Montclair, NJ
Affordable Housing
Background/Introduction
- Goals of the report
- Changing Montclair
- Demographic Data

Housing Needs Assessment
- Vacancy
- McClure Method and other Resources

Policies Enacted since 2004
- IZ
- Rent Control
- ADU

Recommendations to Improve Policies
- IZ
- Rent Control
- ADU

Other Policy Recommendations
- Upzoning
- Parking Minimums
- Resident and community ownership
- Other renter protections
- Affordable Housing on church lands

Site Plans for Municipally-Owned Parcels
- Wildwood Avenue
- New Street
Background
Affordable Housing Properties in Montclair
Affordable Housing Properties in Montclair by Type
Changing Montclair – Housing Costs

The Zillow Home Value Index increased 49% between March 2020 (the start of COVID) and March 2024.

<table>
<thead>
<tr>
<th>Cost Burdened</th>
<th>Percent</th>
<th>Severely Cost Burdened</th>
<th>Percent</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Owners</td>
<td>2,480</td>
<td>28.9%</td>
<td>1,170</td>
<td>13.6%</td>
</tr>
</tbody>
</table>

Source: Comprehensive Housing Affordability Strategy, US Department of Housing and Urban Development
# Changing Montclair – Rent Burden

<table>
<thead>
<tr>
<th></th>
<th>Cost Burdened</th>
<th>Percent</th>
<th>Severely Cost Burdened</th>
<th>Percent</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Renters</td>
<td>2,225</td>
<td>40.5%</td>
<td>1280</td>
<td>23.3%</td>
<td>5,500</td>
</tr>
</tbody>
</table>

Source: Comprehensive Housing Affordability Strategy, US Department of Housing and Urban Development
Changing Montclair – Median Gross Rent by Census Tract (in 2022 Dollars)

Source: American Community Survey
Changing Montclair – Household Median Income by Census Tract (in 2022 Dollars)

Source: American Community Survey
Changing Montclair – % Black Residents by Census Tract

Source: American Community Survey
Housing Needs Assessment
## Vacancy

### Rental Vacancy Rate Estimates

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2017</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Montclair</td>
<td>4.46%</td>
<td>3.44%</td>
<td>5.68%</td>
</tr>
<tr>
<td>Essex County</td>
<td>9.29%</td>
<td>7.71%</td>
<td>3.22%</td>
</tr>
<tr>
<td>New Jersey</td>
<td>6.91%</td>
<td>5.49%</td>
<td>3.88%</td>
</tr>
</tbody>
</table>

### Homeowner Vacancy Rate Estimates

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2017</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Montclair</td>
<td>1.09%</td>
<td>1.66%</td>
<td>0.32%</td>
</tr>
<tr>
<td>Essex County</td>
<td>2.38%</td>
<td>2.68%</td>
<td>1.05%</td>
</tr>
<tr>
<td>New Jersey</td>
<td>1.84%</td>
<td>1.71%</td>
<td>1.04%</td>
</tr>
</tbody>
</table>

Source: American Community Survey 2012-2022
Housing Needs Assessment

Data:
We used the American Community Survey (ACS) 5-year data to conduct our Housing Needs Assessment. We also looked at other sources such as the Comprehensive Housing Affordability Strategy from HUD to apply additional context.

We use 30\% of HH Income to define affordability.

Further details on process and replication will be provided in the report.
McClure Need Assessment

- Kirk McClure is a professor of urban planning at the University of Kansas
- Focuses on Housing and Real Estate Development
- Created Technique to decipher housing needs using ACS data that breaks people into groups by income and units by rent asked for.
- Then match income groups with housing units at affordable prices, and find the difference between the two.
We estimate that Montclair lacks 1,259 rental units for households who make less than $50,000 in the municipality.
Policies
Enacted
Since 2004
Inclusionary Zoning
Inclusionary Zoning

- **Ordinance Enacted:** 2006
- **Purpose:** Help capture value in new developments in Montclair's housing market for low income residents.
- **Population Affected:** Developers of projects that numbered at least 5 units, including residential and mix-use projects.
- **Key Requirements:**
  - At least least 20% of the total number of units within the development must be affordable
  - At least half of the affordable units within each bedroom distribution must be low-income units
Rent Control
Rent Control

Ordinance Overview:
- **Enacted:** 2022
- **Purpose:** Stabilize rising rental prices in Montclair's housing market.
- **Population Affected:** Households in multi-family rental buildings (with some exceptions); landlords of those buildings
- **Coverage:** 60% of Montclair renters covered under the ordinance, totaling 820 units.
- **Enforcement:** Seven member Rent Control Board

Rent Increase Guidelines:
- **Initial Increase:** Landlords who haven't adjusted rent since May 2020 can increase up to 6% once.
- **Annual Increase:** Capped at 4%, with a lower cap of 2.5% for units housing seniors aged 65 and above.
- **Exceptions:** Allow higher increases for hardships or major property improvements.

Vacancy Decontrol Provision:
- **Purpose:** Allows landlords to raise rents without percentage limits, once every 5 years, after apartment vacancy.
**ADU - Ordinance Overview**

- **What:** Accessory Dwelling Units (ADUs) are small residences that share a lot with a single-family or two-family home. ADUs can be attached or detached.

- **Purpose:**
  - Provide residents with housing options
  - Allow residents to age in place
  - Increase the supply of attainable housing

- **Date enacted:** February 2023

- **Who is eligible?** ADUs can be built on lots containing one- and two-family homes.

- **Requirements:**
  - Only one ADU can be built per lot
  - Each ADU must have at least one off-street parking space
  - The property owner must live in either the ADU or the primary dwelling unit

- **Approval Process:** The property owner must submit an application to the Department of Planning and Community Development. It must include the proposed floor plan and a survey of the property.
Montclair Gateway to Aging in Place hosted an ADU design competition in 2023

The designs from the competition show how Montclair can incorporate ADUs in existing neighborhoods
Recommendations to Improve Policies
Inclusionary Zoning

- Increase on-site set-aside
- Expand IZ zones
- Create an exclusive marketing window for Montclair residents
- Consider a sliding scale mechanism
- Density bonuses or other incentives
- Reevaluate affordability levels
Rent Control

- Limit the vacancy decontrol provision
- Make the list of units registered and eligible under Rent Control Ordinance public and/or more easily accessible
- Lower the cap on allowable rent increases
- Increase fines for non-complying landlords
- Consider incorporating preferential rent and/or preferential banking
ADU Recommendations

Parking Requirements
- A single parking spot can cost between $3,000 and $7,000
- We recommend eliminating parking requirements for ADUs

Owner Occupancy Requirement
- Make financing ADUs more difficult
- Concerns about absentee landlords and maintenance can be addressed through building codes and other ordinances

Additional Resources for Property Owners
- Issue an RFI for contractors that can build ADUs
- Create reference document that lists lenders and contractors for property owners to use
- Use Montclair Housing Trust Fund to offer below-market interest rate loans for ADU construction
ADU Recommendations

- Seattle published pre-approved designs for property owners to use
- Designs meet the city’s building and energy efficiency codes
- Streamlines the process for both property owners and the municipality
Other Policy Recommendations
Upzoning

- Upzoning keeps rents down by increasing the overall supply of housing.

- **Minneapolis, MN** has seen positive outcomes from eliminating parking requirements and allowing higher density (see chart).

- By allowing high density within just a quarter-mile of Metro stops, the city of Arlington, VA has been able to keep rents down and avoid tax hikes.
Currently, about 45% of land within a quarter mile radius of Montclair train stations is zoned R-1; 15% is zoned R-2; while only 7% is zoned for some form of apartment housing.
Suggested Zones for Upzoning

Low hanging fruit:

- Land currently zoned **C-2 (General Business & Light Industrial)** around Walnut St. Station.

- Land currently zoned **N-C (Neighborhood Commercial)** around Upper Montclair and Watchung Ave stations.
Parking Minimums

- Montclair should re-evaluate parking minimums for all housing
- Montclair currently follows the guidance of the NJ Residential Site Improvement Standards (RSIS) for parking minimums
- The Rutgers Center for Real Estate found that RSIS parking minimums often require more parking spots than the average renter needs
- Excessive parking requirements cost renters an additional $960 per year in rent
- Montclair has the ability to reduce or eliminate parking minimums either throughout the town or within a specified distance of train stations
Resident and Community Ownership

- **Tenant Opportunity to Purchase (TOPA)** and **Community Opportunity to Purchase (COPA)** policies provide tenants living in multifamily buildings or community-based nonprofits with advance notice that the landlord is planning to sell their building and gives them **an opportunity to collectively purchase the building**
- Turns potential eviction and displacement into an opportunity for tenants to become homeowners, helping to close racial homeownership and wealth gaps
- Has been particularly successful in Washington, DC, and now in San Francisco.
Other Renter Protections

● Renter Relocation Ordinances - Pacific Northwest
  ○ Force landlords to pay renters relocation assistance if they serve them a no-cause eviction (or encounter any other triggering event)
  ○ Disincentivizes landlords from displacing lower-income tenants

● Rent Escrow Account Program (REAP) - Los Angeles
  ○ Ties together habitability and code enforcement with rent negotiations
  ○ Encourages owners to make necessary repairs and return property to a safe and habitable condition
  ○ Tenants are given a rent reduction (10-50%) depending on the nature and severity of the violations cited
  ○ Tenants can pay reduced rent to landlord or into an escrow account managed by the housing department
Affordable Housing on church-owned land

- Major barriers to building AH on religious property include:
  - Cost from delayed applications
  - Historic Preservation and Local Resistance
  - Lack of capacity
  - Zoning

- “YIGBYs” have started to identify solutions:
  - Washington State (signed 2019) has offered Density Bonuses to affordable units built on property owned by religious organizations (ROs)
  - California (signed 2023) has given ROs a “use by right” to build affordable housing units on property owned by them with reduced parking minimums
  - Senator Brown of Ohio has proposed the YIGBY act which would provide technical assistance and grants to municipalities and ROs to build AH

- Nonprofits provide capital and technical assistance to religious organizations
  - Enterprise Community Partners
  - LISC
Site Plans for Municipal Parcels
Wildwood Avenue  (Block 4601, Lot 80)

- Vacant for decades
- Used as a staging area for the town
- Unsightly at the moment
- Current use is not the best use for the township
Wildwood Avenue - Today
Wildwood Avenue - Context
Wildwood Avenue - R-1 ONE FAMILY ZONE?

**Current Zoning**

R1- One Family

- Height Setback:
  - Maximum height: 35 feet.
  - Maximum number of stories: 2 1/2.

- Front Yard Setback: 25 ft

- Side Yard Setback: six feet for one yard and 10 feet for the other yard.

- Rear Yard Setback: 25 feet

- Maximum building coverage shall be 25%.

An attached garage with no habitable space above shall not extend beyond the front building line established by the rest of the principal structure.

**On block; Not R-1 Properties**

- **18 units** Observed on Wildwood east of Grove Street:
  - 7 duplexes Noted

**Site Map - Key Plan**
Wildwood Avenue - Reimagining - Site Plan
53 – 55 New Street (Block 3111, Lots 61 and 62)

- Vacant for 20 Years; building were demolished in 2004
- Fenced and vacant land
- Part of Redevelopment Plan (Deteriorated Housing Project) enacted in 2007
- Has remained vacant and no one has done anything to it despite plan.
- Current use is not the best use for the township.
53 – 55 New Street - Today
53 – 55 New Street - Context
Current Zoning

R-A

Height Setback:
- Maximum height: 35 feet.
- Maximum number of stories: 2 1/2.

Front Yard Setback - 25 ft

Side Yard Setback: six feet for one yard and 10 feet for the other yard.

Rear Yard Setback: 25 feet

Min. Width of dwelling  65% of lot width

Min. Lot Width: 50 Feet

Maximum building coverage shall be 25%.

Location of Parking Spaces: Within the building, within an accessory building, or surface spaces located in the rear yard. No front yard parking spaces are permitted.
53 – 55 New Street - Reimagining - Rendering
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James DeFilippis’ research focuses on the politics and economics of cities and communities. He is particularly interested in the processes of social change, and questions of power and justice in cities. His work strives to make connections; linking disciplines and connecting academic theory and grounded political practice. He has published work in academic journals in a variety of fields, both independently and in collaboration with other authors. He is the author or editor of six books and more than 40 articles and book chapters. Professor DeFilippis has also written applied monographs and reports, and his interests extend well beyond the academy and into the practice of concrete political work and policy analyses.