

December 8, 2025

Borough of Pennington Mayor and Council and
Pennington Borough Planning Board
30 N. Main Street
Pennington, NJ 08534



**Re: Affordable Housing Plan
Summary of Compliance Mechanisms**

Dear Mayor and Council and Planning Board Members:

In advance of our joint session on December 17th, this correspondence summarizes compliance mechanisms proposed for inclusion in an amended Fair Share Plan to be considered by the Planning Board in January of 2026. The compliance mechanisms identified are based on specific proposals that have been submitted by property owners as well as discussion by the Master Plan Committee and Planning Board in conjunction with preparation of the Borough's new land use plan.

Pennington's Affordable Housing Obligation

The Borough's affordable housing obligation includes the prior round obligation (first and second round), the third round obligation and the fourth round obligation. Each is summarized in the table below and is broken down as RDP (Realistic Development Potential) and Unmet Need as we have received or proposed a Vacant Land Adjustment for each compliance round. It is important to note that the currently adopted housing plan proposed no Unmet Need mechanisms for the third round, which would have likely been required through the settlement process. Fair Share Housing Center's challenge to the Borough's adopted housing plan specifically requested that additional mechanisms be included to better address third round unmet need, and that is addressed in this proposed compliance scheme. In fact, the Borough will now meet its entire fourth round obligation and provide a total of 46 credits towards the third round obligation, including projects already constructed and occupied.

Summary of Pennington's Affordable Housing Obligation			
Round	Obligation	RDP	Unmet Need
Prior Round (1987 to 1999)	52	20	32
Third Round (1999-2025)	134	9	125
Fourth Round (2025-2035)	58	3	55
Totals	244	32	212

Summary of Proposed Compliance Plan

The table below summarizes proposed compliance mechanisms for the prior, third and fourth rounds and includes details on the total number of new units as well as the number of affordable units anticipated. The map on the following page shows the location of each mechanism and a brief summary is provided following the map, with concepts included where they have been submitted. As the majority of these mechanisms address unmet need, in accordance with the still operative portions of the Council on Affordable Housing's (COAH) second round rules, a 20% setaside will be required.

Borough of Pennington Summary of Fair Share Plan December 2025

Prior Round – 52 Unit Obligation - RDP 20

Project	Market Rate Units	# AH Units	Bonus	Total
Pennington Point – Existing Senior Units		6	0	6
Heritage (Capital Health) – Family For-Sale		8	0	8
Accessory Apartments		6	0	6
Unmet Need		32	0	32
Total		52	0	52

Third Round – 134 Unit Obligation – RDP 9

Project	Market Rate Units	# AH Units	Bonus	Total
Heritage (Capital Health) – Family For-Sale		8	0	8
Accessory Apartment - Rental		1	0	1
Highway Mixed-Use (Route 31) – Family Rental	106	22	0	22
Howe Commons – Family Rental	40	8	0	8
Margulis – Family Rental	7	2	0	2
Levin Limousine -Family Rental		1	0	1
245 and 250 South Main St. – Family Rental	16	4	0	4
Total	169	46	0	46

Fourth Round - 58 Unit Obligation – RDP 3

Project	Total Units	# AH Units	Bonus	Total
Senior Center Supportive Housing Bedrooms	6	6	6	12
12 North Main Street – Family Rental	16	4	0	4
Levin Limousine – Family Rental	12	2	0	2
Straube Center – Family Rental	75	15	7	22
West Franklin 1 – Family For-Sale	16	4	0	4
West Franklin 2 – Family Rental	30	6	2	8
Blackwell – Family Rental	30	6	0	0
Total	185	43	15	58



Margulies – 37 and 41-43 South Main Street

The property owner submitted a concept plan proposing development of a new 9-unit building at the rear of site, which would provide a total of 2 affordable units. Currently there are three existing units in two buildings fronting South Main Street with parking located to the side and rear of those buildings as shown in the aerial image below.

As shown on the concept plan below, the proposed 3 story building would be situated adjacent to a portion of Howe Commons, located directly to the east. While the owner submitted a plan for 9 units, based on the size of the building proposed, it's location in the Historic District and the size and scale of surrounding buildings, it is suggested this site accommodate no more than 8 units and the



Borough work with the owner on the final configuration of the building so it is no more than 2 ½ stories. Historic Commission approval will be required.



245 and 250 South Main Street

As part of discussions related to the land use plan, the Planning Board will recommend rezoning of these two properties, currently zoned O-B, to MU- Mixed-Use. 245 South Main Street is a single-story medical office building with substantial existing parking and 250 South Main Street is an existing single-story building containing retail and service uses. Both properties have the potential to accommodate apartments on new upper floors to be no more than 3 stories in height. 245 South Main Street could likely support upper floors added to the existing one-story structure while 250 South Main Street could include additional stories on the existing one-story structure or the site could be redeveloped with a new mixed-use structure. The aerial image below shows the location of these properties in more detail. It is estimated that a total of 16 new units could be constructed, which would provide a total of 4 affordable housing units.



Senior Center – Reading Street

Once the Senior Center is relocated, this Borough-owned property has the potential to accommodate affordable housing. While redevelopment with inclusionary housing could certainly be accommodated, a less intensive option is to convert the existing building into supportive housing for individuals with developmental disabilities, with 6 bedrooms possible. Supportive housing units are eligible for bonus credits, with each bedroom producing two credits resulting in a total of 12 credits. Other than conversion of the building, no other site improvements would be necessary to accommodate this mechanism.

12 North Main Street

The owner of this property has recently perfected a subdivision that separated the existing retail storefront and second floor apartment from the office building that abuts the municipal parking lot. Based on discussion with the owner, a total of 16-20 units is possible through conversion of the existing office building and construction of an additional story, and a 20% setaside would yield 4 affordable units. As this is anticipated to be enabled through a redevelopment plan (redevelopment investigation is authorized by Mayor and Council), negotiation of a PILOT could potentially increase the number of affordable units. The aerial image below shows the site in more detail. We note the owner has deeded access to 16 parking stalls within the existing parking lot.



The owner of the property has submitted a concept plan that would provide a total of 12 apartment units in a new 3-story building, 3 of which would be affordable under the required 20% setaside. As shown on the concept below, a total of 18 parking stalls can be provided. The site is adjacent to shopping and commercial services and a short walk from Main Street.



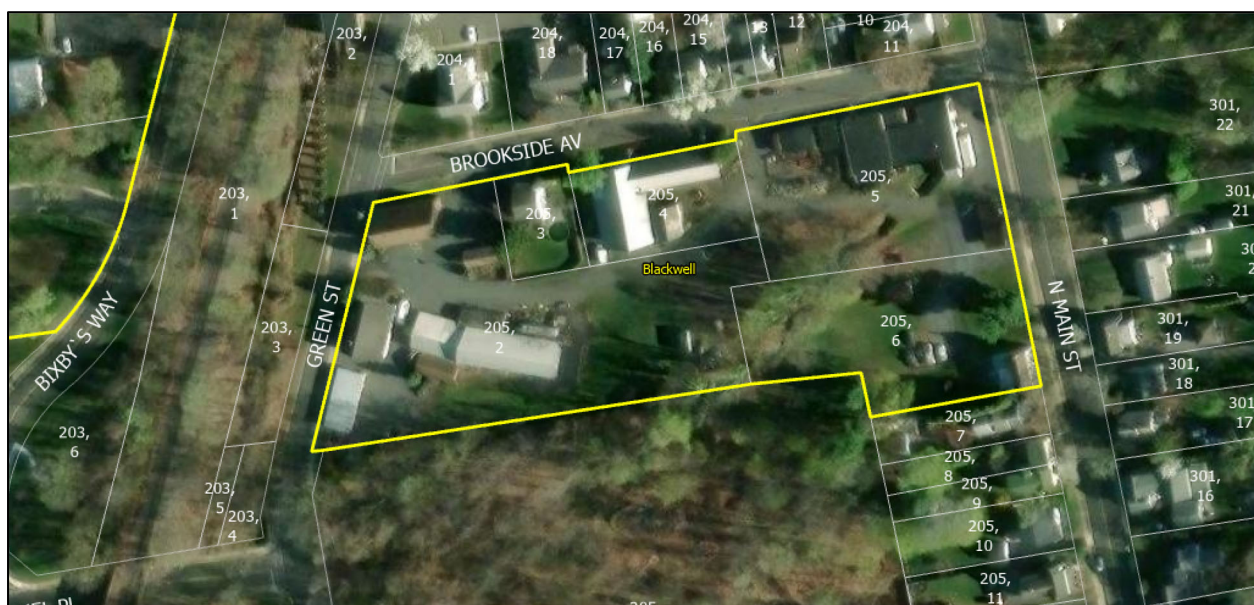
Straube Center

Recent conversations with the Straube's revealed a desire to reimagine the site, which presents the opportunity for inclusion of affordable housing. The concept plan shown below proposes a new three-story building with a total of 75 units at the corner of West Franklin Avenue and Bixby's Way, which would yield a total of 15 affordable housing units. This replaces an existing parking area and accessory building, and residential parking would be underneath the structure, taking advantage of the grade. This site is within walking distance of the NJ Transit bus stop on Broemel Place and is within walking distance of restaurants and shops. As discussed later in this memo, this area is proposed for inclusion in the new HMU Highway Mixed-Use district, which would permit standalone multifamily apartment structures provided they do not front on Route 31.



Blackwell – Brookside, Green Street and North Main Street

Although these properties are encumbered by flood hazard area associated with the Lewis Brook and regulated by NJDEP, County capital and other improvements contemplated along the stream are likely to reduce the regulated area in the future. There may also be other creative solutions to meet dry access requirements in NJDEP's flood hazard control act rules related to residential multifamily development. Areas on the west side of the site could potentially accommodate residential units with parking located off-site along Green Street or on-site if delineation of the flood hazard area is more favorable and dry access can be achieved. Conservatively and considering the opportunity for off-site parking, a total of 30 units could be built, with 6 deed restricted for low and moderate income households. The property is already within a designated area in need of redevelopment, and redevelopment efforts could include a PILOT to provide financial incentives to a redeveloper. Below is a recent aerial showing the properties.



West Franklin 1 – Block 201, Lots 2 and 9

While the property owner has submitted a concept plan proposing a total of 90 units on this 3.2 acre property, consistent with discussions as part of the land use plan update, higher density housing is not recommended for the west side of Route 31. Given the challenges of the location for nonresidential uses and surrounding residential development, it is appropriate for moderate density residential development and the Master Plan Committee has recommended it be included in the R-A Apartment-Townhouse Residential Zone. With a permitted density of 8 units per acre in this district, a total of 25 units could be built, yielding up to 5 affordable housing units. Although Block 201, Lot 1 is not formally part of the proposal submitted, the Master Plan Committee recommends this property be included in the R-A zone. The aerial photo on the following page depicts the 3 properties to be rezoned from R-100 and O-B to R-A.

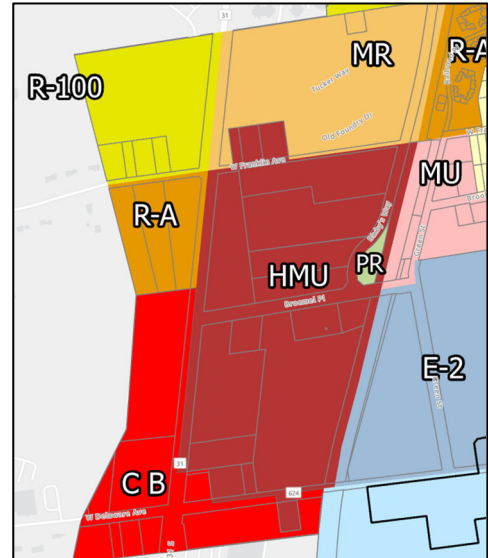


HMU – Highway Mixed-Use District

The Economic Development Committee, in the Economic Development Plan Element conditionally adopted by the Planning Board, recommends zoning along Route 31 be consolidated into a single mixed-use zone permitting retail, retail service, restaurant and office uses in combination with residential multifamily apartments. This concept has been discussed by the Planning Board in public meetings and will be incorporated into the forthcoming update to the Land Use Plan. One exception is the area west of Route 31, and the general consensus is that higher density multifamily housing is not appropriate for this area which should continue to

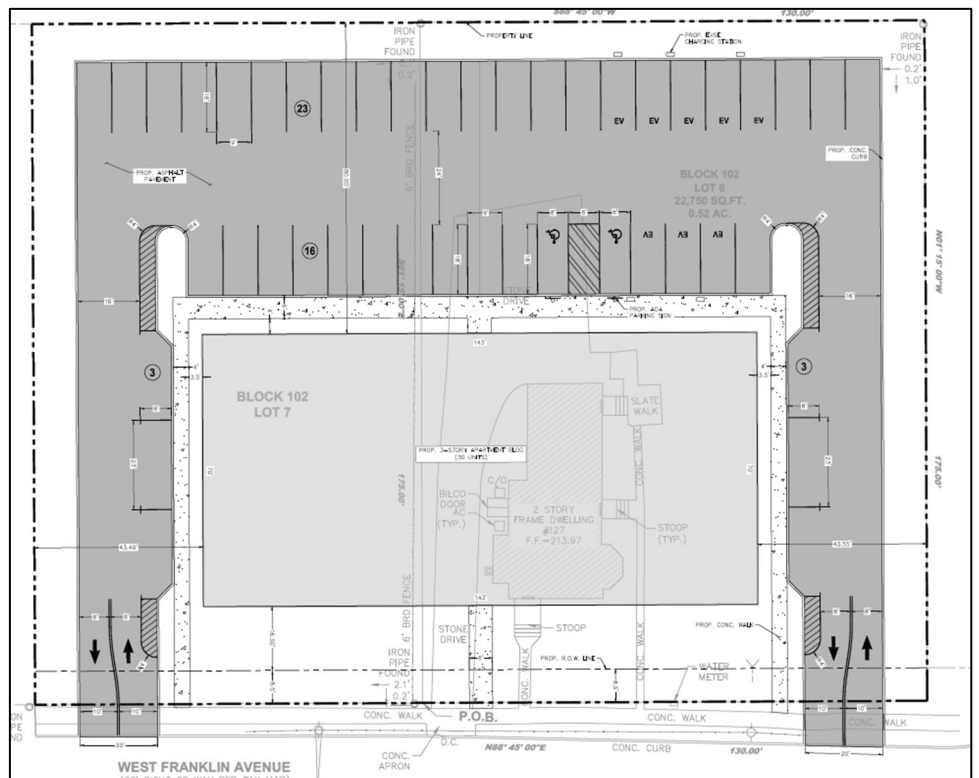
permit nonresidential uses that will also be permitted in the proposed Highway Mixed Use district. Broadening of permitted uses in this proposed district, as recommended by the Economic Development Committee, will provide more business opportunity within the Borough.

The HMU district, the proposed extent of which is shown on a portion of the draft Land Use Plan Map to the right, would permit nonresidential uses on the ground floor and residential uses on upper floors. In areas of the district that do not front directly on Route 31, multifamily apartment buildings will be permitted and encouraged. While it's difficult to predict the number of units that could be realized and whether wholesale redevelopment of sites is likely with this change in zoning, it is a mechanism sufficient to demonstrate a realistic opportunity for affordable housing in the context of Unmet Need. Conservatively a total of 106 units is possible, which would result in 22 affordable housing units under the required 20% setaside for Unmet Need mechanisms.



West Franklin 2

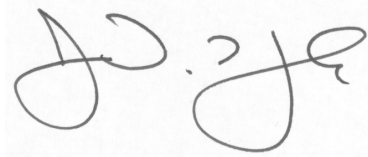
The property owner has submitted a concept plan (shown at right) proposing a total of 30 units on this 1.17 acre property, which would yield a total of 5 affordable housing units. A 3-story building is proposed along with 45 total parking stalls, which is appropriate. The Master Plan Committee has recommended these properties be included in the HMU Highway-Mixed Use district which is intended to permit multifamily apartment buildings without ground floor commercial uses provided the building does not front directly on Route 31.



We will attend the joint session with Mayor and Council and the Planning Board on December 17th to present and discuss these sites. In summary, the compliance mechanisms outlined in this memo allow the Borough to meet its entire fourth round affordable housing obligation and reduce its third round unmet need to 88 units where previously unmet need remained in the fourth round and only 9 units of unmet need were addressed for the fourth round.

Should you have any questions in the meantime, please feel free to contact our office.

Sincerely,

A handwritten signature in black ink, appearing to read 'J. Kyle', written on a light-colored background.

James T. Kyle, PP/AICP
Borough Planner

Attachments

Cc: Betty Sterling, Borough Clerk, for distribution to Council
Robin Tillou, Land Use Administrator, for Distribution to Planning Board and public posting