



# DRAFT Housing Element and Fair Share Plan - 4<sup>th</sup> Round



Montclair Township

Department of Housing and Community  
Development

March 13, 2025

# AFFORDABLE HOUSING OVERVIEW

- ▶ 1975: Supreme Court decision in South Burlington County N.A.A.C.P v. Mount Laurel Township.
- ▶ 1983: NJ Supreme Court further defined the need for affordable housing and created basis for legislating affordable housing.
- ▶ 1985: Fair Housing Act adopted by State of New Jersey outlining process and timing for preparation of Housing Element and Fair Share Plans.
  - ▶ 1986 - 1992: First-round obligation.
  - ▶ 1993 - 1999: Second-round obligation.
  - ▶ 2000 - 2025: Third-round obligation.
  - ▶ 2025 - 2035: Fourth-round obligation.

## PROGRESS, REVISITED

### Four Decades to Build 70,000 Affordable Homes? Count That as a Success.

In 1975, New Jersey's Supreme Court ordered every town in the state to make way for multifamily housing. It's been a long journey.

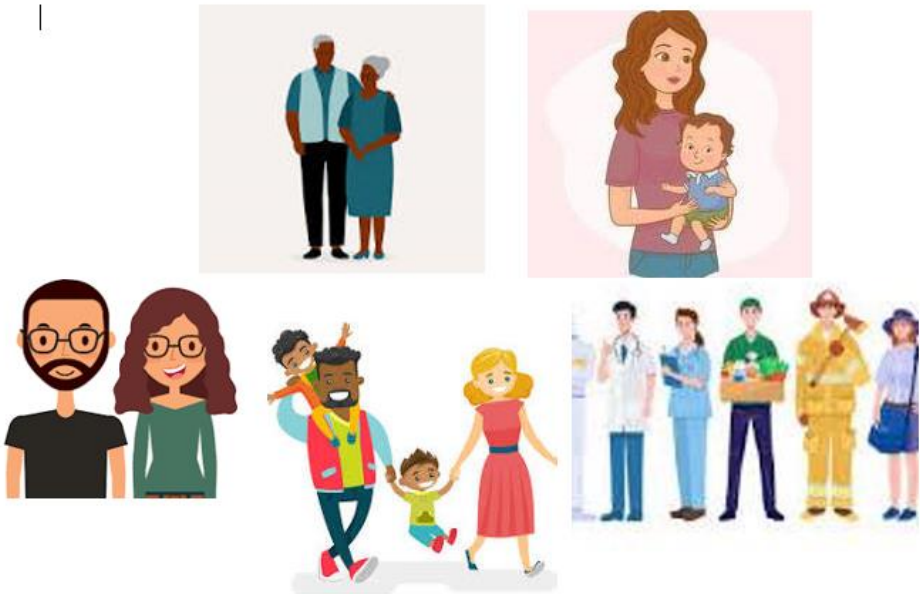


# WHAT IS AFFORDABLE HOUSING

Affordable housing is housing that is affordable to households earning less than 80% of the median gross household income for households of the same size within the housing region.

- ▶ Very-low-income households: <30% of the median gross household income. At least 13% of affordable units must be for very-low-income households.
- ▶ Low-income households: >30% and <50% of the median gross household income. At least 50% of affordable units must be for low-income households.
- ▶ Moderate-income households: >50% and <80% of the median gross household income. No more than 50% of affordable units may be for moderate-income households.

# Who lives in affordable housing?



Household Size	Very Low	Low	Moderate
1	\$27,177	\$45,296	\$72,473
2	\$31,060	\$51,766	\$82,826
3	\$34,942	\$58,237	\$93,180
4	\$38,825	\$64, 708	\$103,533
5	\$41,931	\$69,885	\$111,816
6	\$45,037	\$75,061	\$120,098

# Montclair's racial composition is changing.

The Black/African American population decreased by over 900 people between 2010 and 2020, a 9 percent decline, while the population classified as Black and other races gained 569 individuals.

The Hispanic/Latino population experienced substantial growth between 2010 and 2020, rising from 6.1% to 9.5%, an increase of 1,603 individuals.

The Asian population also exhibited considerable growth between 2010 and 2020, increasing from 3.8% of the population to 5.1%.

# Montclair's population base is aging and the number of older schoolchildren is increasing.

The percent of population aged 60 to 84 experienced the most significant growth between 2013 and 2023, adding over 2,000 people.

The number of older school aged children (aged 10 - 19) also increased between 2013 and 2023, adding 1,099 individuals over the same period.

# Household Characteristics

Median household income rose from \$74,894 in 2000 to \$166,765 by 2023.

Percentage of individuals living below the poverty line increased from 5.6% in 2000 to 6.6% in 2020.

Household sizes are increasing, growing from 2.53 in 2000 to 3.09 in 2023.

The disabled population increased slightly, adding between 200 and 300 individuals over the 20-year period.

Montclair's unsheltered population is increasing with number ranging between 40 and 60 individuals in 2024.



# Diverse Housing Stock

Owner-occupied (60%) and renter-occupied (40%).

Single-family detached homes - 50%

Two-family detached or townhouse homes - 15%

Small multi-family (3-4 units) buildings - 9%

Medium multi-family (5-9 units) buildings - 6%

Large multi-family (10-19 units) buildings - 6%

Very large multi-family (20+ units) buildings - 14%



# Housing Affordability



The median value of a house was \$601,100 in 2010. By 2023, the median value of a single-family home was \$850,700 and the average value of a single-family home in Montclair in 2025 is **\$1,039,700**.



In 2010, the median monthly contact rent was \$1,281. By 2023, the median monthly rent was \$2,045, a 60% increase.

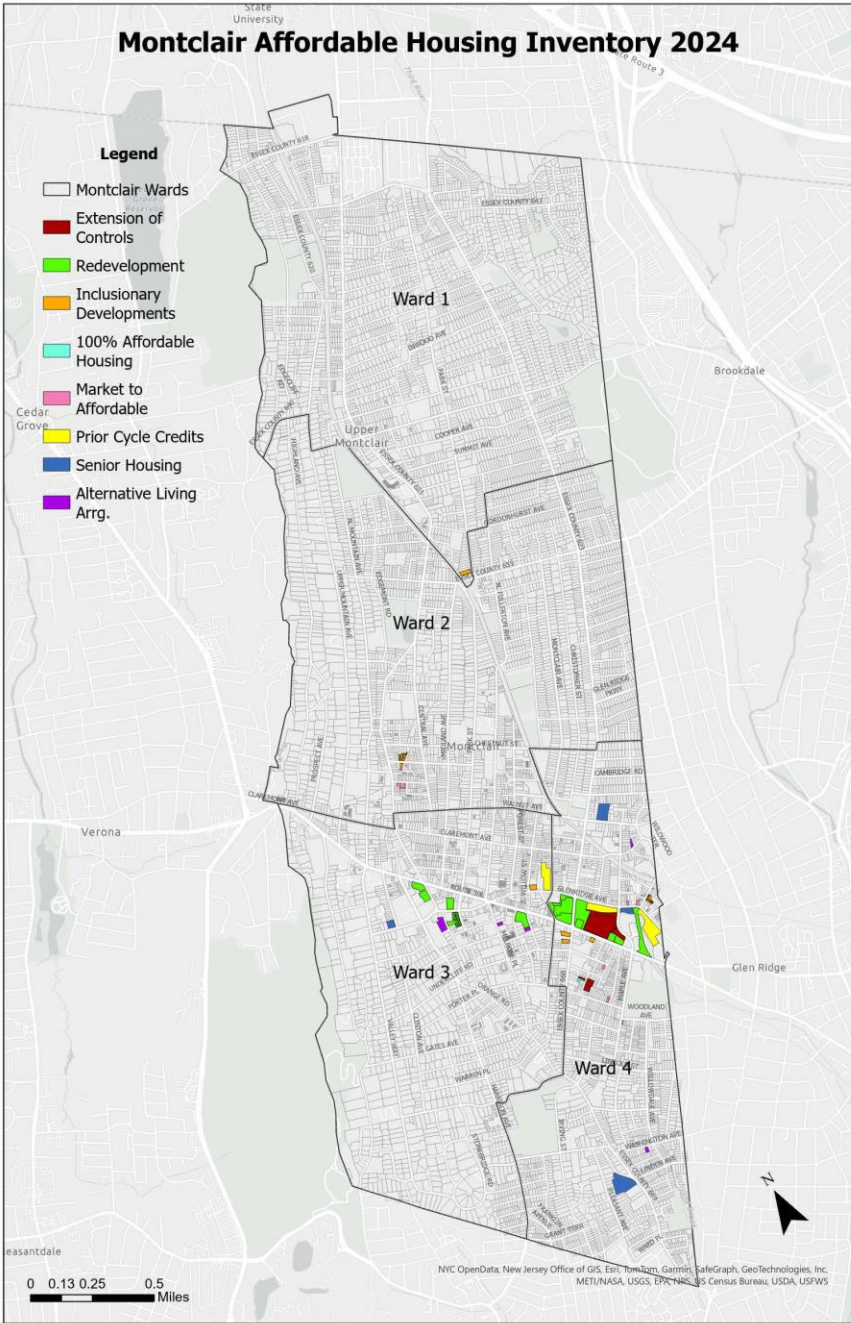


In 2023 **over 42%** of renters were cost-burdened and paid more than 30 percent of their income towards housing. In 2010 only 33.5% of renter households paid more than 30% of income for housing.

# 2024 Affordable Housing Income Limits

Household Income	Household Size					
	1 person	2 persons	3 persons	4 persons	5 persons	6 persons
<b>Income Limits</b>						
<b>Median Income</b>	\$86,680	\$99,063	\$111,446	\$123,829	\$133,735	\$143,642
<b>Moderate Income</b>	\$69,344	\$79,251	\$89,157	\$99,063	\$106,988	\$114,913
<b>Low Income</b>	\$43,340	\$49,532	\$55,723	\$61,914	\$66,868	\$71,821
<b>Very Low Income</b>	\$26,004	\$29,719	\$ 33,434	\$37,149	\$40,121	\$43,092
<b>Max. Rent or Mortgage Payment</b>						
<b>Median Income</b>	\$2,167	\$2,477	\$2,786	\$3,096	\$3,343	\$3,591
<b>Moderate Income</b>	\$1,734	\$1,981	\$2,229	\$2,477	\$2,675	\$2,873
<b>Low Income</b>	\$1,084	\$1,238	\$1,393	\$1,548	\$1,672	\$1,796
<b>Very Low Income</b>	\$ 650	\$ 743	\$ 836	\$ 929	\$1,003	\$1,077

2023 Median contract rent - \$2,045



# Current Affordable Housing Inventory

Program	Number of Units
○ Redevelopment	156 units
○ Inclusionary Development	12 units
○ 100% Affordable Housing	9 units
○ Market to Affordable	40 units
○ Prior Cycle Credits	181 units
○ Senior Housing	294 units
○ Alternative Living Arrangements	40 units
○ Extension of Controls	43 units
○ Total	775 units



# Land Most Appropriate for Affordable Housing

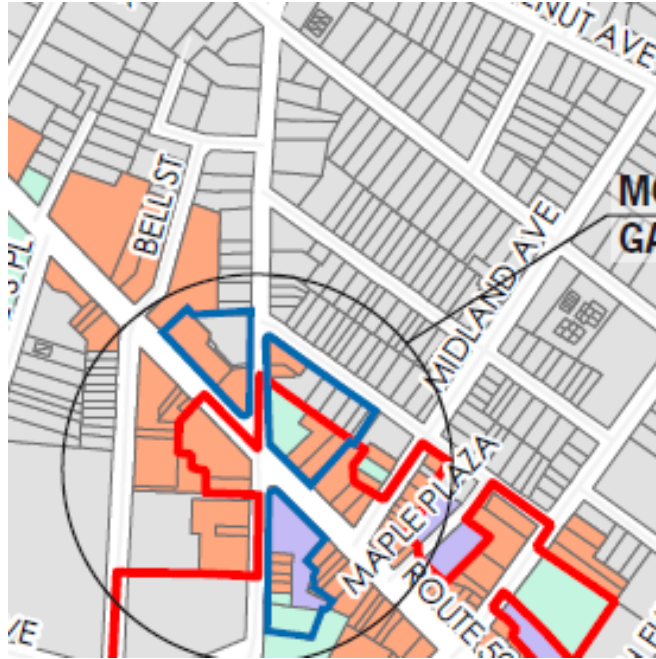
Additional affordable housing can be accomplished through a combination of public and private redevelopment initiatives and development on vacant Township-owned properties.





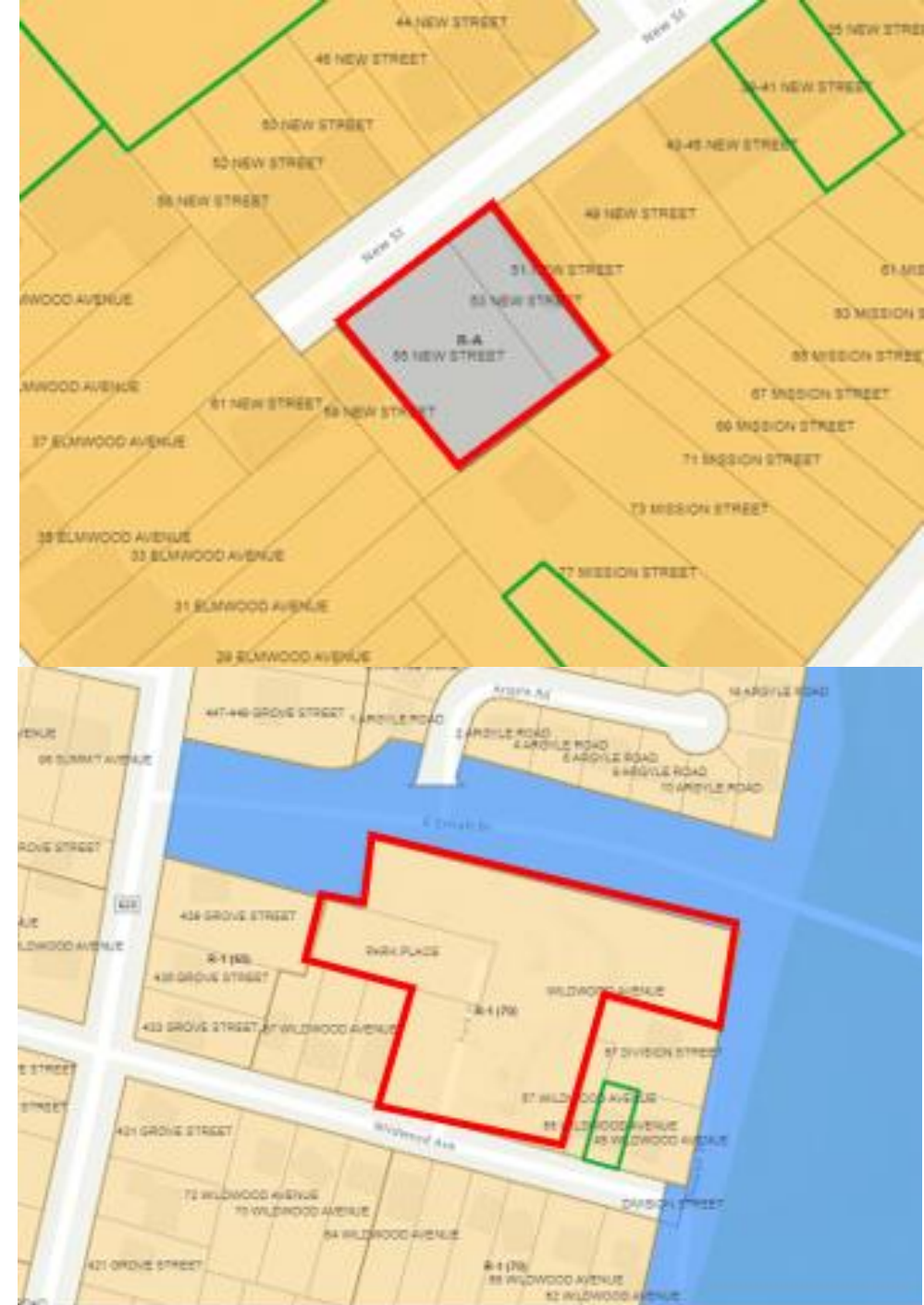
# Underutilized Properties in Commercial Districts

- ▶ The 8-acre Lackawanna Plaza Redevelopment Plan, adopted in 2024, anticipates 300 dwelling units, including 60 affordable units and 30 workforce units, 90,000 square feet of retail space including a new supermarket and 100,000 square feet of office space.
- ▶ The Montclair Center Gateway Phase 2 redevelopment area has been designated as an area in need of redevelopment, but a redevelopment plan has not been adopted. This area comprises lots on the north side of Bloomfield Avenue on either side of Valley Road at the westerly entrance to Montclair Center.
- ▶ Underutilized properties in the Township's commercial districts including the DeCamp bus depot, the NW Essex Development Facility on Walnut Street and the Acme Shopping Center on Valley Road.



## Vacant Township-Owned Properties

- ▶ Wildwood Tract - 2.63-acre tract of land located adjacent to Brookdale Park between Wildwood Avenue and the entrance drive to Brookdale Park. Appropriate for infill development. Property can support four two-family dwellings with parking in the rear.
- ▶ 53-55 New Street - .23 acre tract with a combined frontage of 100 feet and a lot depth of 103 feet, located within walking distance (half-mile) to the Bay Street train station. The property is appropriate for a total of four dwelling units in two duplex buildings with parking in the rear.





### Legend

- Montclair Wards
- Property Classification
  - Church
  - Community Center
  - Convent
  - Parking
  - Parsonage
  - School
  - Synagogue
  - Other

# Property Owned by Faith-Based Organizations

- ▶ Over 58 acres of land in Montclair is owned by faith-based organizations. These properties are scattered throughout the Township, and many contain obsolete buildings that can be adapted to housing while maintaining their historic integrity.
- ▶ Likewise, some properties have excess land that may be used to build new affordable housing.
- ▶ Most are in residential zone districts, so development with appropriate design controls can ensure that affordable housing fits in with the surrounding neighborhood.





- ▶ Some houses of worship have converted obsolete buildings to commercial uses (Church of Christ Scientist on Hillside Avenue) or used excess land for market rate single-family homes (First Congregational Church on South Fullerton Avenue).
- ▶ Opportunities for future affordable housing sites include the former convent of Our Lady of Mount Carmel Church on Pine Street and the Immaculate Conception High school on Cottage Place.
- ▶ In addition, many of the faith-based organizations own buildings formerly used as parsonages which can be used for affordable housing.



# Nonconforming Properties in Residential Zones

There is almost 19 acres of land containing nonconforming uses in one- and two-family residential zone districts scattered throughout the Township. Examples include:

- ▶ An office building on a one-acre lot on Beldin Place in Upper Montclair which is in the R-2 zone;
- ▶ Applegate Farm, an ice cream establishment on a 2.35 acre lot on Grove Street in the R-1 zone;
- ▶ Sawtelle Learning Center on a 4.8-acre lot on South Mountain Avenue in the R-O zone; and
- ▶ Martin's Funeral Home on a .5 acre lot on Elm Street in the R-2 zone.





# PROJECTION OF HOUSING STOCK

- ▶ Average annual residential construction over the past ten years has added 92 one- and two- family dwelling units and 685 multi-family dwelling units, an average of 71 new dwelling units per year.
- ▶ New development is expected to decline from the pace exhibited over the last 10 years to about 60 new dwelling units per year for a total of 600 new housing units by 2035. This includes the Lackawanna Plaza redevelopment project which is planned for 300 multi-family units including 60 affordable units and 30 workforce units.

# FAIR SHARE OBLIGATION

The 3<sup>rd</sup> Round Plan proposed to address the 162-unit prospective need through various housing projects creating 150 affordable units and 40 bonus credits for a total count of 190 units. Six of the planned affordable units were not built, reducing the total number of affordable units to 184 which still meets the prospective need of 162 units.

The Township has 153 units of affordable housing that exceed the third-round prospective need obligation and can be applied to the fourth-round obligation.

As an Urban Aid municipality, Montclair's 4th Round prospective need obligation is zero.

# HOUSING NEED

Montclair has accepted the affordable housing **obligation** calculated by the NJ Department of Community Affairs which is a Present Need (rehabilitation component) of 132 units. The Township does not have a Prospective Need obligation because it is an Urban Aid Municipality in 2024.

The Montclair Housing Commission worked with the Rutgers University Bloustein School to prepare a housing needs assessment for Montclair. The report concluded that the Township needs approximately **1,259 rental** units for renter households earning less than \$50,000 as these households are paying more for housing than they can afford.

This is comparable to HUD's Comprehensive Housing Affordability Strategy (CHAS) which analyzes affordability issues and provides publicly available data. CHAS estimated **1,280 renting** households as severely cost burdened, meaning these households spend more than 50 percent of their income on housing costs.





*Duplex*



*Accessory dwelling units (ADUs)*



*Small multifamily*



*Cottage courts*



*Townhomes*

In addition to the need for affordable housing in general, there is also a lack of housing that meets the needs of modern households.

- ▶ More housing appropriate for senior citizens is needed. This includes senior citizen housing, assisted living facilities, smaller units for an aging population, multi-generational housing, and accessory dwelling units.
- ▶ More supportive housing is needed to address the increase in people with disabilities and the homeless population.
- ▶ More modest-income housing is needed. Housing development should diversify to encourage missing middle housing such as townhomes, small lot single family homes, and two- and three-family homes which are undersupplied.

# FAIR SHARE PLAN

## Present Need - 132 Units

- ▶ The Township is obligated to rehabilitate 132 units occupied by low- and moderate-income households between 2025 and 2035, an average of 13.2 unit per year.



## DOES YOUR HOME NEED REPAIRS?

The Mayor and Township Council  
invite you to apply to Montclair's

## HOME IMPROVEMENT PROGRAM

If you live in Montclair own your home, and your total gross annual household income falls below the income limit for your household size, you may qualify to participate in the program.

- ✓ There is **no cost to apply** and it does not affect your credit score.
- ✓ Funds are provided as a **no interest (0%) ten-year forgivable loan**.
- ✓ There is **no monthly payment**.
- ✓ A **professional inspector** oversees the process.

You can receive  
up to **\$24,000**  
in repairs!

Funded by collected development fees.  
(income limits updated annually)

### ELIGIBLE USES OF FUNDS INCLUDE

- Roofs
- Foundations
- Heating
- Electrical
- Windows
- Insulation
- Plumbing
- Lead Water Pipes
- and more!

Household Size	1	2	3	4
Maximum Income	\$72,473	\$82,826	\$93,180	\$103,533
Household Size	5	6	7	8
Maximum Income	\$111,816	\$120,098	\$128,381	\$136,663

Montclair

This program is  
sponsored by the  
Township of Montclair



**FIRST COME, FIRST SERVED  
TAKE THE FIRST STEP!**

**[www.hip.cgph.net](http://www.hip.cgph.net)**

Scan the QR-Code & easily submit your preliminary application online!

If you have additional questions, or if you do not have internet access,  
please contact a Program Representative at (609) 664-2769 ext. 9.

Funding also available for rental properties — Landlords to call for terms.



- ▶ There is currently over \$2 million in the Housing Trust Fund, with another \$3 million in revenues expected by 2035 for a total budget of \$5 million.
- ▶ The **Montclair Home Improvement Program (HIP)** should be reinstated to provide funding to income-eligible households to make improvements to existing homes to bring them up to current code requirements.
- ▶ The program should be expanded to allow additional funding for **gut rehabilitations** for homes that are or will be occupied by income-eligible households that need more funding than can be provided by the regular HIP. Marketing for this program should focus on specific neighborhoods where the need is greatest.



## PROSPECTIVE NEED - REDEVELOPMENT

- ▶ Redevelopment has created the largest number of affordable units over the past 20 years (95 units)
- ▶ The Lackawanna Plaza Redevelopment will provide 60 affordable units and 30 workforce units.
- ▶ Additional redevelopment plans should provide an affordable housing setaside of 20% with an additional setaside of 10% for workforce housing.



## PROSPECTIVE NEED - AFFORDABLE HOUSING ON TOWNSHIP-OWNED PROPERTY

- ▶ 14 Miller Street: Sell this property to an organization to rehabilitate the building to create three affordable housing units.
- ▶ Wildwood Avenue: Rezone and subdivide this property to create four lots for affordable two-family homes.
- ▶ 52-54 New Street: Subdivide this property to create two affordable two-homes homes.



## PROSPECTIVE NEED - INCLUSIONARY ZONING CHANGES

- ▶ The Township's Inclusionary Zoning Ordinance (IZO) has created 12 affordable units over the past 20 years. These units are more widely scattered throughout the Township than those created through redevelopment.
- ▶ Amend the inclusionary zoning ordinance to increase the affordable housing set aside to 25 percent for any development application requiring a use variance per NJSA 40:55D-70d.
- ▶ Amend the IZO to require that 15% of the newly-created affordable units be reserved for households with special needs.





## PROSPECTIVE NEED - OTHER ZONING CHANGES

Revise the zoning requirements for houses of worship to make houses of worship a permitted conditional use in all residential zone districts; to permit adaptive reuse of existing buildings for 100% affordable multi-family uses; to permit development of unused land for 100% affordable multi-family housing with strict design controls; and to permit senior and supportive housing as a permitted use.

Supportive housing, senior housing and assisted living housing should be a permitted conditional use in all residential zone districts. Include design controls to ensure that structures maintain residential appearance.

ADU regulations should be revised to make it easier to construct ADU's (i.e. exempt garages from the total demolition ordinance).

# PROSPECTIVE NEED - FUNDING PROGRAMS

Market to Affordable Program. The existing Market to Affordable Program provided funding to HOME Corp to purchase and renovate 16 units at an average cost of \$25,000 per unit and to construct 6 new units at a cost of \$37,500 per unit over the past 20 years. Continue to fund the Market to Affordable program but increase the per unit subsidy to reflect increasing costs.

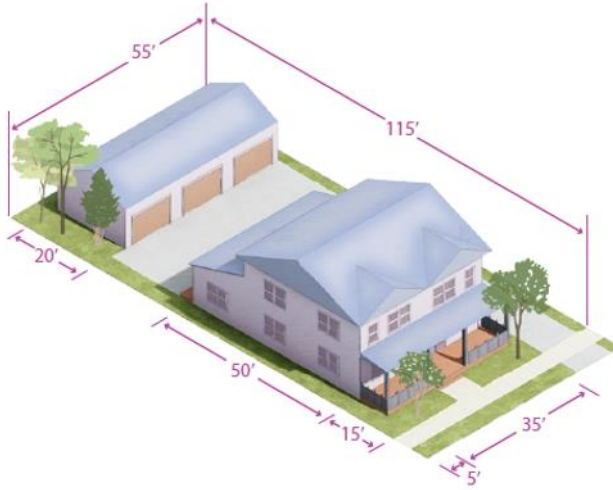
Create a new funding program for 100% Affordable Housing.

Create a new funding program for Supportive/Special Needs Housing.

Create a new funding program for Affordable ADU's.



## MISSING MIDDLE (MODEST-INCOME) HOUSING



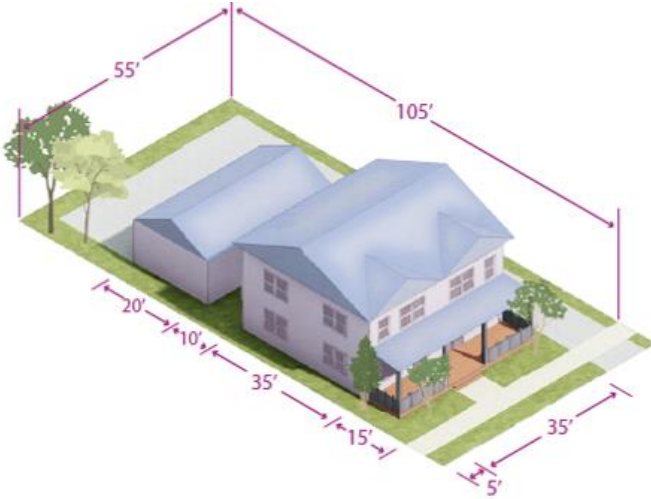
Zoning changes are recommended to maintain existing Naturally Occurring Affordable Housing (NOAH) and create new housing opportunities that are affordable to modest-income households.



Existing smaller homes should be preserved by expanding the total demolition ordinance, where appropriate.



New construction should be required to reflect the existing size and scale of neighborhoods by limiting the volume of homes through a sliding-scale residential Floor Area Ratio (FAR).





- The R-2 zone has a variety of housing types including one-family, two-family, three-family and other multi-family homes. In fact, 18% of the properties in the R-2 zone contain nonconforming uses.
- The R-2 zone should be evaluated to identify areas where three- and four-family uses with appropriate requirements to ensure neighborhood scale can be provided.

