Statement and Map

Preliminary Investigation Report
Non-Condemnation Redevelopment
Block 5701, Lot 6.01

By Resolution No. 9:90/03/15, the Borough of Watchung Council authorized the Borough of Watchung Planning Board to undertake a preliminary investigation to determine whether the proposed study area, Lot 6.01 in Block 5701, qualifies in need of Non-Condemnation Redevelopment pursuant to N.J.S.A. 40:12A-5.

The Planning Board authorized Marcia Shiffman, PP, AICP, LLA, of Maser Consulting, PA, to conduct this preliminary investigation and provide a report to the Planning Board. This report, entitled ***Preliminary Investigation Report, Block 5701, Lot 6.01*** dated September 2015 was prepared and presented to the Planning Board at a properly noticed public hearing on October 13, 2015.

The results of this Preliminary Investigation Report support the findings that the property meets the non-condemnation redevelopment criteria under the New Jersey Local Redevelopment and Housing Law ("LRHL"), N.J.S.A. 40A:12A-1, et seq., as amended. To be considered as a Non-Condemnation Redevelopment Area, the study area must meet at least one of the eight criteria under Section 5 of the LRHL. This analysis presented below shows that the site meets two of the criteria. A map of the study area is also attached.

CRITERION C

Criterion "c" is the relevant criterion concerning the Study Area, which is vacant and municipally owned.

> ***Criterion "c"*** *Land that is owned by the municipality, the county, a local housing authority, redevelopment agency or redevelopment entity, or unimproved vacant land that has remained so for a period of ten years prior to adoption of the resolution, and that by reason of its location, remoteness, lack of means of access to developed sections or portions of the municipality, or topography, or nature of the soil, is not likely to be developed through the instrumentality of private capital.*

The Study Area, a 6.4 acre site, has been owned by the Borough since November 2, 1999. The adopted 2010 Housing Element and Fair Share Plan ("HEFSP") identified the site as a 100% affordable housing site. This site was considered suitable as an affordable housing site given its location, frontage on an improved public street, the availability of water and sewer to serve the site, its proximity to services and jobs and that it is a municipal owned property. Because of the developed nature of the Borough, there are very limited suitable vacant or developable properties available for the Borough to meet its affordable housing obligation.

Within the Study Area, steep topography will restrict development to the southern two acres of the property, directly fronting on East Drive. Most of the property has steep slopes of 15% or greater. There is over a 140 foot grade change from East Drive north to the rear at the upper portion of the site. The site also has a very irregular configuration consisting of about two acres of property with direct frontage along East Drive, linked though a narrow steep connection to the remaining lands at a higher elevation with even steeper topography.

This southern section of the Study Area, encompassing 10% slopes along the East Drive frontage, will still require high site development costs for terracing, building construction, road grading and utilities. The Borough planned to eliminate site acquisition costs, since it is a municipal owned property. Also site development costs would be partially offset by utilizing the Borough's Housing Trust Fund dollars.

In 2012, the Borough issued a "Request for Proposals to Construct 20 Affordable Housing Family Rental Units on East Drive." The RFP included a representation that the Borough would "reimburse the successful Respondent for site work up to $435,000.00 from the Borough's Affordable Housing Trust Fund. Additionally, funds [were to] be available from the Borough's Affordable Housing Trust Fund for affordability assistance to tenants as defined in the applicable NJCOAH regulations and the Borough's Spending Plan."

The Borough received only two (2) responses to the RFP. The Borough rejected the two responses to the RFP, because the responses were nonconforming and authorized reissuance of a revised RFP. Under review of the RFPs, it was apparent to the Borough that the cost to develop the site would require, in addition to the Borough authorized subsidy with Trust Fund dollars, the need for tax abatements, including a payment in lieu of taxes ("PILOT"), to obtain State funding to cover the housing costs. A Non-Condemnation Redevelopment Plan for the property would permit a PILOT, which will hopefully encourage a greater response by developers when the Borough reissues the RFP.

The Borough's experience with the initial RFP recognized that the likelihood of an affordable housing project being developed on this site with private capital alone would not be feasible and that public assistance would be required for its implementation. Therefore the site, as a municipal owned property for over ten years, with steep topography and requiring public assistance to develop the property for its planned use, would meet the specific redevelopment criteria permitting designation as an Area in Need of Redevelopment.

CRITERION H

Criterion "h" *The designation of the delineated area is consistent with smart growth planning principles adopted pursuant to law or regulation.*

The New Jersey Department of State defines Smart Growth as one of the following:

- Metropolitan Planning Area (PA1)
- Suburban Planning Area (PA2)
- A designated center
- An area identified for growth as a result of either an initial or advanced petition for plan endorsement that has been approved by the SPC
- A smart growth area designated by the New Jersey Meadowlands Commission
- A Pinelands Regional Growth Area, Pinelands Village or Pinelands Town as designated by the New Jersey Pinelands Commission[1]

The State website also provides a link to a map to illustrate the smart growth areas within the State. According to the map, the Study Area is located within the Suburban Planning Area[2].

The following facts have been found to support the designation of Criteria "h" in the Study Area:

- According to the State's mapping, the Borough of Watchung is located in a smart growth area as it is a designated Suburban Planning Area.
- Redevelopment of the Study Area would permit future residents to take advantage of the services along Route 22 that are within easy walking distance of the property, including directed access to Watchung Square Mall.
- Any potential redevelopment of the Study Area would include a mandatory 100% affordable housing component, which would expand affordable housing options within the Borough and help the Borough meet its affordable housing obligation.
- The Study Area is convenient to public transportation which is available along US Route 22. This will provide workers with access to job opportunities in the region.
- Redevelopment of the property will utilize existing land that is an infill parcel surrounded by existing development.

Based on the above documentation, the entire Study Area meets two of the statutory criteria as a Non-Condemnation Area in Need of Redevelopment: Criterion "c" and Criterion "h".

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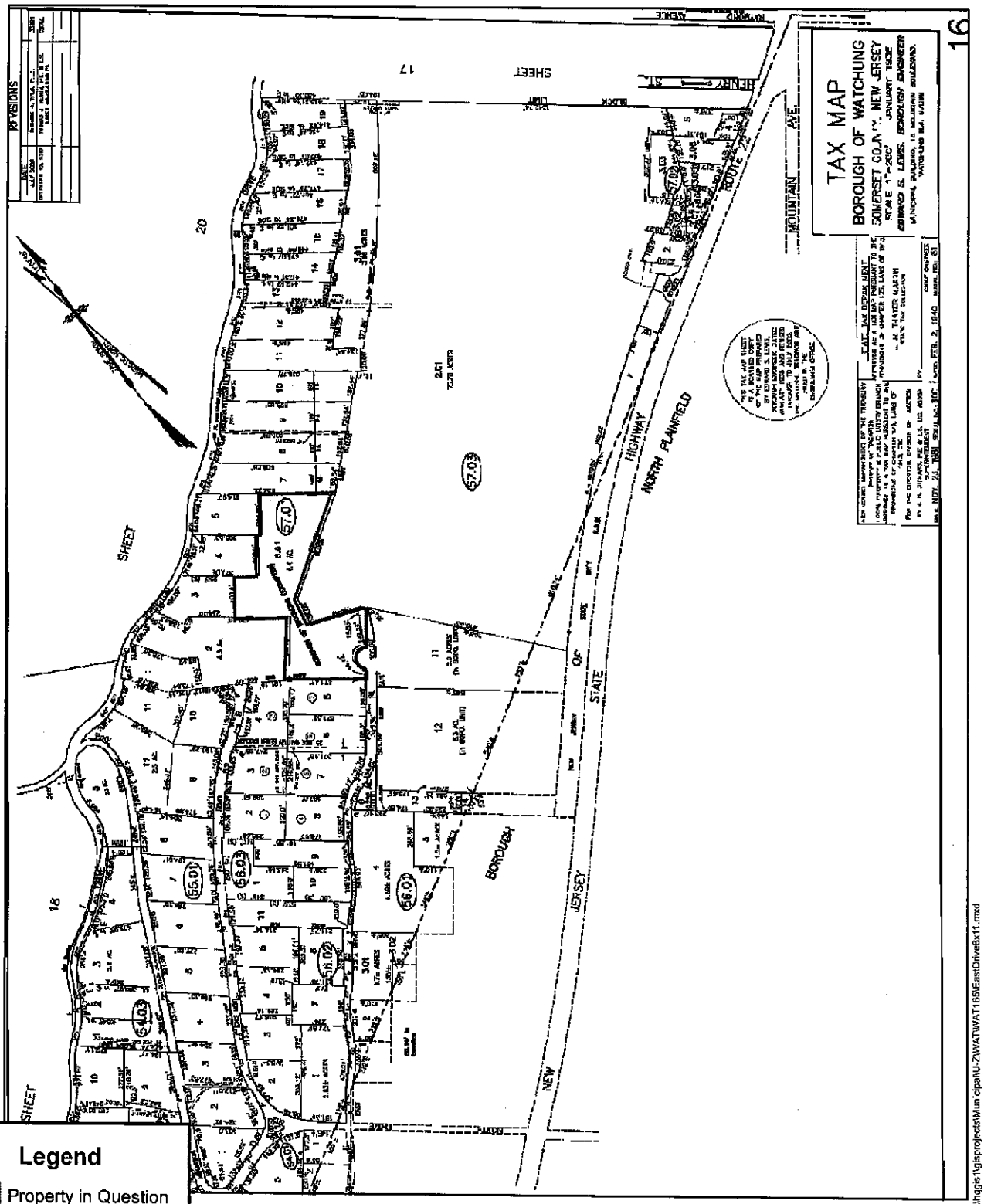
[1] http://www.state.nj.us/state/planning/spc-research-resources-sga.html
[2] http://www.state.nj.us/state/planning/maps/smartgrowthareasmap.pdf

Map 1 Study Area



Legend

Property in Question

0 200 400 600

Feet

1 inch = 700 feet

Tax Map

East Drive Affordable Housing Site

Borough of Watchung

Somerset County New Jersey

MASER CONSULTING P.A.

September 2015

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