

TO: Borough of Highlands Land Use Board

FROM: Susan Gruel, P.P., Land Use Board Planner
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RE: Consistency Memo
Ordinance O-26-20: Ordinance Amending the Amended Central Business District Redevelopment Plan

DATE: July 31, 2026

The Land Use Board has received a copy of Ordinance O-26-10 of the Borough of Highlands that proposes amendments to the Amended Central Business District (CBD) Redevelopment Plan. The Ordinance was introduced at the Mayor and Borough Council meeting on July 15, 2026. The amendment proposes a reduction of the required off-street parking spaces for multifamily dwellings in the CBD Zone, adds two new definitions, and edits the provision of first floor residential use in a mixed-use building.

Requirements Pursuant to the Municipal Land Use Law (MLUL)

Pursuant to N.J.S.A. 40:55D-64, prior to the hearing on adoption of a zoning ordinance or amendment, the governing body shall refer the proposed ordinance/amendment to the Land Use Board to review for consistency with the municipality's Master Plan.

Pursuant to N.J.S.A. 40:55D-26a, prior to the adoption of a development regulation, revision, or amendment, the Land Use Board shall review said revision or amendment and provide a report to the governing body reviewing the revision or amendment for consistency with the Master Plan. The report shall identify any provisions that are inconsistent with the Master Plan and provide recommendations concerning these inconsistencies and any other matters the Board deems appropriate.

The Municipal Land Use Law requires that every zoning ordinance must "either be substantially consistent with the land use plan element and the housing plan element of the master plan or designed to effectuate such plan element." (N.J.S.A. 40:55D-62a). In *Manalapan Realty v. Township Committee*, the Court determined that some inconsistency is permitted "provided it does not substantially or materially undermine or distort the basic provisions and objectives of the Master Plan." (140 N.J. 366, 384 (1995)).

The Borough of Highlands's Land Use Board adopted a Master Plan Reexamination Report on December 27, 2016.

Summary of Ordinance O-26-10

The amendments to the CBD Redevelopment Plan include:

1. Establishment of new definitions to make the distinctions between the "ground floor" and the "first floor" more explicit.
2. Clarification that residential units are permitted on the first floor of a mixed-use building in the CBD Zone, if a commercial/retail space is also provided on this floor.
3. Reduction of the minimum parking standards for multifamily buildings with three (3) or more units.
4. Clarification that any variance granted for parking in the CBD Zone shall be subject to the parking deficiency variance requirements and parking deficiency fee set forth in Borough Code Section 21-65.14(E).

Consistency Analysis

The Borough's Master Plan Reexamination Report outlines two ongoing goals and objectives from the Borough's 2004 Master Plan, to "create a balanced Borough [with] residential, business/ employment, retail, community and leisure" (page 3), in tandem with "strengthen[ing] commercial districts, especially the Bay Avenue Central Business District, by encouraging a mix of uses" (page 4). The proposed amendments to the CBD Redevelopment Plan maintain this vision.

Further, reduction of the required off-street parking spaces for multifamily dwellings in the CBD Zone more realistically reflects parking needs in this walkable, downtown area of Highlands, while still meeting the Reexamination Report's goal to "provide for adequate parking to serve established residential and commercial areas" (page 4). This reduction also responds to the reality of limited parking in the Borough, which is voiced repeatedly in the Reexamination Report as an ongoing concern of existing residents.

Therefore, as a result, Ordinance O-26-10 is not inconsistent with the Borough's 2016 Master Plan Reexamination Report.