEFSP.
- Requirements to be consistent with the Borough's revised Affordable Housing Ordinance (AHO) based on Fourth Round regulations and revised Uniform Housing and Affordability Controls (UHAC).

Affordable Housing Ordinance

- The Affordable Housing Ordinance establishes affordable housing programs and regulations administering affordable housing within the Borough.
- The new Affordable Housing Ordinance was developed by a state model with review and edits by the Borough's affordable housing team.
- This is ever evolving. The state model has been revised three times since being released in early February. There is potential that this will have to be revised again.
- Replaces Chapter 89 "Affordable Housing" in the Borough's code which is based on the previous state affordable housing regulations.

HEFSP Spending Plan

- The Spending Plan is a requirement of a HEFSP.
- Provides a projection of affordable housing monies, from development fees, payments in lieu, and interest, from 2025 to 2035.
- Existing balance in the Affordable Housing Trust Fund account is \$154,460.
- Estimated projected income from development fees and interest from 2025 to 2035 is \$182,240.
- The spending plan allocates money based on the Fourth Round projections for Fourth Round affordable housing projects, such as rehabilitation and new construction. Actual projects have not been identified, as it's undetermined at this time.
- The spending plan also allocates funds used for affordability assistance programs and administrative costs.
- These are all projections and are clauses in the Spending Plan that it can be amended based on actual numbers.

Affirmative Marketing Plan

- Sets for the policies where affordable housing units are to be marketed, necessary to be rented, or for sale.
- The developer pays for all the costs related to advertising and affirmative marketing.
- The Borough's Affordable Housing Administrative Agent, in consultation with the Borough's Municipal Housing Liaison, manages the process of affirmative marketing of affordable housing units for the Borough.

Affordable Housing Operating Manual

- The Affordable Housing Operating Manual, sets for the policies of the review requirements, marketing, income eligibility, ownership program, rental program and monitoring and enforcement.
- The Borough's Administrative Agent with consultation of the Borough's Municipal Housing Liaison manages the operating manual.

Affordability Assistance Manual

- The Affordability Assistance Manual, sets for the policies for affordability assistance manual such as rent payments for affordable units, emergency repairs for affordable units, down payments and closing costs for sale affordable housing units and repairs for affordable housing units.
- The Borough's Administrative Agent with consultation of the Borough's Municipal Housing Liaison manages the Affordability Assistance Manual.

All these documents are required to be adopted by
March 16, 2026, necessary for the Borough to be
protected from Builder's Remedy Lawsuits until
2035