## **Master Plan Reexamination Report**

Adopted November 3, 2014

**Prepared for:** Matawan Borough

Monmouth County, New Jersey

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#### Introduction

The New Jersey Municipal Land Use Law (MLUL) requires that each municipality in New Jersey periodically review and reexamine the local Master Plan and prepare a Reexamination Report of its findings. The purpose of the Reexamination Report is to review and evaluate the master plan and regulations on a regular basis in order to determine the need for updates and revisions. In addition, the preparation of a statutorily compliant Reexamination Report preserves the presumption of validity of the Borough zoning ordinance and development regulations under the law. The reexamination must be completed within ten years since the previous reexamination. The Reexamination Report is prepared and adopted by resolution of the Planning Board.

This report is the fifth Master Plan Reexamination Report for the Borough of Matawan as required by the Municipal Land Use Law (MLUL) at N.J.S.A. (40:55D-89).

The Borough of Matawan adopted its first Master Plan in 1965. The Borough Planning Board subsequently adopted a revised Master Plan in 1978. The primary goal of the 1978 Master Plan revision was "...to achieve a realistic approach for maintaining the existing residential and commercial character, while providing for quality development of the few remaining vacant tracts within the Borough."

In 1982, the Planning Board completed its first reexamination of the Master Plan and Development Regulations that were adopted in 1978, and it approved a Reexamination Report. The Reexamination Report found that, at the time of adoption of the 1978 Plan, Matawan's principal concern was the orderly development of approximately 100 undeveloped acres in a fully developed community, and the preservation of existing neighborhoods in Matawan. The reexamination noted that the 1978 plan included provisions for a Railroad Improvement Zone, a Highway (NJSH 34) Development Zone, a Downtown Preservation Zone, and a Historic Preservation Zone. The reexamination concluded that the only significant change in the Matawan since 1978 had been the electrification of the railroad and the development and improvement of the Railroad Station Plaza. The reexamination concluded that it had no recommendations for plan changes.

In 1989, the Planning Board completed its second reexamination and adopted a new Reexamination Report and a new Master Plan Housing Element. The report noted that the Borough had limited potential for growth due to the lack of vacant land, and emphasized the importance of the conversion of existing structures to conform with existing uses and neighborhood character. It also considered the external impacts of

increased traffic on the major highways and arterials in Matawan from adjacent municipalities, the increased utilization of the Matawan train station, and the impact of future development on the economic strength of the Central Business District.

In 1995, the Planning Board completed its third reexamination and adopted a new Reexamination Report. The report found that there had been no significant changes in the Master Plan assumptions, policies, and objectives since 1989. It did, however, identify the Downtown Preservation District, Historic Sites, and Downtown Parking as areas of concern. Specifically, it noted the incompatibility of commercial and residential land use in and near the Downtown Preservation District, the demolition or alteration of historic sites, and insufficient parking in the Downtown area. The report recommended implementing changes identified in a 1995 Zoning Study, compiling an inventory of the available parking in the Downtown Area, implementing Historic Preservation overlay zoning for significant sites identified by the Historic Sites Commission, and the adoption of new development application checklists.

The 1995 reexamination recognized that the State Plan, adopted in 1992, identified Matawan as an urban center and classified Lake Lefferts and Lake Matawan as environmentally sensitive.

In 2001, Matawan prepared "The Redevelopment Plan for the Designated Redevelopment Area in the Vicinity of the Matawan Train Station."

Subsequently, in 2003, the Planning Board completed its fourth reexamination and adopted a Reexamination Report and a new Master Plan Housing Element and Land Use Plan. The reexamination concluded and reaffirmed that the goals and objectives of the 1978 Master Plan continued to provide an appropriate guide for the development and redevelopment of the Borough. It also noted that, to conform to the requirements of the New Jersey Fair Housing Act and the New Jersey Municipal Land Use Law, the Master Plan needed a Housing Element to address low and moderate income housing need. It further noted the need to revise the land use element to recognize recently approved projects and the Redevelopment Plan for the Redevelopment Area in the Vicinity of the Matawan Train Station.

In January 2007, Beacon Planning and Consulting completed the Main Street Revitalization for the Borough. The Borough commissioned the study to serve as the basis for providing to provide a blueprint for enhancing the economic vitality of the Main Street business district through physical and programmatic improvements. In 2007, the Planning Board further amended the Master Plan pursuant to the Settlement

Agreement in the matter of American Properties at Matawan, LLC v. the Borough of Matawan and the Planning Board of the Borough of Matawan (Docket No. L-5074-03).

The 2014 Reexamination Report serves as a reexamination of the 1978 Master Plan, as subsequently amended and reviewed by the 2003 Reexamination Report.

## Requirements of the Periodic Reexamination Report

The Municipal Land Use Law (MLUL) requires that the Reexamination Report describe the following:

- The major problems and objectives relating to land development in the municipality at the time of the adoption of the last reexamination report.
- The extent to which such problems and objectives have been reduced or have increased subsequent to such date.
- The extent to which there have been significant changes in assumptions, policies
  and objectives forming the basis for the master plan or development regulations
  as last revised, with particular regard to the density and distribution of
  population and land uses, housing conditions, circulation, conservation of
  natural resources, energy conservation, collection, disposition, and recycling of
  designated recyclable materials, and changes in State, county and municipal
  policies and objectives.
- The specific changes recommended for the master plan or development regulations, if any, including underlying objectives, policies and standards, or whether a new plan or regulations should be prepared.
- The recommendations of the planning board concerning the incorporation of redevelopment plans adopted pursuant to the "Local Redevelopment and Housing Law," P.L.1992, c. 79 (C.40A:12A-1 et seq.) into the land use plan element of the municipal master plan, and recommended changes, if any, in the local development regulations necessary to effectuate the redevelopment plans of the municipality.

This report addresses each of these statutory requirements.

## **Major Problems and Objectives**

The 1995 Master Reexamination Report determined that there had been no significant changes in the assumptions, policies, and objectives that formed the basis of the Borough's 1989 Master Plan Revision. It did, however, identify several issues to address in order for the Borough to maintain its unique character. These are listed below:

- <u>Downtown Preservation District</u>: As of 1995, there were incompatibilities between commercial and residential land uses in and near the Downtown Preservation District. The Planning Board studied this issue in 1994, and the 1995 Master Plan Reexamination Report noted that the recommendations contained in the Planning Board's 1994 study be implemented.
- <u>Historic Sites</u>: The 1995 Master Plan Reexamination Report noted that some of
  the historic sites that are located outside of the Downtown Preservation District
  had been demolished or significantly altered without input from the Borough's
  Historic Sites Commission, and that it was working to increase the number of
  preserved historic sites within the Borough. The 1995 Master Plan Reexamination
  Report further noted that monitoring and retention of historic sites was crucial to
  preserving the character of the Borough.
- <u>Downtown Area Parking</u>: The 1995 Master Plan Reexamination Report noted that growth in surrounding municipalities and the Borough's population had led to an insufficient amount of parking in the downtown area. The 1995 Master Plan Reexamination Report further noted that viability of the downtown area as a commercial, residential, and historically significant area continues to be of major concern.

Subsequent to the 1995 reexamination, Matawan completed the "Redevelopment Plan for the Designated Redevelopment Area in the Vicinity of the Matawan Train Station" in 2001.

The Planning Board then completed the 2003 Master Plan Reexamination in conjunction with the adoption of a Master Plan amendment for the Housing Element and the Land Use Plan. The 2003 Master Plan Reexamination found that the major goals and objectives for land development in Matawan had remained consistent since the adoption of the 1978 Master Plan revision and continued to provide an appropriate guide for the further development and redevelopment of the Borough. The primary goal of the Borough continued to be the pursuit of a realistic approach for maintaining the existing residential and commercial character, while providing for quality development of the few remaining vacant tracts within the Borough.

To achieve the primary goal, the 2003 Master Plan Reexamination determined that the past pattern of development should not be drastically changed and that future development must be reviewed with a deep concern for compatibility with surrounding areas and potential effects upon all Borough citizens.

The 2003 Master Plan Reexamination noted the following themes amplified Matawan's planning objectives:

- The desire to ensure the harmonious inter-relationship of the various land use activities throughout the Borough and with adjoining municipalities.
- The continued maintenance of the Borough's residential character.
- The preservation and protection of environmentally sensitive lands.
- The encouragement of high quality design in residential, commercial, and industrial development.

The 2003 Housing Element amendment addressed the housing obligation that had been assigned to Matawan by the New Jersey Council on Affordable Housing (COAH) for low and moderate income housing. The housing element recommended capturing a contribution for affordable housing as development or redevelopment occurred. The options to produce affordable housing included zoning amendments to permit accessory apartments, overlay zoning on developed parcels to permit a redevelopment option that include low and moderate income housing within market development, and the imposition of development fees to support the production of affordable housing.

The 2003 Land Use Plan amendment continued the land use categories contained in the 1978 and 1989 plans, and incorporated the redevelopment area and plan for the area adjacent to the Matawan Train Station. It also adopted the list of historic sites prepared by the Matawan Historic Sites Commission and recommended that Matawan adopt appropriate ordinance regulations to provide architectural review prior to exterior changes to affected sites.

The 2003 Land Use Plan amendment included the proposed redevelopment of the "Sloan property" on NJSH 79 between Old Mill Road and Vermont Court. The plan identified the site as "Multi-Family/Preservation" and noted the planned removal of existing nonconforming industrial buildings and the redevelopment of the site with condominium development and open space preservation.

## Extent to Which Such Problems and Objectives Have Been Reduced or Increased

A major purpose of the periodic reexamination is to evaluate the extent to which problems and objectives identified in the previous reexamination have been reduced or have increased.

## Review of Goals and Objectives from Prior Reexamination

The primary goal of the Borough, as stated in the prior reexamination, was the pursuit of a realistic approach for maintaining the existing residential and commercial character, while providing for quality development of the few remaining vacant tracts within the Borough.

To achieve the goal, the reexamination determined that the past development pattern should not be drastically changed, and that future development proposals needed to be reviewed with a deep concern for compatibility with surrounding areas and potential effects upon all Borough citizens.

#### Review of Problems from Prior Reexamination

The significant problems identified in the prior reexamination in the Borough included:

- The limited ability of the Borough to absorb additional residential and commercial growth due to the scarce amount of vacant developable land.
- The need to address the Borough affordable housing obligation, even though little vacant developable land remained to address such needs.
- Providing for quality development of the few remaining vacant tracts within the Borough.
- Maintaining the existing residential and commercial character of the Borough while making appropriate planning revisions for redevelopment in the vicinity of the Matawan Train Station and at the Sloan property on NJSH 79 between Old Mill Road and Vermont Court.
- The continued viability of the downtown.
- The preservation of historic sites.

### Increase or Reduction of Goals and Objectives

The primary goal of the Borough, as stated in the prior reexamination, is the pursuit of a realistic approach for maintaining the existing residential and commercial character, while providing for quality development. The past development pattern should not be drastically changed, and future development proposals need to be reviewed for compatibility with surrounding areas and the effects on all Borough citizens.

Previous reexaminations focused on providing for quality development on the few remaining tracts of vacant land in Matawan. The Borough, however, is now a mature town with a diverse, but aging, housing stock, residential neighborhoods, a central downtown core with a main street of retail, office, and service uses, a developed highway corridor, and a public infrastructure network that includes streets, schools, parks and recreation areas, government services, water, sewer, and drainage systems.

Going forward, the challenge to the Borough will be to maintain, rehabilitate, repair, renovate, renew, adapt, redevelop, retrofit, revitalize, and manage the built environment to ensure that Matawan remains an attractive community with an appropriate mix of land uses that meets the needs and expectations of Borough residents.

Future change increasingly will take the form of redevelopment, alterations, adaptations, and infill activity. The Borough will need to manage change to protect and enhance stable neighborhoods and to advance its longstanding goal of maintaining the existing residential and commercial character of the community, while providing for quality development that does not drastically alter the development pattern of Matawan.

#### Increase or Reduction of Problems

#### **Availability of Vacant Land**

At the time of the last reexamination report, a major concern was the availability of vacant land to absorb additional residential and commercial growth, meet the Borough affordable housing obligation, and, generally, to provide for quality development on the few vacant tracts that remained at the time.

The Borough is fully developed and the vacant land problem has grown into the problem of how to best secure maintenance, rehabilitation, revitalization and redevelopment consistent with the wellbeing and economic health of the Borough. As noted above, future change in the Borough will increasingly take the form of redevelopment, alterations, adaptation, and infill activity.

#### Train Station Area Redevelopment

A major problem identified in the last reexamination report was the need to maintain the existing residential and commercial character of the Borough while making appropriate planning revisions for redevelopment in the vicinity of the Matawan Train Station and at the Sloan property on NJSH 79 between Old Mill Road and Vermont Court.

While the Sloan property has developed, redevelopment in the vicinity of the Matawan Train Station has not progressed since its designation as an area in need of redevelopment in 2000 and designation by the NJDOT as a Transit Village in 2003. The station area is an asset and the best opportunity within Matawan to provide an economically beneficial mix of residential, commercial, and nonresidential uses that is compatible with Matawan's historic character, scale, and neighborhoods. Moreover, the 2007 Main Street Revitalization Study concluded the successful redevelopment of the station area, as a Transit Village would help downtown revitalization progress.

## The Continued Viability of the Downtown

A major problem identified in the last reexamination report is the continued viability of Main Street as the community's downtown.

Since the last reexamination report, the Borough completed the 2007 Main Street Revitalization Study, which analyzed the problems and opportunities of the downtown and offered ideas and alternative visions to shape the future viability of the downtown. The considerations included the utilization of a Special Improvement District (SID) for the management and improvement of the downtown, and designation as an area in need of rehabilitation. The alternative visions suggest for the future of Main Street were to:

- Strengthen Main Street as a retail shopping district; or,
- Establish Main Street as a Sub-Regional Office Center; or,
- Establish Main Street as a Cultural Activities Center.

The interceding recession and prolonged economic downturn after 2007 have resulted in little progress in addressing Main Street's problems.

As economic conditions improve, the Borough needs to refocus on the revitalization of Main Street. The Borough should develop a preferred alternative for Main Street's future. Going forward, the Borough must evaluate the strengths, weaknesses, opportunities and threats to Main Street and formulate a vision for its future. The

Borough must then identify the measures that need to be taken to revitalize Main Street as a destination within Matawan.

One area in particular would be a review of the definition of "professional" in the Borough's ordinance to increase the range of businesses in the downtown. Another recommended approach would be to designate the downtown as an area in need of rehabilitation pursuant to the criteria in the Local Redevelopment and Housing Law (LRHL). This would enable the Borough to adopt site specific or area specific redevelopment plans for properties in the downtown and to possibly adopt a five-year tax abatement and exemption ordinance to create incentives for the upgrade and improvement of properties in the downtown and spur private redevelopment initiatives. A rehabilitation area designation would not include the use of eminent domain to acquire properties.

#### The Preservation of Historic Sites

The last reexamination report identified the preservation of historic sites as a major problem in the Borough. This continues to be a concern. It is important that the Borough conserve and enhance the important assets and features that make it an attractive and distinctive historic town of the Monmouth County Bayshore. In conjunction with Main Street Revitalization and redevelopment as a Transit Village, the preservation of historic assets and features will be important elements of community identity and civic pride.

# Extent to Which There Have Been Significant Changes in Assumptions, Policies and Objectives

The following significant governmental changes have affected the assumptions, policies and objectives related to land development.

## Changes at the State Level

#### Time of Decision

On May 5, 2010, Governor Christie signed P.L. 2010 c.9 into law, effectively nullifying the "time of decision" rule, which had previously allowed municipalities the ability to alter zoning requirements even after an application for development had been filed but before a formal decision on the application had been rendered. P.L. 2010 c.9 provides that the development regulations that are applicable to a property at the time that an application for development is filed will govern the review of the application and any decision made pertaining to it. P.L. 2010 c.9 became effective on May 5, 2011.

## Solar and Wind Facilities as Permitted Uses in Industrial Zones

The Municipal Land Use Law (MLUL) was amended in 2008 to provide that solar and wind facilities on parcels of 20 acres or more shall be deemed as permitted uses in industrial zone districts.

#### Stormwater Management

In 2004, the New Jersey Department of Environmental Protection (NJDEP) issued municipal storm water regulations that required preparation and adoption of a storm water management plan and ordinance by the Borough to address the need for promoting groundwater recharge and controlling the impacts of storm water runoff from development. The Borough adopted a storm water management plan in 2005 and ordinance in 2006; both were subsequently amended in 2007.

## New Jersey Council on Affordable Housing (COAH)

COAH originally adopted rules affordable housing rules for the third round period in 2004. However, an Appellate Division decision in 2007 stayed COAH from reviewing any plans as part of a petition for substantive certification, and resulted in a remand of the 2004 rules back to COAH to revise them consistent with the Appellate Division decision. COAH subsequently adopted revised third round rules in 2008.

In 2010, the Appellate Division invalidated COAH's 2008 third round rules, and the "growth share" methodology upon which they were based. In 2013, the New Jersey

Supreme Court upheld and modified the Appellate Division's 2010 decision that invalidated COAH's third round rules. As a result, COAH was then charged with the task of adopting new affordable housing rules.

COAH proposed new affordable housing rules on April 30, 2014. The public comment period on the proposed rule ended on August 1, and COAH is currently reviewing the comments received. The impact of the proposed rule on Matawan Borough is discussed later in this reexamination report, in the context of the 2003 Housing Element and Land Use Plan.

#### **Green Element**

The New Jersey Legislature amended the Municipal Land Use Law (MLUL) in 2008 to add an additional optional element to the municipal master plan. The scope of the new element is described as follows: "A green buildings and environmental sustainability plan element, which shall provide for, encourage, and promote the efficient use of natural resources and the installation and usage of renewable energy systems, consider the impact of buildings on the local, regional and global environment; allow ecosystems to function naturally; conserve and reuse water; treat storm water on site; and optimize climatic conditions through site orientation and design."

#### Redevelopment Case Law

There have been a number of recent court decisions concerning the use of the criteria for determining an area "in need of redevelopment" pursuant to the Local Redevelopment and Housing Law (LRHL). The most significant of these decisions is the New Jersey Supreme Court's decision in Gallenthin vs. Paulsboro, which reevaluated and set guidelines for the use of the statutory criteria for determining an area in need of redevelopment. The New Jersey Legislature also held hearings in 2010 on legislation to update the New Jersey Local Redevelopment and Housing Law (LRHL). In 2013 Assembly Bill 3615 became law (P.L. 2013, c.159) and is intended to protect property owners by further defining the redevelopment powers of municipalities under the Local Redevelopment and Housing Law codifying recent court decisions regarding the statutory criteria used to designate an area in need of redvelopment. The amended LRHL now provides for the designation of either a condemnation or non-condemnation redevelopment area, where eminent domain is not permitted. The amendments also clarify the notice requirements that must be given to property owners in proposed redevelopment areas and broadens the criteria for the designation of areas in need of rehabilitation.

#### Changes at the County level

#### Bayshore Region Strategic Plan

The Monmouth County Planning Board prepared a regional planning study of the Bayshore area in 2005 and 2006. The study was prepared with input from all of the municipalities in the Bayshore region, stakeholders and citizens. The Plan was adopted in May 2006 and contains a number of action-oriented strategies relating to growth initiatives, preservation strategies, transportation improvements, housing issues and design guidelines.

The Bayshore Region Strategic Plan contains a regional vision as well as economic development, waterfront and open space, transportation and housing strategies to spur economic development in the region while recognizing the importance of the region's natural resources. A selection of some of specific management and implementation strategies in the Plan applicable for Matawan Borough are:

#### **Economic Development**

- Collaborate in marketing of the Bayshore Region as a tourist destination.
- Collaborate in the development of regional linkages.
- Review zoning and design guidelines in the downtown area.
- Explore sources of funding and technical assistance.

#### Waterfront and Open Space

- Provide open access to Matawan Creek wetlands.
- Review riparian corridors to identify acquisition sites and environmentally sensitive areas.

#### Transportation

 Continue transit oriented development plans for redevelopment of the Matawan Train Station area.

#### Housing

- Preserve historic homes.
- Create neighborhood plans to strengthen existing community investment.
- Review zoning and consider changes to minimize the potential for displacement of affordable housing stock.

#### Changes at the Local Level

#### **Demographic Changes**

Matawan's resident population grew from a total of 2,758 in 1940 and peaked at 9,270 in 1990. Figure 1 shows the trend in resident population during the fifty-year period from 1940 to 1990.

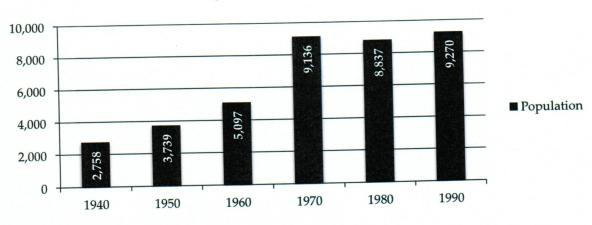


Figure 1: Population, 1940 to 1990

Source: US Census Bureau

Since 1990, Matawan's population has declined. In 2000, the population was 8,910, which represents a loss of 360 residents (3.9%) since 1990. During the decade from 2000 to 2010, there was a further loss of 100 residents in the total population (1.1%). The decrease in population from 2000 to 2010 was, however, less than the decrease in population that occurred between 1990 and 2000. According to information from the Population Estimates Program of the US Census Bureau, however, the Borough's population is estimated to have decreased to 8,755 residents in 2013. This represents a decrease of 1.7% since 2000 and 0.6% since 2010.

Concomitant with the loss of 1.1% of the Borough's population during the period from 2000 to 2010, the proportion of females in the total population increased slightly (0.8%), and the median age of Matawan's residents increased by 1.9 years (5.2%). Additionally, the proportion of residents identifying as Hispanic or Latino increased by 4.3%. The Population Estimates Program of the US Census Bureau does not provide gender, age, or cultural identity information of the 2013 population.

With regard to housing units and households in Matawan, it is noted that a total of 34 housing units (0.9%) were lost in the period from 2000 to 2010. Between the time of the 2010 US Census and the end of 2013, however, there was an estimated increase of 66

housing units (1.8%); the source of this information is the New Jersey Construction Reporter, which is maintained by the Division of Codes and Standards of the New Jersey Department of Community Affairs (NJDCA).

In addition to the above, it is noted that there was also an increase (127.5% or 139 units) in the proportion of housing units that were vacant or used for seasonal use. When the loss of 34 housing units and 139-unit increase in the number of vacant and seasonal-use housing units are summed, it is clear that there was a total decrease of 173 units (4.9%) in the number of occupied housing units (i.e., households) in the period from 2000 to 2010. However, the proportion of family to non-family households was relatively stable, and the number of owner-occupied housing units increased by approximately 3.7%. The information that is reported in this paragraph is not available for the period after the 2010 US Census.

Table 1: Demographic Profile

	2000	2010
Population		
Total	8,910	8,810 (2010)
		8,755 (2013)
Male	4,400 (49.4%)	4,281 (48.6%)
Female	4,510 (50.6%)	4,529 (51.4%)
Median Age	36.4	38.3
Race		= 40.4 (04.00())
White	7,337 (82.3%)	7,134 (81.0%)
Black	582 (6.5%)	620 (7.0%)
Asian or Other	991 (11.2%)	1,056 (12.0%)
Hispanic or Latino Population		242 (42 22)
Total (of any race)	575 (6.5%)	949 (10.8%)
Households		2.250
Total Households	3,531	3,358
Family Households	2,375 (67.3%)	2,279 (67.9%)
Non-Family Households	1,156 (32.7%)	1,079 (32.1%)
Housing Occupancy		2 (2( (2010)
Total Units	3,640	3,606 (2010)
		3,672 (2013)
Occupied Units	3,531 (97.0%)	3,358 (93.1%)
Vacant and Seasonal Units	109 (3.0%)	248 (6.9%)
Housing Tenure		2.259
Occupied Units	3,531	3,358
Owner Occupied Units	2,067 (58.5%)	2,144 (63.8%)
Renter Occupied Units	1,464 (41.5%)	1,214 (36.2%)

Source: US Census Bureau

#### Redevelopment Plans

As has been previously noted, Matawan prepared "The Redevelopment Plan for the Designated Redevelopment Area in the Vicinity of the Matawan Train Station" in 2001 and commissioned the Main Street Revitalization Study in 2007. Little to no progress has been made in the redevelopment of the train station area and revitalization of the Main Street business district since the preparation of these documents, and the Borough's subsequent designation as a transit village by the State of New Jersey in 2003. These areas, which are two of the most important assets of the Borough, continue to be underutilized and in need of redevelopment and revitalization.

Additional discussion of the Borough's redevelopment and revitalization initiatives is provided later in this document.

#### 2003 Housing Element and Land Use Plan

The Planning Board adopted a Housing Element and Land Use Plan (HELUP) in 2003, and later amended it in 2007. The HELUP reviews current land use patterns in the Borough and makes a general determination that the goals and objectives of the 1978 Master Plan continue to provide an appropriate guide for the future development and redevelopment of the Borough.

With regard to future residential development, the HELUP identifies a shortage of vacant developable land, and noted that new development will likely be associated with local redevelopment and infill development. The HELUP identifies a rehabilitation component of 19 units. Additionally, the HELUP identifies a new construction component of 141 units, but includes a vacant land adjustment that results in a realistic development potential of zero, and, therefore, an unmet need of 141 units.

To meet the Borough's rehabilitation component of 19 units, the HELUP proposes that the Borough enter into an agreement with Monmouth County to administer a rehabilitation program. To address the Borough's unmet need, the HELUP proposes that the Borough adopt a development fee ordinance, and negotiate a set-aside of affordable housing as part of the redevelopment plan for the Matawan Train Station area.

With regard to land use, the HELUP, as amended in 2007, recognizes existing land use patterns in the Borough with single-family residential development being the primary land use category. Additionally, the plan identifies commercial areas along portions of NJSH 34, Freneau Avenue, and Main Street, including the area surrounding the Matawan Train Station and associate parking areas. Multi-family, public, and quasipublic land uses correspond to existing land use patterns in the Borough.

While the 2007 amendment to HELUP recognizes existing land use patterns, it includes important revisions. Specifically, the delineation of the Downtown Preservation District is revised in accordance with recommendations made by the planning board in 1994. It also: adjusts the single-family and commercial designations between Main and Broad Streets on the eastern side of Little Street; adds a multi-family residential area along Freneau Avenue; and, a commercial area to the south side of Broad Street in an area that is adjacent to the community center. The land use plan is also revised to include the Matawan Train Station Redevelopment Area.

COAH on April 30, 2014 proposed new affordable housing rules. The public comment period on the proposed rule ended on August 1, and COAH is currently reviewing the comments received. The proposed rule assigns an affordable housing obligation to Matawan. The Matawan obligation, if adopted as proposed, will consist largely of a need to rehabilitate existing housing.

Based on the proposed rule, the Borough affordable housing obligation appears to be comprised of the following:

- Rehabilitation Share: 66 units
  - The rehabilitation share is the number of existing units that as of July 1, 2014 are both deficient and occupied by low- and moderate-income households.
- <u>Unanswered Prior Obligation</u>: 0 units
  - The unanswered prior obligation, as constrained by the positive prior cycle with buildable limit, is the sum of the new construction obligation for the 1987-1999 period and the prior need for the period from 1999 to 2014, as determined by COAH. COAH reduces the prior obligation by past affordable housing units completed and by publicly-subsidized housing that is eligible for crediting pursuant to NJSA 52:27D-307(c)(i) and NJAC 5:93-1 et seq. COAH calculates that the Borough buildable limit capacity for residential development is 13 units.
- Fair Share of Prospective Need for New Construction: 13 units
  - The fair share of prospective need is COAH's projection of low- and moderate-income needs for new units based on development and growth that it believes reasonably likely to occur in the period 2014 to 2024. The COAH projection includes COAH's reductions for caps and buildable limits.
- Total Obligation: 79 units

The Borough should closely monitor developments related to the formal adoption of new COAH rules. Upon such time as rules are formally adopted, the Borough should prepare a new housing element and fair share plan to meet its affordable housing obligation. It is noted that although the Borough settled the matter of American Properties at Matawan, LLC vs. the Borough of Matawan. However the Borough does not enjoy repose from further affordable housing litigation. The preparation of a housing element and fair share plan, and the substantive certification of the same by COAH or the grant of a judgment of repose from the Court, will afford the Borough protection from further affordable housing litigation. Further, any future redevelopment projects undertaken in the Borough should incorporate the provision for affordable housing that may be required pursuant to COAH regulations or any judgment of repose as may be approved by the court and in a manner consistent and the Borough's Housing Plan in effect at the time the project is approved.

## 2004 Cross Acceptance, New Jersey State Development & Redevelopment Plan

Matawan participated in the State Plan cross acceptance process with the Monmouth County Planning Board in 2004. Cross acceptance is a process of comparing statewide planning policies among government levels to attain consistency among municipal, county, regional and state plans.

Matawan is situated in the Metropolitan (PA-1) and Environmentally Sensitive (PA-5) planning areas. The Metropolitan Planning Area (PA-1) is the most urban of the planning designations in the State Development and Redevelopment Plan Resource Planning and Policy Map (RPPM). It comprises 82.2% (1,240.9 acres) of the Borough's land area. The Environmentally Sensitive Planning Area (PA-5) contains the state's most valuable ecosystems, geological features and wildlife habitats. It comprises 17.8% (268.6 acres) of the Borough's land area, and is concentrated around Lake Lefferts, Lake Matawan, and the Matawan Creek.

During the Cross Acceptance process, Matawan expressed its desire that approved redevelopment areas, historic district boundaries, and local parks be included on the RPPM. These features were included on the mapping of the 2004 Cross Acceptance report that was submitted by the County to the State Planning Commission. To date, the State Planning Commission has not adopted a new State Development and Redevelopment Plan since 2001.

#### Flood Hazard Area/Flood Insurance

The Federal Emergency Management Agency (FEMA) adopted in 2009 revised flood hazard maps for Matawan Borough and other areas in the Bayshore. The revised mapping shows that the flood hazard area of the Borough has changed very slightly. We note that these changes, as they exist in Matawan, appear to be the result of increased accuracy in flood hazard mapping, and not significant environmental change within the Borough.

#### **Zoning of Adjoining Municipalities**

Matawan shares its municipal boundary with Aberdeen and Marlboro townships in Monmouth County, and with Old Bridge Township in Middlesex County. The lands in Matawan and Aberdeen that adjoin are developed on both sides of the boundary predominantly with small-lot residential development. There are some exceptions, namely: the right of way of the Garden State Parkway and multifamily residential to the north; undeveloped wooded areas to the southwest; and, commercial development to the southeast, near the intersection of Mill Road and NJSH 34. All of the areas have coexisted for some time.

The lands in Matawan and Marlboro that adjoin are developed on both sites with small-lot residential development, except in the area to the west of the Henry Hudson Trail and the high tension electric transmission line, which is primarily developed with large lot residential use in Marlboro, and as the site of an Indo-American social and cultural organization in Matawan. All of these uses have coexisted for some time.

With regard to adjoining lands in Matawan and Old Bridge, it is noted that they are predominantly developed with small-lot residential development, with the following exceptions: adjacent multi-family and commercial uses in the north of Matawan; and, commercial uses along NJSH 34 in both municipalities. As above, these uses have coexisted for a number of years.

# Specific Changes Recommended for the Master Plan and Development Regulations

As a result of this periodic reexamination, the Planning Board recommends the following changes:

#### **Master Plan**

- The following changes should be made to the Master Plan as the first priority of a planning program to update the Master Plan:
  - The underlying assumptions, objectives, policies, and standards of the Master Plan should recognize that Matawan is a fully developed town. The Borough needs to maintain, rehabilitate, repair, renovate, renew, adapt, redevelop, retrofit, revitalize, and manage the town's environment to ensure that Matawan remains an attractive community with an appropriate mix of land uses that provide for the health, safety, and general welfare of all of its residents.
  - The Master Plan land use element should be amended to include a subelement focused on Main Street and downtown revitalization. The subelement should offer a vision and recommendations for Main Street's future. The sub-element will include an action plan of the specific measures to be taken to achieve the vision and revitalize Main Street as a destination within Matawan. Such measures may include changes to the type, density or intensity of land uses for the Main Street area. It may also include capital improvements and organizational changes to coordinate public and private efforts for the ongoing and continuous improvement and promotion of Main Street, including a plan for parking and improved vehicular and pedestrian circulation in the downtown. Moreover, the subelement should consider linkages between Main Street and the redevelopment of the station. The sub-element also should include possible plans for an integrated system of public open spaces and parks with pedestrian linkages that would connect Lake Lefferts and Lake Matawan into a comprehensive public open space amenity for the Borough's residents.
    - The Master Plan should be amended to include a new Circulation Plan Element for the Borough including a sub-element that addresses circulation and parking issues in the downtown.
    - The Master plan land use element redevelopment area plan for the Railroad Improvement District should be modified, as appropriate, to be

- consistent with the recommendations of this reexamination concerning the incorporation of redevelopment plans for the station area. This is discussed in further detail in the last section of this Reexamination Report.
- The Master Plan housing element should be amended at such time as the COAH enacts regulations that define the future affordable housing obligation of the Borough. The housing element should address the Borough fair share affordable housing obligation in accordance with the applicable COAH regulations. To protect Matawan from affordable housing litigation, the Borough should seek substantive certification of the amended housing element from COAH, or a judgment of repose from a court of competent jurisdiction. In addition, future redevelopment projects undertaken in the Borough should incorporate provision for affordable housing that may be required pursuant to COAH regulations or any judgment of repose as may be approved by the court and in a manner consistent with the Borough's Housing Plan at the time the project is approved.
- The Master Plan should be amended to include a recreation and open space element, which addresses the current needs of Borough residents for expanded recreation opportunities. Quality of life improvements such as parks, recreation and open space areas can strengthen the Borough. Grants and loans through federal, state, and county agencies as well as private foundations should be aggressively pursued. The Henry Hudson Trail is an important recreational resource. It is maintained by Monmouth County and it links the Borough with other Monmouth County municipalities. Matawan should investigate the feasibility of identifying shared-road bikeways that link the Henry Hudson Trail to important destinations in the Borough.
- The Borough Master Plan was initially adopted in 1965 as one document, and it has been the subject of amendments over the past five decades. The Master Plan as amended, however, has not been edited or reissued as one document. As the second priority of the Borough planning program, the entire Master Plan should be edited and brought current as a single document, and be adopted or readopted as appropriate. Moreover the Master Plan, and subsequent amendments and related planning documents, should be posted on the Borough website to facilitate public access and viewing.

### **Zoning and Development Regulations**

- In conjunction with the preparation of a planning sub-element focused on Main Street and downtown revitalization, the Borough should amend the zoning and development regulations to implement the Main Street plan. By including changes as to the type, density or intensity of land uses recommended by the plan, the Borough can facilitate the revitalization of the downtown and the Main Street area. Specifically, the Borough should redefine "professional" uses in the ordinance to include a wider range of businesses. In addition, the Borough should designate the downtown as an area in need of rehabilitation pursuant to the criteria in the Local Redevelopment and Housing Law (LRHL). This would enable the Borough to adopt site specific or area specific redevelopment plans for properties in the downtown. These plans could replace the existing zoning or act as an overlay zone to provide increased options for development in the downtown area.
- The Railroad Improvement District regulations should be superseded, as appropriate, by an amended redevelopment plan consistent with the recommendations of this reexamination for the redevelopment of the station area as a Transit Village and transit oriented development.

## Recommendations Concerning the Incorporation of Redevelopment Plans

Following the designation in 2000 of the train station vicinity as an area in need of redevelopment, the Borough adopted "The Redevelopment Plan for the Designated Redevelopment Area in the Vicinity of the Matawan Train Station" in 2001. The NJDOT designated the area as a Transit Village in 2003.

However, little progress has been made in the redevelopment of the train station area. As a result, this reexamination report recommends that the Borough reevaluate the goals, objectives, and standards of the "The Redevelopment Plan for the Designated Redevelopment Area in the Vicinity of the Matawan Train Station" for compatibility with existing market conditions.

Moreover, and subsequent to the Borough redevelopment designation and redevelopment plan preparation, the case law on the criteria for determining an area "in need of redevelopment" pursuant to the New Jersey Local Redevelopment and Housing Law (LRHL) has evolved. There have also been significant amendments to the LRHL.

In light of those changes, and to move redevelopment of the train station area forward, Matawan could take one of the following approaches:

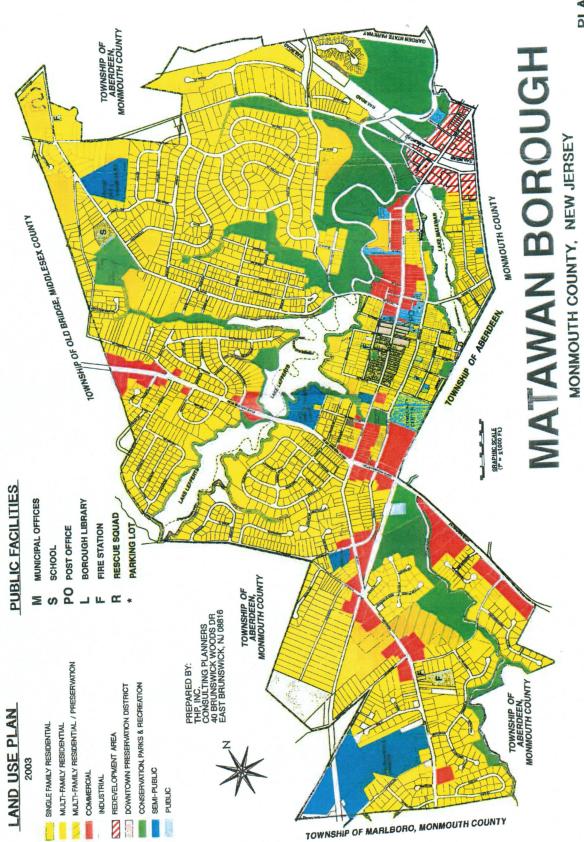
- Rely upon the present redevelopment designation of the station area and request proposals from qualified redevelopers for the redevelopment of one or more phases or parcels within the redevelopment area for transit oriented development (TOD) consistent with the guidelines and concepts of the NJDOT transit village initiative for mixed use residential, commercial, and non-residential development. Working with the selected redevelopers, the Borough amends or adopts a redevelopment plan to facilitate and permit redevelopment to proceed as a non-condemnation redevelopment area in phases or sections that do not require the use of eminent domain by the Borough to assemble parcels for redevelopment. The redevelopment plan supersedes the present Railroad Improvement District zoning and controls future development and land use within the designated redevelopment area.
- Alternatively, and to utilize eminent domain to assemble land for redevelopment in the train station area, Matawan does a new redevelopment designation that meets the current case law and the LRHL on the criteria for determining it as an area "in need of redevelopment" where condemnation powers may be exercised. The Borough then proceeds to request proposals from qualified redevelopers for the redevelopment of the area as a transit oriented development (TOD) consistent with the guidelines and concepts of the NJDOT transit village initiative.

In reviewing these two options, it is the Planning Board's opinion that the Borough should rely on the existing redevelopment area designation as a non-condemnation redevelopment area and amend the redevelopment plan to implement a phased approach to redevelopment that targets and prioritizes specific properties in the redevelopment area. The objective would be to support projects that can be developed relatively quickly and spur additional redevelopment in the area. Particular focus should be placed on the use of municipally-owned parcels in the redevelopment area. Accordingly, the Borough should adopt an updated and amended redevelopment plan for the train station area that reflects this phased approach.

The amended redevelopment plan should be designed in a manner that continues to support the Borough's transit village designation by providing a mix of residential and commercial uses as well as a parking deck to provide parking for the new development and train station.

In addition, the plan also should be designed to support and provide linkages to revitalization of the Borough's downtown. The redevelopment plan should include open space and public recreation amenities, including possible plans for an integrated system of public open spaces and parks with pedestrian linkages that would connect Lake Lefferts and Lake Matawan into a comprehensive public open space amenity for the Borough's residents.

Appendix A: Land Use Plan



Appendix B: Zoning Map

