

Fourth Round Housing Element and Fair Share Plan (2025-2035)

TOWNSHIP OF MONTCLAIR, ESSEX COUNTY, NEW JERSEY



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Prepared by: Montclair Township Department of Planning &
Community Development |

Housing Element and Fair Share Plan Township of Montclair, New Jersey

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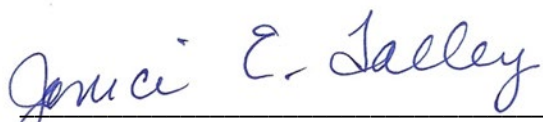
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**Housing Element and Fair Share Plan
Township of Montclair, New Jersey**

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EXECUTIVE SUMMARY

As Montclair Township has fully met its affordable housing obligation, the Fourth Round Fair Share Plan provides a housing policy framework with a variety of options to maintain the Township's existing supply of affordable housing and create new affordable housing as opportunities arise. The Township is under no obligation to create affordable housing. However, continuing to provide affordable housing in Montclair is still an important Township objective. A survey on affordable housing issued by the Township received over 1,700 responses¹. Over 62% of respondents strongly agree that Montclair needs more affordable housing and 65% of those surveyed agreed that it is very important to prioritize affordable housing in Montclair's future development plans.

The 2025 Fair Share Plan continues to rely on the existing Inclusionary Zoning Ordinance (IZO), with minor modifications, to ensure that affordable housing continues to be built as a part of new development. One of the recommended changes to the IZO is to set aside 15% of the new units created for supportive housing. The Plan recommends that the Extension of Affordability Controls program be continued to ensure that existing affordable housing units are maintained, while a revised Home Improvement Program be reinstated to provide funds to make needed improvements to these units as well as those occupied by income-eligible families. The Plan identifies opportunities to create new affordable housing on Township-owned or leased land and properties owned by faith-based organizations. Finally, a new program is recommended to provide funding for construction of Accessory Dwelling Units that are deed-restricted for affordable housing.

The Fair Share Plan provides a flexible approach to creating affordable housing so that the Township can respond to opportunities that may arise. The Township should consider lost opportunities and cost before choosing any of these options. These opportunities may include:

- Continue the appropriate use of redevelopment to create opportunities for affordable housing.
- Properties owned by houses of worship as they consider adaptive reuse of underutilized buildings or development of excess land;
- Adaptive reuse of obsolete non-conforming uses in residential neighborhoods;
- Changes to use or occupancy of rooming houses; or
- Additional development on property owned by HOME Corp to create 100% affordable housing.

The Fair Share Plan addresses displacement by maintaining the local preference in marketing of affordable housing. In addition, the Plan seeks to preserve Naturally Occurring Affordable Housing (NOAH) by maintaining the size and scale of existing modest, worker-housing in the Township.

¹ As of April 22, 2025

1. INTRODUCTION

Overview

Affordable housing has been a hot button issue in the State of New Jersey since 1975 when the New Jersey Supreme Court decision (*Southern Burlington County N.A.A.C.P. v. Mount Laurel Township*, otherwise known as Mount Laurel 1) outlawed the use of zoning tools to prevent the construction of low- and moderate-income housing in municipalities, also known as exclusionary zoning. In 1983, the New Jersey Supreme Court further defined the affordable housing need in New Jersey in a decision, known as Mount Laurel 2, which created the basis for legislating affordable housing. In 1985, the Fair Housing Act was adopted by the State of New Jersey which created the Council on Affordable Housing (COAH) as the administrative agency to oversee municipal affordable housing activities.

The cumulative effect of these court decisions and legislation is a top-down affordable housing approach in which the State calculates each municipality's fair share obligation for affordable housing. These numbers have been revised three times, and each time municipalities have been required to adopt housing plans that address their local need. These are general referred to as the First Round (1986-1992), Second Round (1993 – 1999) and Third Round plans (2000 – 2025). New Jersey's affordable housing regulations, which are summarized in a recent NY Times article, have led to construction of more than 70,000 affordable housing units.

On March 20, 2024, Gov. Phil Murphy signed into law a new framework intended to guide towns toward meeting their Fourth-Round affordable housing obligations under the state's Mt. Laurel doctrine. This law officially abolished the New Jersey Council on Affordable Housing and streamlined the process for future rounds. It also established a new methodology for calculating regional and municipal affordable housing obligations and provided updates to affordability controls, trust fund regulations and enhanced reporting. The New Jersey Department of Community Affairs issued a report entitled "Affordable Housing Obligations for 2025 – 2035 (Fourth Round) Methodology and Background" that calculated Montclair Township's Fourth Round Present Need at 132 units and Prospective Need at 0 units. The present need has been addressed using excess credit from the Third Round, so Montclair's Fourth Round obligation is 0.

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. In New Jersey, municipalities are required to adopt fair share plans that provide affordable housing for very-low-income, low-income and moderate-income households.

- **Very-low income households** are households earning equal to or less than 30% of the median gross household income for the housing region. A minimum of 13% of affordable units must be affordable to very-low-income households.
- **Low-income households** are households earning more than 30% and less than 50% of the median gross household income for the housing region. A minimum of 50% of affordable units must be affordable to low-income households.

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- **Moderate-income households** are households earning more than 50% and less than 80% of the median gross household income for the housing region. A maximum of 50% of affordable units may be affordable to moderate-income households.

Montclair Township is in Housing Region 2 which includes Essex, Morris, Union, and Warren counties. Table 1 shows the current income range for eligible households in Region 2.

**Table 1: Maximum Gross Income by Household Size
Housing Region 2***

Household Size	Median HH Income	Very Low	Low	Moderate
1	\$90,591	\$27,177	\$45,296	\$72,473
2	\$103,533	\$31,060	\$51,766	\$82,826
3	\$116,475	\$34,942	\$58,237	\$93,180
4	\$129,416	\$38,825	\$64,708	\$103,533
5	\$139,769	\$41,931	\$69,885	\$111,816
6	\$150,123	\$45,037	\$75,061	\$120,098

*As of April 2024

Affordable Housing in Montclair

Montclair Township has long been at the forefront in the affordable housing arena. Concerns for affordable housing led to zoning changes that permitted multi-family housing and garden apartments during the post-WW II period. Over the years, the Township has invested time and money into redevelopment and rehabilitation programs to improve residential neighborhoods. In 2004, the Township approved an Affordable Housing Strategy that quantified the need for affordable housing (3,800 units for low- and moderate-income households) and created the rationale for the Township's inclusionary zoning ordinance.

Montclair adopted a Housing Element and Fair Share Plan addressing the first round obligation in 1987 and a second Housing Element and Fair Share Plan in 1997 that addressed both the first and second round obligations. In 2008 (with an amendment in 2009), the Township adopted a third Housing Element and Fair Share Plan that addressed the Township's third round obligation for affordable housing. COAH granted substantive certification of the 2009 Housing Element and Fair Share Plan in August 2009. The Township's 2009 Housing Element and Fair Share Plan addressed an affordable housing obligation that included a present need (rehabilitation) component of 127 units and a prospective need obligation of 162 units.

The 2009 Fair Share Plan addressed the prospective need obligation through credits from existing affordable housing units in the Township and ensured continued production of affordable housing through the Township's Inclusionary Zoning Ordinance (IZO), which required any new development project with a net increase of five or more units to set aside 20 percent of the total units as affordable housing onsite. Other programs included a market to affordable program and a housing rehabilitation program funded, in part, through the Housing Trust Fund. COAH approved Montclair's initial Housing Trust Fund Spending Plan in 2002, with subsequent amendments in 2005, 2009, and 2012, and an

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amended Spending Plan was sanctioned by the Court in August 2018. The Township currently has over \$2 million in the Housing Trust Fund.

The Township has demonstrated leadership in the State through its commitment to providing housing for a diverse population, resulting in the creation of 803 affordable units over the past four decades. Key initiatives included:

- Securing over \$2 million in grant funding for affordable housing unit rehabilitation.
- Establishing a local rehabilitation program that successfully rehabilitated eight units.
- Extending affordability controls on 40 units nearing expiration.
- Creating 95 affordable housing units in redevelopment areas.
- Developing 16 affordable units through the Township's Inclusionary Zoning Ordinance.
- Funding a Market to Affordable program that resulted in 42 affordable units.
- Providing affordability assistance to 26 income-eligible households.
- Operating a Section 8 Rental Assistance Program.
- Loaning municipal funds to affordable housing developers.
- Donating municipal land for senior affordable housing development.
- Leasing municipal land for a homeless shelter.
- Facilitating the sale of NJ Transit property to affordable housing developers.

2. DEMOGRAPHIC ANALYSIS

Montclair Township is a quintessential streetcar suburb, distinguished by a diverse array of neighborhoods with various housing types ranging from single-family homes to mid-rise apartment complexes. The Township boasts numerous historic and iconic structures in walkable neighborhoods that benefit from efficient public transportation access.

Population Characteristics

Montclair Township’s population has remained relatively stable over the past six decades, ranging from a peak of 44,043 in 1970 to a low of 37,669 in 2010 as indicated in Table 2. Notably, the total population increased by 8.6 percent between 2010 and 2020, adding over 3,250 new residents. The Township’s racial composition has undergone significant changes over the past two decades as shown in Tables 3 and 4. The Black/African American population decreased by over 900 people between 2010 and 2020, a 9 percent decline. This decrease is offset by an increase the population classified as Black and other races which gained 569 individuals. The Hispanic or Latino population experienced substantial growth, rising from 6.1% in 2010 to 9.5% in 2020, an increase of 1,603 individuals. The Asian population also exhibited considerable growth, increasing from 3.8% of the population in 2010 to 5.1% in 2020.

**Table 2: Population Trends 1950 – 2020
Township of Montclair and Essex County**

Year	Montclair Township			Essex County		
	Total	Change		Total	Change	
		#	%		#	%
1960	43,129			923,545		
1970	44,043	914	2.1	932,526	8,981	1.0%
1980	38,321	-5,722	-13.0	851,304	-81,222	-8.7%
1990	37,729	-592	+1.5	778,206	-73,098	-9.0%
2000	38,977	1,248	3.3	793,633	15,427	2.0%
2010	37,669	-1,308	-3.4	783,969	-9,664	-1.2%
2020	40,921	3,252	8.6	800,501	16,532	2.1%

Source: U.S. Census Bureau – Decennial Census Data

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**Table 3: Racial Characteristics
Montclair Township, Essex County, New Jersey**

	2010		2020		Percent Change
Total Population	37,669		40,921		+9%
Population of one race:	35,974	95.5%	36,495	89.2%	+1%
White alone	23,416	62.2%	23,364	57.1%	0%
Black or African American alone	10,230	27.2%	9,326	22.8%	-9%
American Indian/Alaska Native alone	59	0.2%	80	0.2%	+36%
Asian alone	1,434	3.8%	2,068	5.1%	+44%
Native Hawaiian/Pacific Islander alone	9	0.0%	19	0.1%	+111%
Some Other Race alone	826	2.2%	1,638	4.0%	+98%
Two or More Races	1,695	4.5%	4,426	10.8%	+161%
Black and other races	979	2.6%	1,548	3.8%	+58%
Hispanic/Latino	2,296	6.1%	3,899	9.5%	+70%

Source: 2010 and 2020 ACS 5-Year Estimates Data Profile

**Table 4: Black and African American Population Trends
Montclair Township, New Jersey**

Year	Total	Black Alone	Black and one or more races	Total Black	% Black	Percent Change
1960	43,129	10,385	NA	10,385	24.1%	
1970	44,043	12,251	NA	12,251	27.8%	+18%
1980	38,321	11,057	NA	11,057	28.9%	-10%
1990	37,729	11,697	NA	11,697	31.0%	+6%
2000	38,977	12,497	663	13,298	34.1%	+14%
2010	37,669	10,230	979	11,209	29.8%	-16%
2020	40,921	9,326	1,548	10,874	26.6%	-3%

Source: U.S. Census Bureau – Decennial Census Data

Montclair’s population base is aging, as indicated in Table 5. The percent of population aged 60 to 84 experienced the most significant growth between 2013 and 2023, increasing by over 2,000 people. This change reflects the aging of the baby boom generation. Similarly, the number of older school aged children (aged 10 – 19) also increased, adding 1,099 individuals over the same period.

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**Table 5: Population Characteristics
Montclair Township, Essex County, New Jersey**

	2013		2023		Change	
	Number	Percent	Number	Percent	Number	Percent
Population Total	37,766		40,675		2,909	7.7%
Under 5 years	2,228	5.9%	2,305	5.7%	77	3.5%
5 to 9 years	2,984	7.9%	2,778	6.8%	-206	-6.9%
10 to 14 years	2,908	7.7%	3,417	8.4%	509	17.5%
15 to 19 years	2,719	7.2%	3,309	8.1%	590	21.7%
20 to 24 years	1,851	4.9%	1,587	3.9%	-264	-14.3%
25 to 34 years	3,965	10.5%	4,407	10.8%	442	11.1%
35 to 44 years	5,627	14.9%	5,671	13.9%	44	0.8%
45 to 54 years	6,458	17.1%	6,575	16.2%	117	1.8%
55 to 59 years	2,757	7.3%	2,352	5.8%	-405	-14.7%
60 to 64 years	1,888	5.0%	2,736	6.7%	848	44.9%
65 to 74 years	2,380	6.3%	3,485	8.6%	1,105	46.4%
75 to 84 years	1,397	3.7%	1,459	3.6%	62	4.4%
85 years & over	604	1.6%	594	1.5%	-10	-1.7%

Source: 2013 and 2023: ACS 5-Year Estimates Data Profile

Household Characteristics

Our population is becoming increasingly affluent and educated. The median household income rose from \$74,894 in 2000 to \$166,765 by 2023. Conversely, the 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. Between 1,300 and 1,500 people have a cognitive and/or ambulatory disability.

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**Table 6: Household Characteristics
Montclair Township, Essex County, New Jersey**

	2000	2010	2020	2023
Household Size	2.53	2.57	2.71	2.61
Median Household Income – NJ	\$50,405	\$67,681	\$85,550	\$99,781
Median Household Income – Montclair	\$74,894	\$95,656	\$134,308	\$166,765
Local Median Income vs State Median Income	1.5%	1.4%	1.6%	1.7%
Household Income – Montclair				
Less than \$24,999	15.0%	10.7%	9.9%	8.3%
\$25,000 - \$34,999	7.8%	5.5%	4.8%	5.3%
\$35,000 - \$49,999	11.1%	8.2%	5.2%	4.7%
\$50,000 – \$74,999	15.8%	14.4%	10.0%	7.5%
\$75,000 - \$99,999	13.1%	11.9%	8.4%	8.5%
\$100,00 - \$149,999	15.7%	17.7%	17.4%	12.7%
\$150,000 - \$199,999	8.0%	8.8%	12.6%	11.1%
\$200,000 or more	13.1%	21.6%	31.8%	41.7%
Percent below poverty level	5.60%	7.00%	6.60%	NA
With a Disability	3,052	(X)	3,309	3,211
Hearing disability			748	659
Vision disability			698	391
Cognitive disability			1,506	1,490
Ambulatory disability			1,357	1,350
Self-care difficulty			582	601
Independent living difficulty			1,233	1,054

Source: Census Data 2000; ACS 5-Year Estimate Data Profile, 2010, 2020 and 2023

3. HOUSING ANALYSIS

Montclair is fully developed, with over 60% of its land area comprised of single-family detached housing. Residential properties range from grand estates to modest apartments. Housing units come in all sizes, shapes, prices, and styles. They are located on quiet streets and on main streets. This variety appeals to a diverse population of singles, couples, families, seniors, and persons with disabilities, and is what attracts many people to the community. New housing units are added mostly through scattered site, infill development, demolition, or redevelopment of existing structures. The total number of housing units rose from 15,513 in 2010 to 16,053 in 2023, with 60% owner-occupied and 40% renter-occupied.

The proportion of owner to renter-occupied housing remained constant. Although many consider Montclair to be a predominantly one-family community, single family detached homes account for only 49% of the total occupied housing stock. The Township's housing stock includes a mix of multi-family housing types including duplexes, triplexes, quadplexes, garden apartment complexes and large apartment buildings. The number of housing units in large multi-family structures (20+ units) increased from 11% to 14%, adding an additional 445 units. Almost 60 percent of the housing units in the Township were built before 1940 and many of the Township's homes are in historic or proposed historic districts.

Housing Element and Fair Share Plan Township of Montclair, New Jersey

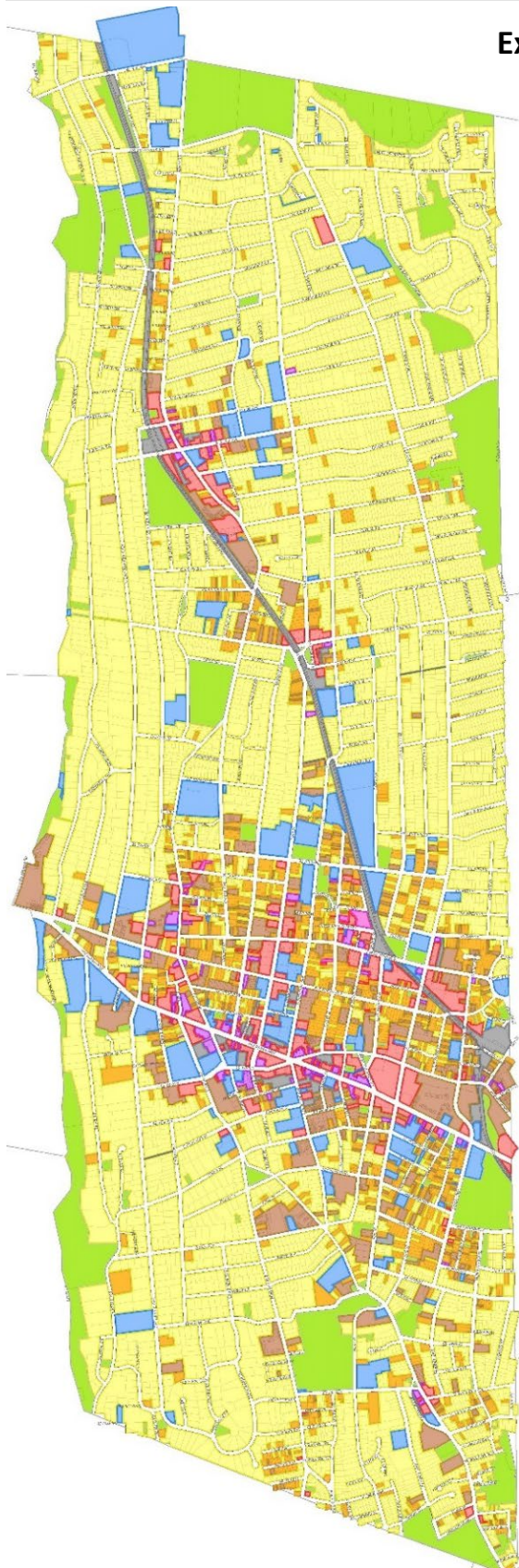
**Table 7: Housing Characteristics
Montclair Township, Essex County, New Jersey**

	2010		2023	
	Number	Percent	Number	Percent
Total housing units	15,513		16,053	
Occupied units	14,520	93.6%	15,118	93.4%
Owner-occupied	8,714	60%	9,049	59.9%
Renter-occupied	5,806	40%	6,069	40.1%
Building Type				
One detached	7,555	48.7%	7,691	49.5%
One attached	320	2.1%	592	3.8%
2-units	2,018	13.0%	1,861	12.0%
3-4 units	1,879	12.1%	1,320	8.5%
5-9 units	1,169	7.5%	1,001	6.4%
10 to 19 units	779	5.0%	861	5.5%
20+ units	1,767	11.4%	2,212	14.2%
Age of Unit				
2020 or later	0		67	
2010 to 2019	0		716	2.8%
2000 to 2009	472	3.1%	646	3.8%
1990 to 1999	530	3.4%	309	2.3%
1980 to 1989	497	3.2%	583	3.4%
1970 to 1979	578	3.7%	901	4.7%
1960 to 1969	1,133	7.3%	1,120	8.0%
1950 to 1959	1,646	10.6%	1,371	9.2%
1940 to 1949	1,458	9.4%	894	5.9%
1939 or earlier	9,199	59.3%	9,446	59.8%

Source: 2010 and 2023: ACS 5-Year Estimates

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Existing Land Use Map, 2022



Township of Montclair: Land Use

- Single Family Residential
- Two Family Residential
- Multifamily Residential
- Commercial
- Mixed Use (Residential/Commercial)
- Industrial
- Institutional
- Open Urban Land
- Transportation

Land Use Data and Map prepared by the Montclair Township Department of Planning and Community Development, September 2024. Other data provided by the New Jersey Office of GIS.

Use Type	Acres of Use	Percentage of Total Land Area in Tax Lots
Single Family Residential	2,012.74	60.3%
Two Family Residential	233.55	7.0%
Multifamily Residential	235.84	7.1%
Commercial	118.54	3.6%
Industrial	2.68	0.1%
Institutional	240.42	7.2%
Mixed Use	23.87	0.7%
Open Urban Land	398.57	11.9%
Transportation	70.00	2.1%
Total Land Area of Tax Lots	3,336.20	100.0%

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Substandard Housing

The New Jersey Department of Community Affairs (DCA) uses several indicators from the US Census to determine substandard housing conditions, including building age, overcrowding and the lack of complete plumbing and kitchen facilities. Overcrowding is defined as more than 1 person per room. Overcrowding in Montclair increased by 21 units in the last decade. Overcrowding is also considered a measure of affordability because adding roommates is often used to meet housing costs. The number of units lacking complete plumbing has decreased, as has the number of units lacking a complete kitchen. It is important to note that the number of units lacking complete kitchen and plumbing facilities include rooming units which are legally permitted in Montclair. Also, one or two roomers who do not have cooking or kitchen facilities and who pay rent to a family occupant are permitted.

Table 8: Housing Conditions
Montclair Township, Essex County, New Jersey

	2010		2023	
	Number	Percent	Number	Percent
Total housing units	15,513		16,053	
Units with more than 1 person per room	174	1.1	195	1.2
Units lacking complete plumbing	69	0.4	32	0.1
Units lacking complete kitchen	149	0.9	103	0.6

Source: ACS 5-Year Estimate Data Profile, 2010 and 2023

Housing Affordability

High housing costs are a serious problem, particularly for lower-income households and households of color. While higher interest rates have cooled the homebuying market, and many apartments under construction continue to supply the rental market, the surge in the prices of gas, food, and other necessities has made matters worse for lower-income households. The nation's housing stock is in dire need of investment to meet the demands of a rapidly aging population and the threats posed by climate change.

As in several other metropolitan Newark/New York suburbs, Montclair's housing values are high and have remained high since the mid-1990s, with the notable exception of the 2008 housing crisis. As indicated in Tables 9 and 10, the median value of a house was \$601,100 in 2010 and the median monthly contract rent was \$1,281. By 2023, the median value of a single-family home was \$850,700 and the median monthly contract rent was \$2,045 per the 2023 American Community Survey. When coupled with high real estate taxes (2024 tax rate is \$3.403 per \$100 assessed value which is currently estimated at 61.52% market value), the purchase of a single-family home in Montclair is out of reach for a significant segment of the population.

State and federal regulations define affordable housing as housing that costs no more than 30% of household income. Some can easily pay a higher percentage towards housing, but those with limited incomes cannot. The rent and mortgage payments associated within these incomes for Montclair, which is in Housing Region 2, is shown in Tables 11. This illustrates how the currently market rate rent of \$2,045 is not affordable for almost all low-income and very low-income households.

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Renters are particularly cost burdened in Montclair. In 2023 over 47.5% of renters are cost-burdened and pay more than 30 percent of their income towards housing as shown in Table 12. This is a significant increase from 2010 when 41.9% of renter households paid more than 30% of income for housing.

**Table 9: Gross Rent
Montclair Township, New Jersey**

Gross Rent	2010		2023	
	Number	Percent	Number	Percent
Occupied units paying rent	5,621		5,927	
Less than \$500	308	5.4%	138	2.3%
\$500 to \$999	1,079	19.2%	317	5.3%
\$1,000 to \$1,499	2,304	41.0%	705	11.9%
\$1,500 or more	1,930	34.3%		
\$1,500 to \$1,999			1,672	28.2%
\$2,000 to \$2,499			1,472	24.8%
\$2,500 to \$2,999			551	9.3%
\$3,000 or more			1,072	18.1%
Median (dollars)	\$1,281		\$2,045	
No rent paid	185		142	

Source: ACS 5-Year Estimate Data Profile, 2010 and 2023

**Table 10: Housing Values
Montclair Township, New Jersey**

	2010		2023	
	Number	Percent	Number	Percent
Owner-occupied units	8,714		9,049	
Less than \$50,000	55	0.6%	97	1.1%
\$50,000 to \$99,999	41	0.5%	0	0.0%
\$100,000 to \$149,999	59	0.7%	47	0.5%
\$150,000 to \$199,999	121	1.4%	6	0.1%
\$200,000 to \$299,999	762	8.7%	241	2.7%
\$300,000 to \$499,999	2,097	24.1%	1,457	16.1%
\$500,000 to \$999,999	4,483	51.4%	4,106	45.4%
\$1,000,000 or more	1,096	12.6%	3,095	34.2%
Median (dollars)	\$601,100		\$850,700	

Source: ACS 5-Year Estimate Data Profile, 2010 and 2023

Housing Element and Fair Share Plan Township of Montclair, New Jersey

Table 11: Affordable Housing Income Limits for Region 2, April 2024

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

*Region 2 includes Essex, Morris, Union, and Warren counties.

**Table 12: Selected Monthly Housing Costs as a Percentage of Household Income
Montclair Township, New Jersey**

	2010		2023	
	Number	Percent	Number	Percent
MORTGAGE AS A PERCENT OF HOUSEHOLD INCOME				
Housing units' w/mortgage	6,605		6,171	
Less than 20.0%	1,882	28.5%	2,859	46.3%
20.0 to 24.9%	903	13.7%	1,086	17.6%
25.0 to 29.9%	1,068	16.2%	673	10.9%
30.0 to 34.9%	594	9.0%	272	4.4%
35.0% or more	2,158	32.7%	1,281	20.8%
Not computed	27		48	
GROSS RENT AS A PERCENTAGE OF HOUSEHOLD INCOME				
Renter-Occupied Units				
Less than 15.0%	747	13.5%	803	13.7%
15.0 to 19.9%	896	16.2%	751	12.8%
20.0 to 24.9%	851	15.4%	900	15.4%
25.0 to 29.9%	713	12.9%	616	10.5%
30.0 to 34.9%	463	8.4%	324	5.5%
35.0% or more	1,851	33.5%	2,462	42.0%
Not computed	285		213	

Source: 2010 and 2021: ACS 5-Year Estimates Data Profile – SELECTED HOUSING CHARACTERISTICS

Housing Element and Fair Share Plan Township of Montclair, New Jersey

Affordable Housing in Montclair

Montclair Township has been proactive in maintaining and expanding its affordable housing inventory and currently has 803 affordable housing units created through a variety of programs as summarized in Table 13. This inventory includes both rental and for-sale units and are described in more detail below.

Table 13: Affordable Housing Inventory Summary

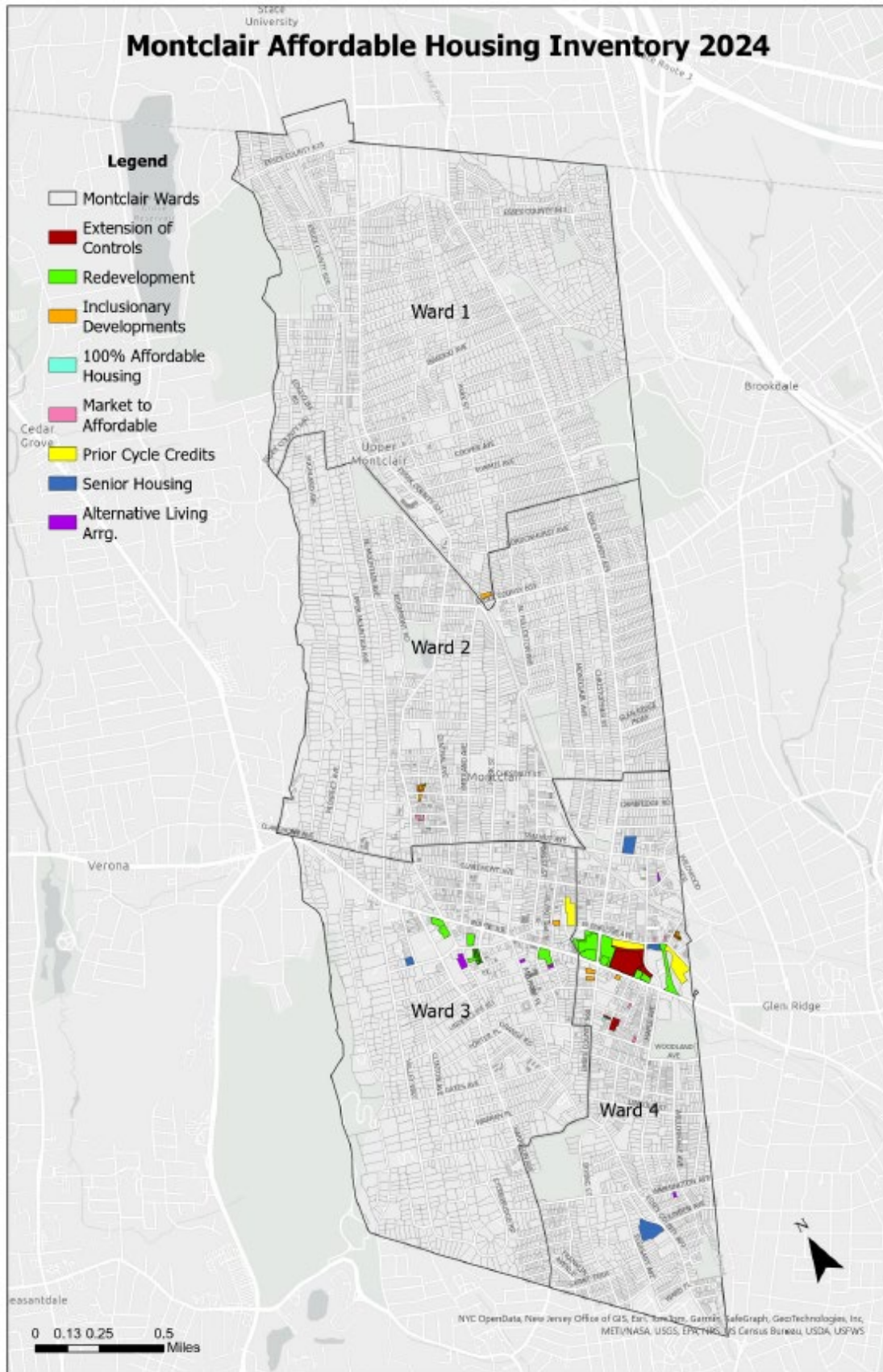
Housing Program	Number of Units
Redevelopment	95
Inclusionary Development	16
100% Affordable Housing	6
Market to Affordable Program	41
Prior Cycle Credits	213
Senior Housing	299
Alternative Living Arrangements	90
Units with Extended Affordability Controls	43
Total	3

In 2018, the Township’s affordable housing ordinance was amended to include a local preference for all affordable units created through the Township’s affordable housing programs. This was approved as part of the Consent Order from the Superior Court which recognized that the Township is losing its racial diversity, particularly its historic Black/African-American population, because of the increased cost of housing and that a local preference for affordable housing will help maintain its racial and economic diversity.

In 2022, the Township adopted a Rent Control Ordinance to limit the annual increase in rents on certain rental units in the Township and in 2023, the Township adopted a new Accessory Dwelling Unit ordinance with more flexibility for owners of one- and two- family homes to provide accessory dwelling units and continuing to expand the inventory of affordable housing.

Other State-wide changes affecting housing affordability include the Senior Freeze Program and Stay NJ. The Senior Freeze program encourages seniors to remain in their homes if they want but may discourage some seniors from downsizing to smaller homes since their local property tax payment is frozen when they turn 65. The Stay NJ program allows eligible seniors to receive a reimbursement of 50% of their property tax bill, up to a maximum of \$13,000. For the 2024 benefit year, the cap is set at \$6,500.

Housing Element and Fair Share Plan Township of Montclair, New Jersey



Housing Element and Fair Share Plan Township of Montclair, New Jersey

Inclusionary Development

Montclair Township's Inclusionary Zoning Ordinance (IZO) was first adopted in 2006 and amended in 2009. The original ordinance required that one in every seven units be affordable. In September 2009, the set aside ratio was increased to 20 percent to coincide with the State's growth share approach to affordable housing. The IZO has resulted in development of 16 units of affordable housing scattered across the Township.



Figure 1: The Westerly at 256 Park Street which contains two affordable rental units.



Figure 2: Development at 192 - 194 Bloomfield Avenue created one affordable unit.

Table 14: Affordable Units Created through Inclusionary Zoning

	Total	Status	Type	Exp.	Very-Low		Low			Mod		
					1 BR	2 BR	1 BR	2 BR	3 BR	1 BR	2 BR	3 BR
24 Elm Street	1	Complete	Rental	2039							1	
192-194 Bloomfield Ave	1	Complete	Rental	2047			1					
Bay Street Commons	1	Complete	Sales	2044			1					
58 James Street	1	Complete	Sales	2049							1	
256 Park Street	2	Complete	Rental	2050				1		1		
7 Sylvan Place*	2	Complete	Rental	2052				1	1			
57 James Street	1	UC	Rental	2052				1				
161-167 Glenridge Ave	2	UC	Rental						1			1
10 Elm Street	4	UC	Rental									
627 Valley Road	1	Approved	Rental									
Total	16						2	3	2	1	2	1

*Offsite affordable housing approved through the site plan approval for 369-373 Bloomfield Avenue.

Housing Element and Fair Share Plan Township of Montclair, New Jersey

Redevelopment

The Township's inclusionary zoning requirements are also reflected in the Township's redevelopment plans. Redevelopment plans include an affordable housing set aside requirement that ranges between 10 percent and 20 percent. A total of 95 affordable units have been created through redevelopment.



Figure 3: Two South Willow which contains twenty affordable rental units.

Table 15: Affordable Units Created through Redevelopment

Project	Total	Status	Type	Exp.	Very-Low		Low			Mod		
					1 BR	2 BR	1 BR	2 BR	3 BR	1 BR	2 BR	3 BR
Siena (101)	10	Complete	Sales	2038			3	2		3	2	
Alister (163)	17	Complete	Rental	2039	2	2	3	2		3	5	
Valley & Bloom (262)	26	Complete	Rental	2045		3	3	5	3	2	7	3
Montclarion II* (40)	2	Complete	Rental	2049				1				1
The Vestry (46)	8	Complete	Rental	2050	1			2	1	1	1	2
2 South Willow (200)	20	Complete	Rental	2051	1	1	5	3		6	4	
The Clair (40)	4	Complete	Rental	2054		1			1	1	1	
59 Church Street (74)	8	UC	Rental			1		2	1	1	2	1
Total	95				4	8	11	15	6	17	22	7

*This project provided a total of 8 affordable units, including extending the affordability controls of 6 low-income units in Montclarion I when the controls expired in 2019.

Housing Element and Fair Share Plan Township of Montclair, New Jersey

Market to Affordable Program

The market to affordable program involves the conversion of market rate housing to affordable housing. A total of 41 affordable units have been created by purchasing and rehabilitating market rate units and putting deed restrictions on the units to make them affordable. The Township partnered with HOME Corp to create 14 units through Montclair’s Market to Affordable Program. HOME Corp used funding from other sources to create another 27 housing units.

Table 16: Affordable Units Created through a Market to Affordable Program

Project	Total	Status	Type	Exp.	Very Low			Low			Mod			
					1 BR	2 BR	3 BR	1 BR	2 BR	3 BR	1 BR	2 BR	3 BR	
87 Mission St/19 Elmwood	2	Complete	Rental	2038		2								
89 Maple /1 Woodland Ave	4	Complete	Rental	2024	1				3					
14 North Willow Street	2	Complete	Rental	2041					1			1		
25 William Street	6	Complete	Rental	2021	2	2			2					
33 William Street	6	Complete	Rental	2021					4			2		
4 Washington Street	9	Complete	Rental	2030	8			1						
43 Glenridge Avenue	6	Complete	Rental	2024	3	2		1						
55 Glenridge Avenue	6	Complete	Rental	2036				5				1		
Total	1													

100% Affordable Projects

The Township provided funding for Talbot Village; a 100% affordable project that included six sales units built by HOME Corp. This project involved new construction of three duplex buildings on vacant land.



Figure 4: Talbot Village, a 100% affordable sales project on Talbot Street

Table 17: 100% Affordable Housing

Project	Total	Status	Type	Exp.	Very Low			Low			Mod		
					1 BR	2 BR	3 BR	1 BR	2 BR	3 BR	1 BR	2 BR	3 BR
Talbot Village	6	Complete	Sales	2115					2	1		2	1

Housing Element and Fair Share Plan Township of Montclair, New Jersey

Senior Citizen Housing

The Township has four senior housing projects including First Montclair House, South End Gardens, Pine Ridge of Montclair, and the Montclair Inn. These buildings provide a total of 299 affordable units for senior citizens.

Table 18: Affordable Senior Citizen Housing

Project Name	Address	# of Beds	Type
First Montclair House	56 Walnut Street	130	Apartment Building
South End Gardens	340 Orange Road	99	Apartment Building
Montclair Inn	27 Hillside Ave	22	Congregate Living
Pine Ridge of Montclair	60 Glenridge Avenue	48	Apartment Building
Total		299	

Alternative Living Arrangements

There are 90 units affordable housing that are categorized under “alternative living arrangements” which includes both supportive housing and transitional housing. Supportive housing includes but is not limited to residential health care facilities as licensed and/or regulated by DCA or the New Jersey Department of Health and Senior Services if the facility is located with, and operated by, a licensed health care facility; group homes for people with developmental disabilities and mental illness as licensed and/or regulated by the New Jersey Department of Human Services; permanent supportive housing; and supportive shared living housing.

Assembly Bill A4, which was adopted on March 20, 2024, allows transitional housing to be included as affordable housing. Transitional housing is defined as temporary housing that includes, but is not limited to, single-room occupancy housing or shared-living and supportive living arrangements that provides access to onsite or off-site supportive services for very low-income households that have recently been homeless or lack stable housing, is licensed by the DCA, and allows a household to remain for a minimum of six months. Each bedroom in an alternative living arrangement is counted as an affordable unit.

Table 19: Alternative Living Arrangements

Project Name	Address	Licensed Capacity	Zone	Aff. Housing Credit
SUPPORTIVE HOUSING				
ARC of Essex County	434 Washington Avenue	4	R-1	4
ARC of Essex County	27 Claremont Ave	6	R-2	6
Covenant House	2 – 4 Walnut Place	10	R-2	10
Mental Health Association	354 Orange Road	12	R-1	12
Subtotal		32		32
TRANSITIONAL HOUSING				
Covenant House/Nancy’s Place	32 S. Willow St	8	R-3	8
Oxford House	21 Irving St	9	R-1	9
Real House	95 Grove St.	18	R-2	18
Real House	31 N. Mountain Avenue	23	R-3	23
Subtotal		58		58

Housing Element and Fair Share Plan Township of Montclair, New Jersey

Prior Cycle Credits

There are three housing projects built before 1980 containing 213 affordable units that are categorized as prior cycle credits. These include Union Gardens, which was built in 1974 and provides 87 affordable units. Union Gardens was built using low-income housing tax credits (LIHTC) through a RAD (Rental Assistance Demonstration) Housing Assistance Payments Contract that was effective February 1, 2017 and is for the maximum term allowable of 20 years. This project based subsidy is applicable to 55 units at the building, but the LIHTC use restriction applies to all the units and runs for 30 years from the start of the credit period (12/31/2011). Thus, the deed restrictions for affordability are in place through 2041. Other prior cycle credits are provided through the Matthew Carter Homes (1 and 2) which were built in 1980 and provide 126 affordable units.

Table 20: Prior Cycle Credits

Project Name	Address	# of Units	Type
Union Gardens (1974)	50 Greenwood Avenue	87	Rental
Matthew Carter 1 (1980)	20 Glenridge Avenue	54	Rental
Matthew Carter 2 (1980)	80 Glenridge Avenue	72	Rental
Total		213	

Extension of Affordability Controls

The Township extended the affordability controls on 43 units over the past ten years. This includes 20 units located at The Mews on Pine Street; 6 units in the Montclairion I building on Pine Street; and 17 units owned by HOME Corp on Miller Street.

Table 21: Extension of Affordability Controls

Project Name/Address	Total	Status	Exp.	Term of Deed Restriction		
				First Term	Second Term	Combined Term
27 Miller Street (2016)	1	Complete	2067	14	50	64
12 Miller Street (2016)	2	Complete	2067	10	50	60
Miller Street Cottages (2016)	5	Complete	2067	14	50	64
Miller Street Homes (2016)	9	Complete	2067	20	50	70
The Mews (2014-2020)	20	Complete	2044	20	30	50
Montclairion I (2017)	6	Complete	2049	30	30	60
Total	43					

4. EMPLOYMENT ANALYSIS

With a population of 40,675 people, nearly half of Montclair’s population is active in the labor force. Access to nearby economic engines like Newark and New York offer residents a range of employment options in the private and public sector. With a highly educated population and a robust business owner class, it is no surprise that management, finance, real estate, and technical positions are those most held by residents. Montclair breeds an entrepreneurial spirit. Roughly 8% of residents are self-employed which outpaces the nation and the state’s self-employment rates of 5.9% and 5.1%, respectively.

**Table 22: Labor Force Characteristics – 2020
Montclair Township, Essex County, New Jersey**

Employment status	Number	Percent
Population 16 years and over	29,650	100.0%
in labor force	20,673	69.7%
Employed	19,671	66.3%
Unemployed	1,002	3.4%
Not in Labor force	8,977	30.3%
Class of Worker		
Private wage and salary workers	15,379	78.2%
Government workers	2,720	13.8%
Self-employed in own not incorporated business workers	1,563	7.9%
Unpaid family workers	9	0.0%
Occupational Characteristics		
Management, business, science, and arts occupations	12,671	64.4%
Service occupations	1,379	7.0%
Sales and office occupations	4,156	21.1%
Natural resources, construction, and maintenance occupations	548	2.8%
Production, transportation, and material moving occupations	917	4.7%

Source: 2020 American Community Survey

The number of residents working from home has surged, largely attributed to the COVID-19 pandemic. In 2000, 6.3% of the workforce engaged in remote work, which increased to 13.9% in 2020 and further to 32.3% as of the 2023 American Community Survey. While current data on remote work participation is unavailable, it is anticipated to significantly influence commuting patterns in the future. The number of Township residents utilizing public transportation for their commutes has similarly declined, from 24.5% in 2020 to 15.7% in 2023. Not surprisingly, the number of workers that commute alone in private vehicles has decreased from 59% in 2000 to 45% in 2023.

Housing Element and Fair Share Plan Township of Montclair, New Jersey

**Table 23: Commuting Patterns
Montclair Township, Essex County, New Jersey**

	2000	2010	2020	2023
Drove alone	58.8%	55.9%	53.7%	44.8%
Carpooled	7.6%	5.6%	4.3%	4.4%
Public transportation	22%	24.6%	24.5%	15.7%
Walked	4.1%	4.2%	2.7%	2.9%
Other means	1.2%	1.9%	0.9%	0.6%
Worked from home	6.3%	7.9%	13.9%	32.3%

Source: 2000 Census and 2010, 2020 and 2023 ACS Survey

Employment Trends

Employment levels in Montclair have ranged between 18,000 and 20,000 over the past 20 years. The Township experienced a minor dip in employment following the Great Recession in 2009 and during the COVID pandemic in 2021, but employment statistics have since remained consistent. The Township has returned to its pre-COVID numbers, with 20,238 jobs in 2023 as shown in Table 24.

**Table 24: Employment Trends 2003-2023
Montclair Township, Essex County, New Jersey**

Year	Jobs	Change	Percentage
2003	20,471		
2004	20,365	-106	-0.5%
2005	19,882	-483	-2.4%
2006	19,850	-32	-0.2%
2007	20,144	294	1.5%
2008	20,313	169	0.8%
2009	19,914	-399	-2%
2010	18,249	-1,665	-8.4%
2011	18,277	28	0.2%
2012	18,437	160	0.9%
2013	18,433	-4	0%
2014	18,323	-110	-0.6%
2015	18,583	260	1.4%
2016	18,928	345	1.9%
2017	19,513	585	3.1%
2018	19,385	-128	-0.7%
2019	19,754	369	1.9%
2020	20,218	464	2.3%
2021	18,851	-1,397	-6.8%
2022	19,390	539	2.9%
2023	20,238	848	4.4%

Source: NJ Department of Labor

Housing Element and Fair Share Plan Township of Montclair, New Jersey

Much of the new employment in Montclair Township is related to office uses. Since 2009, over 128,000 square feet of new office space has been built. Much of this office space is medical office, including 33,000 square foot office space at 1 Seymour Street and 45,000 square feet of adjacent to Mountainside Hospital (located in Glen Ridge). A total of 95,625 square feet of new retail space has been built, and 190 hotel rooms have been added in the MC Hotel and The George.

The largest employment category in Montclair is Health and Social Which employs over 3,100 people. These are very high-paying jobs with average annual wages of over \$132,000. The next largest employment category is Accommodations and Food Service, which employs over 1,975 people while the third largest category is Retail Trade, which employs over 1,100 people.

**Table 25: Third-Quarter Employment Trends by Industry – 2022
Montclair Township, Essex County, New Jersey**

Industry	Establishments		Employees		Annual Wages	Total Wages
	#	%	#	%		
Utilities	-	-	-	-	-	-
Construction	52	3%	307	3%	\$73,030	-
Manufacturing	24	1%	114	1%	\$72,381	\$25,982,491
Wholesale Trade	33	2%	82	1%	\$72,381	\$13,105,774
Retail Trade	141	9%	1,170	10%	\$87,511	\$11,347,261
Transportation/Warehousing	-	-	-	-	\$86,158	\$36,961,790
Information	61	4%	233	2%	.	-
Finance/Insurance	56	3%	342	3%	.	\$30,745,190
Real Estate	53	3%	383	3%	\$84,680	\$41,123,010
Professional/Technical	247	15%	926	8%	\$115,216	\$ 27,414,899
Management	-	-	-	-	\$138,101	\$78,793,811
Admin/Waste Remediation	54	3%	183	2%	\$31,580	-
Education	41	2%	748	6%	.	\$10,786,960
Health/Social	284	17%	3,119	27%	\$132,001	\$ 42,623,098
Arts/Entertainment	49	3%	381	3%	\$120,331	\$221,813,661
Accommodations/Food	149	9%	1,975	17%	\$71,564	\$12,816,564
Other Services	290	18%	1,352	12%	\$85,060	\$65,054,069
Unclassified	87	5%	117	1%	.	\$50,513,918
Private Sector Total	1,642	99%	11,562	99%	\$58,918	\$6,415,892
Local Government Total	15		1,523		\$56,983	\$683,249,610
Local Government Education	13		1,034		\$71,126	-

Source: NJ Department of Labor

Housing Element and Fair Share Plan Township of Montclair, New Jersey

Employment Projections

Average annual nonresidential construction² has added 71,000 square feet of office space and 20,000 square feet of retail space over the past ten years. Additional employment is anticipated when development pursuant to the Lackawanna Plaza Redevelopment Plan is completed. The Redevelopment Plan requires construction of a new supermarket, 100,000 square feet of new office space and 90,000 square feet of new retail space. Employment levels are expected to remain relatively stable, but the types of jobs will continue to focus on health services, management, professional, food and accommodations industry sectors. The healthcare industry has several innovative segments which will likely expand. Pharmacies, wearable technology, medical systems, and other niche industries are projected to experience 7-9% in growth by 2027. Locally, healthcare support occupations are projected to see a 12.9% increase and nurse practitioners are projected to see a 46% increase by 2032³. Outside of healthcare, employment growth is expected for cooks and data scientists. Given its large healthcare workforce, consistent uptick in employment and diverse workforce, Montclair is expected to have a 2.6% increase in jobs by 2032.

² New Jersey Department of Community Affairs Nonresidential Building Permit Data, 2013 to 2023.

³ New Jersey State Data Center

5. LAND MOST APPROPRIATE FOR AFFORDABLE HOUSING

Montclair Township is a fully developed community with limited vacant land available for development. Many of the buildings in the Township are historic, dating from the early 19th century, and many of the opportunities to create new affordable housing involve adaptive reuse or rehabilitation of historic structures. The Historic Preservation Commission plays a critical role in balancing historic preservation principles and creating affordable housing. New development is accomplished through a combination of private redevelopment, redevelopment initiatives led by the Township and subdivision of existing lots. Other properties that may be appropriate for affordable housing include properties owned by faith-based organizations who have excess facilities that are no longer used by their congregation. These properties are typically located in residential neighborhoods where residential use is appropriate. Redevelopment of non-conforming properties in residential neighborhoods are also generally appropriate for affordable housing. Also, vacant Township-owned land may also be appropriate for affordable housing.

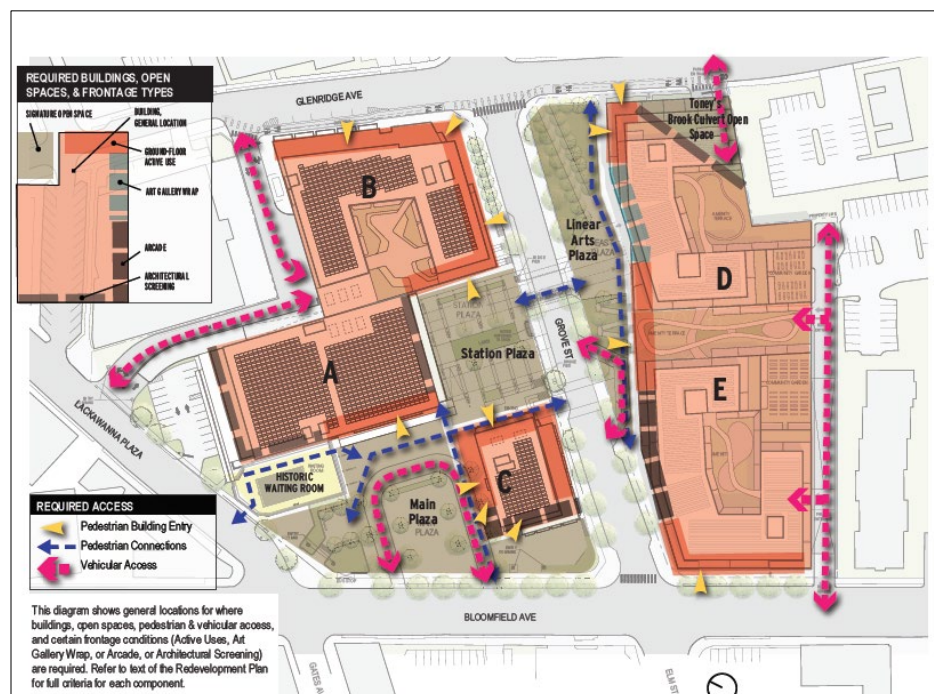
Redevelopment

Land that is most appropriate for affordable housing continues to be redevelopment of underutilized properties. This generally includes properties that have become obsolete over time.

Lackawanna Plaza Redevelopment Plan

The 8-acre Lackawanna Plaza area, for which a Redevelopment Plan was adopted in 2024, is planned for both affordable housing and workforce housing. The site, located in the center of the Bloomfield Avenue business district, contains an historic train station that is a designated local, state and national landmark. The site was redeveloped in the 1980s as a strip shopping center. The Redevelopment Plan 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.

Figure 5: Lackawanna Plaza Redevelopment Plan



Housing Element and Fair Share Plan Township of Montclair, New Jersey

Montclair Center Gateway Phase 2 Redevelopment Area

Another potential redevelopment project is the Montclair Center Gateway Phase 2 area which has been designated as an area in need of redevelopment, but a redevelopment plan has not been adopted. This area includes lots on the northeast side of the Bloomfield Avenue/Valley Road intersection. It includes the current Montclair Township police station and municipal court, which is an historic building that is obsolete for its current use. These properties total 1.68 acres in area, of which 1.31 acres are in the C-1 zone and .37 acres are in the R-2 zone. The C-1 Commercial zone district permits mixed use buildings up to 6-stories at a density of 55 units per acre and the R-2 Two-family Residential zone permits two-family homes. Redevelopment of these properties can provide an opportunity for affordable housing.



Figure 6: Redevelopment opportunity in Montclair Center Gateway Phase 2 area.



Figure 7: Zoning in Montclair Center Gateway Phase 2 area.

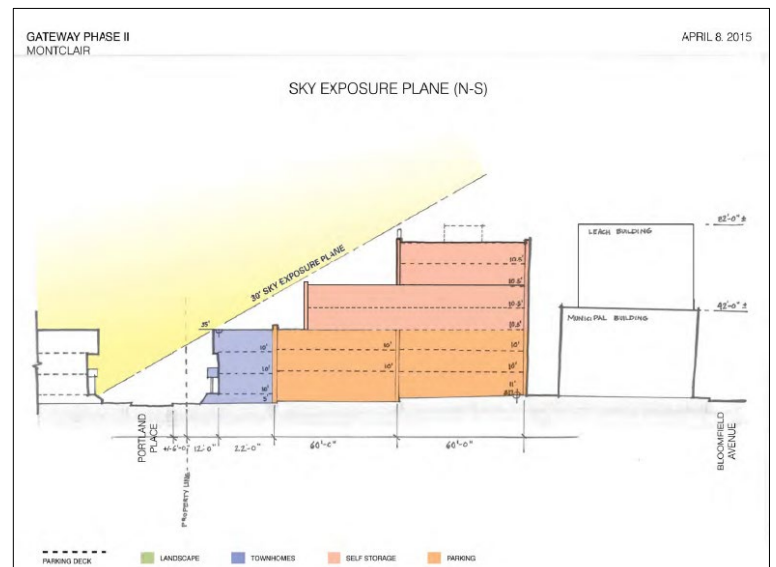


Figure 8: Proposed sky exposure plane along Portland Place.

Housing Element and Fair Share Plan Township of Montclair, New Jersey

Walnut Street/Greenwood Avenue Area

Additional redevelopment is possible on underutilized properties in the Township's commercial districts. There are a few underutilized commercial properties along Greenwood Avenue and Walnut Street, including the DeCamp bus depot and the NW Essex Development Facility on Walnut Street. These properties, which are all located in the C-2 zone district, total over 3 acres and provide a good opportunity for affordable housing through new development using redevelopment or inclusionary zoning.

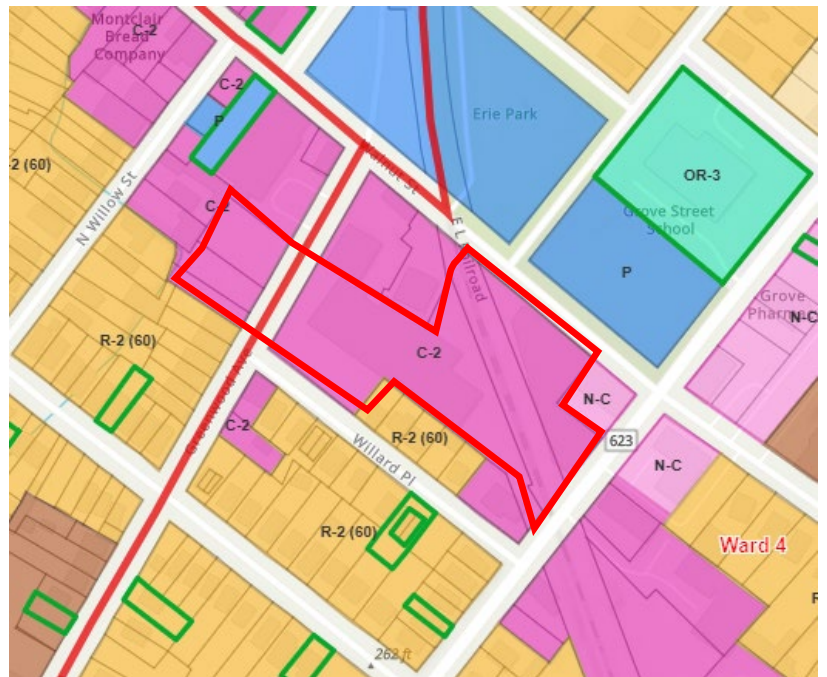


Figure 10: Potential redevelopment area along Greenwood Avenue and Walnut Street.



Figure 11: Aerial photo of potential Walnut Street/Greenwood Avenue redevelopment area.

Housing Element and Fair Share Plan Township of Montclair, New Jersey

Acme Shopping Center

Another underutilized property is located at 516 Valley Road in Upper Montclair. This property contains a one-story commercial building with a supermarket as an anchor. The property is 2.17 acres in size with a large surface parking lot located between the building and the street. Adjacent land uses include a 7-story residential building to the north, the NJ Transit railroad tracks to the west, one-story commercial uses to the south and residential homes to the east. The property is in the N-C Neighborhood Commercial zone district which permits 3-story mixed-use buildings at a maximum density of 28 units per acre.

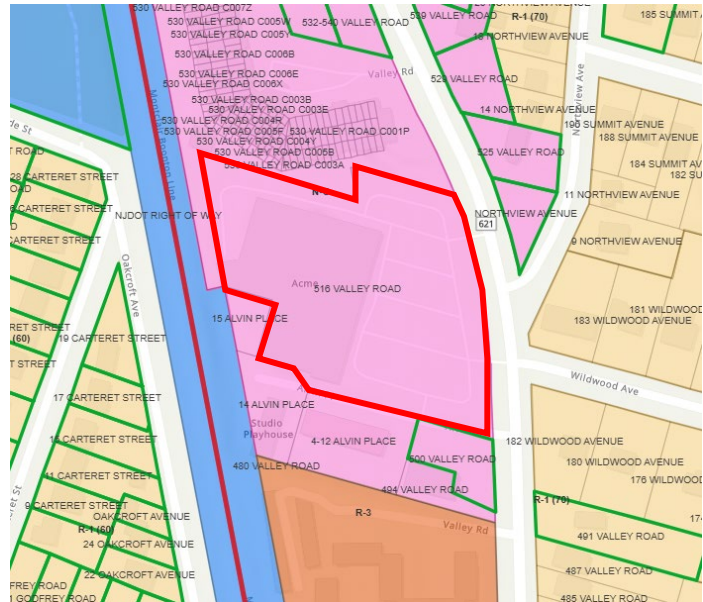


Figure 12: Zoning for Acme Shopping Center.



Figure 13: Photo of Acme shopping center.

Housing Element and Fair Share Plan Township of Montclair, New Jersey

Township-Owned or Leased Properties

Four Township-owned properties have been identified for potential development of affordable housing.

Wildwood Avenue Property

This 2.63-acre tract of land (Block 4601, Lots 80 and 82) is located adjacent to Brookdale Park between Wildwood Avenue and the entrance drive to Brookdale Park. The tract has 240 feet of frontage on Wildwood Avenue and 476 feet of frontage on the driveway to Brookdale Park and a lot depth of approximately 325 feet. The property is currently used by the Department of Community Services to store storm debris.

The property is in the R-1 Single-Family Residential zone district. There are 17 lots on Wildwood Avenue between Grove Street and Brookdale Park. Of these lots, there are two 3-family houses and six 2-family houses. This property is appropriate for infill development and is large enough to support a variety of infill development typologies.

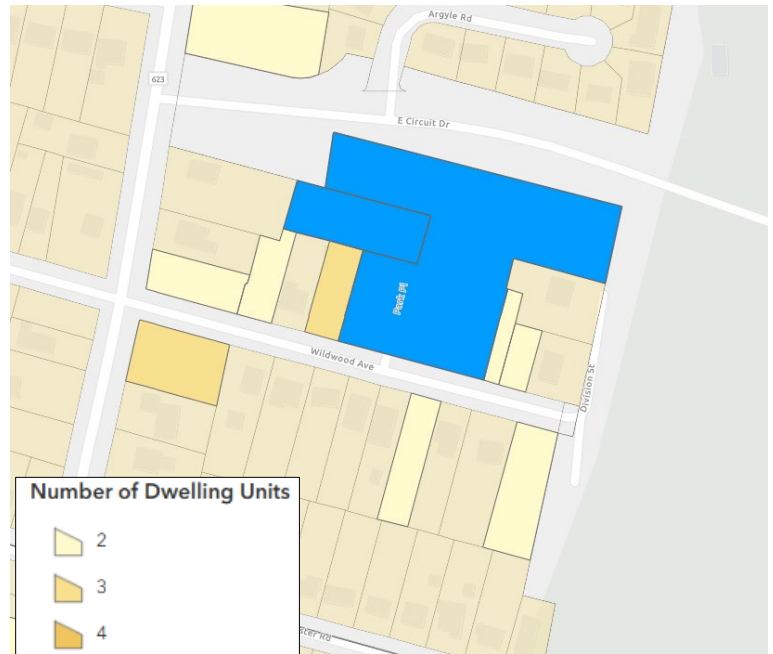


Figure 14: Land use and location of subject property.



Figure 15: Location of Wildwood Avenue Property

Housing Element and Fair Share Plan Township of Montclair, New Jersey

53-55 New Street Property

53-55 New Street is comprised of two lots (Block 3111, Lots 61 and 62) totaling .23 acres in size that were acquired by Montclair Township in 2005 and were included in the 2009 Housing Element and Fair Share Plan. The two lots, which have a combined frontage of 100 feet and a lot depth of 103 feet, are located within walking distance (half-mile) to the Bay Street train station. The 2009 Housing Plan designated the property for a total of four affordable dwelling units in two duplex buildings with parking in the rear.



Figure 16: Location of property on aerial map.

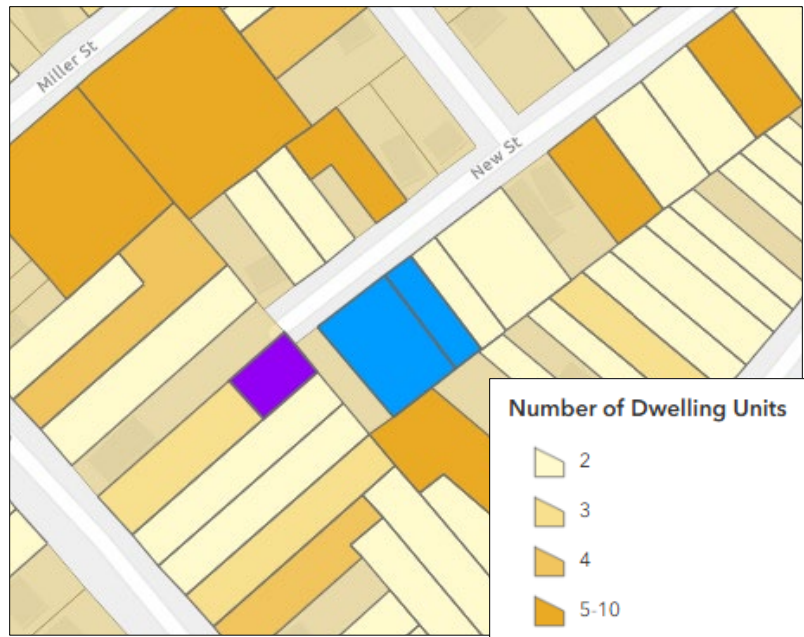


Figure 17: New Street property and adjacent land uses.

Housing Element and Fair Share Plan Township of Montclair, New Jersey

14 Miller Street

The property at 14 Miller Street contains a three-family home located in the R-2 Two-Family zone. It has a parking area in the rear yard as well as a community garden that is used by the neighborhood. It is in the Miller Street historic district which is included on the State and National register of historic places. The Township acquired this property in 2024 with the intent to sell or lease the property to a non-profit organization to rehabilitate and manage the affordable units. The surrounding properties are a mix of one- and two-family homes. Two larger multi-family buildings are located across the street.

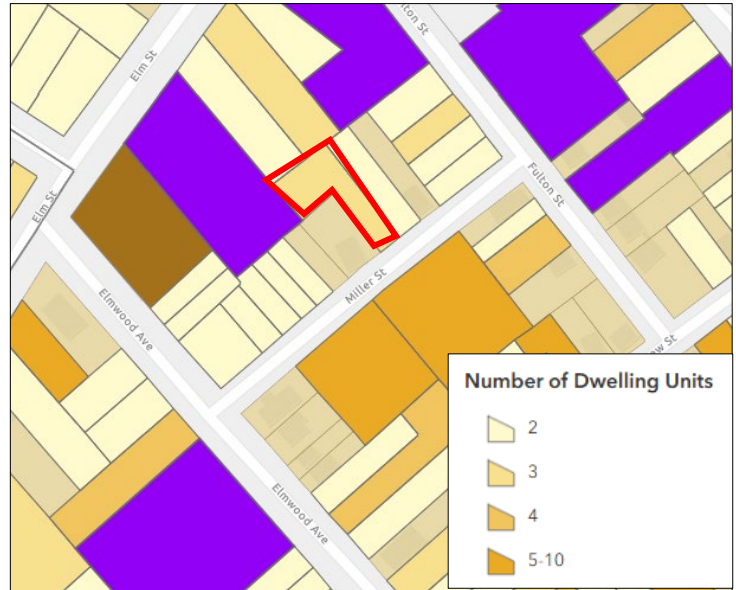


Figure 18: Location of 14 Miller Street.



Figure 19: Three-family home at 14 Miller Street.

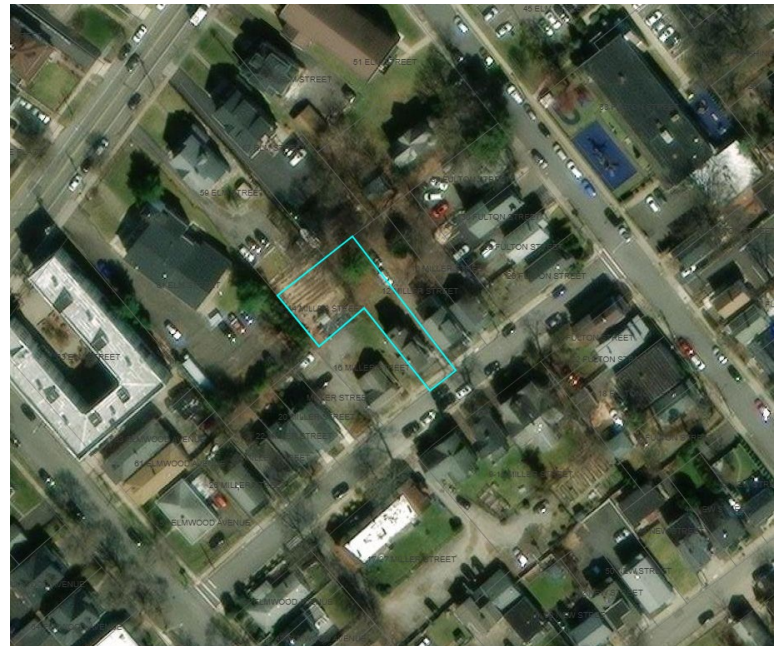


Figure 20: Aerial photo showing location of 14 Miller Street.

Housing Element and Fair Share Plan Township of Montclair, New Jersey

Mountain Avenue Train Station

The Mountain Avenue train station is a historic train station, built in 1893, that has included a 2nd-floor apartment since 1935. The property is owned by NJ Transit and is leased to Montclair Township. It is in the P Public zone and is in a residential neighborhood.

The building is listed on National Register of Historic Places and is a locally-designated historic site. In 1935, half of the station was made into a five-room duplex apartment, and it continued to serve as a residence through 2007. Tenants are required to maintain the building, including the public waiting room on the first floor, as part of their lease.

The two-bedroom apartment has not been in use for over ten years and is in serious disrepair. The Township could rehabilitate the apartment and make it available as an affordable unit.



Figure 19: Mountain Avenue Train Station.

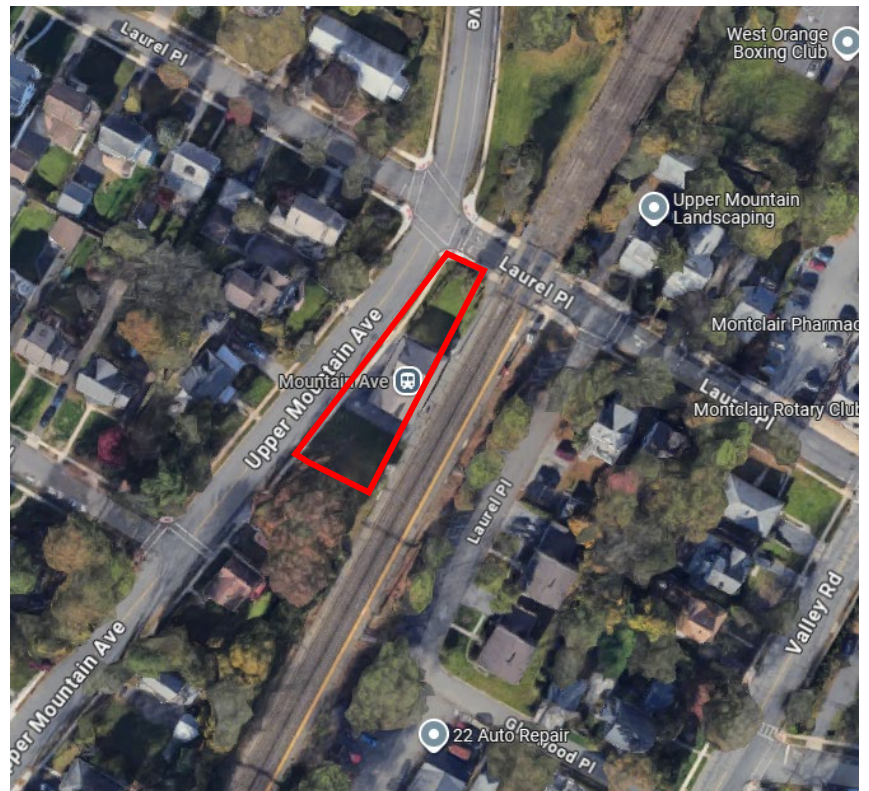


Figure 20: Aerial photo showing location of Mountain Avenue Train Station.

Housing Element and Fair Share Plan Township of Montclair, New Jersey

Faith-Based Organizations

Religious institutions, many of which are facing declining congregations, are responding to the housing crises by adapting excess buildings and land to housing. Many of these institutions own vacant buildings and underutilized land in established neighborhoods. Repurposing religious structures may require resolution of property title issues or covenants limiting the permitted uses of the structure, but these site-specific challenges generally cannot be resolved through zoning.

In recent years, several religious institutions have sold off excess land and facilities for private development. For example, the former Church of Christ Scientist on Hillside Avenue was sold for development of office space, reserving a small part of the building for church services. Similarly, the First Congregational Church on South Fullerton Avenue sold off excess land for development of two single-family homes on Plymouth Street.

Over 58 acres of land in Montclair is owned by faith-based organizations. These properties are scattered throughout the Township, and many contain historic 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 of these properties are in residential zone districts, so development with appropriate design controls ensure that these uses fit in with the surrounding neighborhood. Examples include the former convent of Our Lady of Mount Carmel Church on Pine Street, which is designated as a local, state and national historic landmark, and the building currently used as a nursery school on property owned by Union Congregational Church on Cooper Avenue. In addition, many of the faith-based organizations own buildings formerly used as parsonages which can be used for affordable housing.



Figure 21: Former First Church of Christ Scientist converted to office space on Hillside Avenue



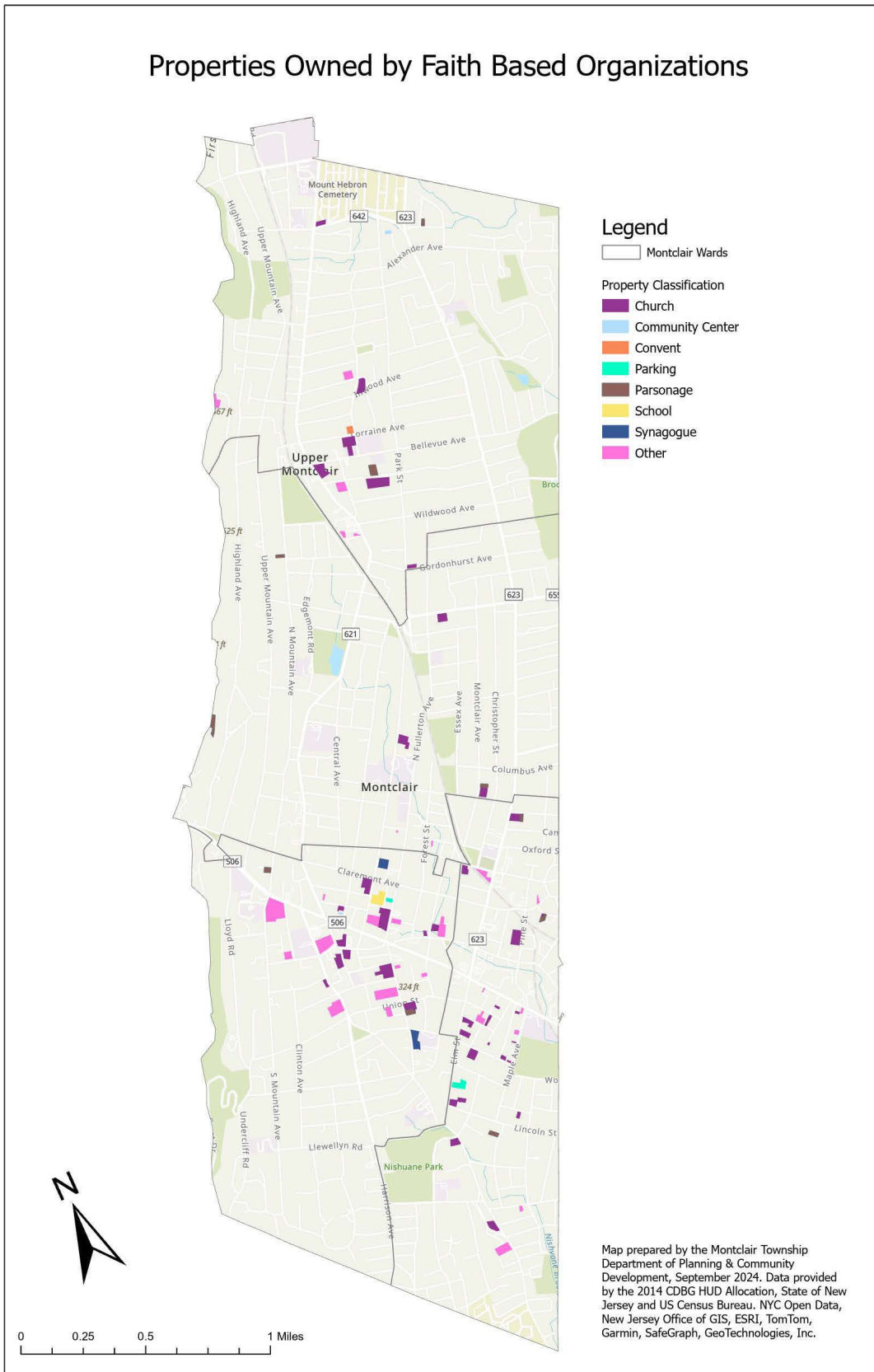
Figure 24: Single-family homes built on land formerly owned by First Congregational Church on Plymouth Street.



Figure 25: Former convent on property owned by Our Lady of Mount Carmel Church on Pine Street

Housing Element and Fair Share Plan Township of Montclair, New Jersey

Properties Owned by Faith Based Organizations



Housing Element and Fair Share Plan Township of Montclair, New Jersey

Nonconforming Properties in Residential Zones

Nonconforming properties in residential zone districts also provide opportunities to create affordable and middle-income housing when current uses become obsolete and new uses are considered. There is almost 19 acres of land containing nonconforming uses in one- and two-family residential zone districts scattered throughout the Township. Examples include the 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 store on Grove Street on a 2.35 acre lot in the R-1 zone; and the Sawtelle Learning Center on South Mountain Avenue on a 4.8 acre lot in the R-O zone.



Figure 26: Office building on Beldin Place.

Zoning changes could be developed to encourage adaptive reuse of these properties that includes housing that is affordable to low-, moderate- and middle-income households.



Figure 27: Applegate Farm on Grove Street.

Housing Element and Fair Share Plan Township of Montclair, New Jersey

Rooming House Conversions

A rooming house is defined by the State of NJ as a boarding house where no personal or financial services are provided to residents, and it involves renting out individual rooms within a dwelling and tenants typically share kitchen and bathroom facilities. There are nine rooming houses with a licensed capacity of 113 units in Montclair Township. These rooming houses, which are typically bedrooms with shared kitchens and bathrooms, sometimes include separate apartments. Rooming houses are generally affordable, although without the deed restrictions on affordability. Many of Montclair’s rooming houses are in older buildings that need rehabilitation. With investment in additional kitchens and bathrooms, if necessary, these units can be rehabilitated to create new affordable apartments or could be used for transitional or supportive housing. There is a cluster of rooming houses in the vicinity Union Street and South Willow Street that may be appropriate for affordable housing.

Table 26: Rooming Houses in Montclair

Address	Licensed Capacity	Zone
11 N. Mountain Ave	7	R-2
12 Roosevelt Place	10	R-4
21 South Willow St	20	R-3
28 Union Street	15	R-2
29 Union Street	15	R-2
31 Union Street	15	R-2
34 Union Street	8	R-2
99 Valley Road	11	R-2
179 Walnut Street	12	R-2
	113	

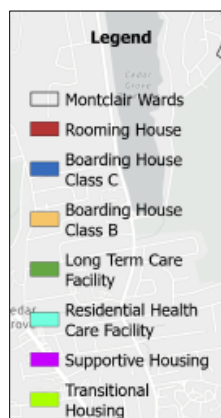


Figure 228: Rooming houses in Union Street/South Willow Street area.

6. PROJECTION OF HOUSING STOCK AND FAIR SHARE DETERMINATION

Growth in the number of households in the US is expected to slow in the coming decades.⁴ The number of households in the US is projected to rise by 8.6 million households, or approximately 860,000 per year, between 2025 and 2035. This is less household growth than in any of the past three decades, when growth ranged from a low of 10.1 million households in the 2010s to a high of 13.5 million in the 1990s. The projected slowdown in household growth will be driven by the underlying trend of slowing population growth. In the coming decade, rising mortality and fewer births among an aging population are expected to first slow and then turn negative the growth in the native population, leaving future population growth entirely dependent on future immigration. Mortality and birth rates are slow to move and therefore highly predictable, whereas future immigration levels are not. But even under significantly higher assumptions for future immigration, household growth is expected to decline over time due to the projected decline in natural population growth in the Census Bureau's population projections, which drive the household projections.

In Montclair Township, new development is expected to decline from the pace exhibited over the last 10 years. Average annual residential construction⁵ over the past ten years has added 92 single- and two-family dwelling units and 685 multi-family dwelling units, an average of 71 new dwelling units per year. This rate of housing production is expected to decline 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.

Third-Round Housing Obligation (2000 – 2025)

The Township's 2009 Housing Element and Fair Share Plan addressed a third-round (2000 – 2025) obligation of 320 units including a rehabilitation component of 127 units and a prospective need obligation of 162 units.

Present Need

The Plan requested credit for 34 units rehabilitated after April 1, 2000 and proposed to rehabilitate 41 units through the Essex County rehabilitation program supplemented with a new local housing rehabilitation program. As indicated in Table 27 below, a total of 21 units were rehabilitated between 2009 and 2024 between the two programs, bringing the total number of units rehabilitated to 52 units.

⁴Daniel McCue. "Household and New Housing Unit Demand Projections for 2025 – 2035 and 2035 - 2045." Joint Center for Housing Studies of Harvard University. January 2025.

⁵ New Jersey Department of Labor & Workforce Development Annual Building Permit Data from 2013 to 2023.

Housing Element and Fair Share Plan Township of Montclair, New Jersey

**Table 27: 2009 Fair Share Plan – Present Need
Township of Montclair, Essex County, New Jersey**

Year	Program	Address	Dollar Amount
2013	Essex HIP	236 Grove Street	\$ 25,000.00
2014	Essex HIP	610 Grove Street	\$ 25,000.00
2015	Essex HIP	10 Washington Street	\$ 25,000.00
2015	Essex HIP	137 No. Fullerton Avenue	\$ 28,467.50
2015	Essex HIP	8 Marston Place	\$ 25,300.00
2016	Essex HIP	24 Fulton Street	\$ 19,540.00
2017	Essex HIP	61 Mission Street	\$ 12,600.00
2017	Essex HIP	15 Sylvan Place	\$ 23,395.00
2018	Essex HIP	24 Appleton Place	\$ 24,510.00
2018	Essex HIP	50 Pine Street, 326	\$ 11,200.00
2021	Essex HIP	34 Willowdale Ave	\$ 24,850.00
2021	Essex HIP	15 Carey Court	\$ 19,374.00
2022	Montclair HIP	51 Christopher St	\$ 29,000.00
2023	Montclair HIP	29 Windermere Rd	\$ 26,400.00
2023	Montclair HIP	155 Valley Road A	\$ 19,000.00
2023	Montclair HIP	155 Valley Road B	\$ 19,000.00
2024	Montclair HIP	610 Grove Street	\$ 22,350.00
2024	Montclair HIP	2 Wilfred Street	\$ 17,400.00
2024	Montclair HIP	104 Valley Road A	\$ 18,864.00
2024	Montclair HIP	104 Valley Road B	\$ 18,864.00
Subtotal	21 units		\$ 435,114.50

Prospective Need

The 2009 Housing Element and Fair Share Plan proposed to address the 162-unit prospective need through existing credits as summarized in Table 28 below. However, not all the units included in the Plan were provided as indicated in the evaluation below. A total of 139 units and 39 bonus credits were provided for a total count of 178 units. As a result, an excess of 16 units were provided to address the third-round obligation.

1. **24 Elm Street** - The two units at 24 Elm Street were not created and should be removed from the 3rd Round Plan.
2. **53 – 55 New Street** - The four units at 53-55 New Street were not created and should be removed from the 3rd Round Plan.
3. **14 Mission Street** - This 2-unit home was rehabilitated by HOME Corp and a deed restriction with a 30-year term was recorded on the property on May 15, 1996. This deed restriction expires at the first non-exempt transfer of title after May 14, 2026.

Housing Element and Fair Share Plan Township of Montclair, New Jersey

4. **24 Mission Street** – The property was administered by HOME Corp and was proposed to be financed by both the DCA Balance Housing Program and Essex County HIP program. It was proposed to be deed restricted from 2002 to 2032 for a total of thirty (30) years. It is unknown why it was projected for a total of thirty (30) years. The past rules governing the DCA Balance Housing Program, also called the Neighborhood Preservation Balanced Program, require that units funded by the Balanced Housing Program must remain affordable for the time period which is required by N.J.A.C. 5:93-9.2. N.J.A.C. 5:43-3.1(f). Second round COAH rules dictate length of controls. It provides that:

“Municipalities receiving State Aid pursuant to P.L. 1978, c.14 (N.J.S.A. 52:27D-178 et seq.) that exhibit one of the characteristics delineated in N.J.A.C. 5:93-2.3(b) shall adopt measures to assure that newly constructed low and moderate income sales units remain affordable to low and moderate income households for a period of not less than 10 years. The administrative entity shall do so by requiring all conveyances of newly constructed low and moderate income sales units subject to the Act to contain the deed restriction and mortgage lien adopted by the Council. (See Appendix E)”. N.J.A.C. 5:93-9.2 (b).

The Township is an Urban Aid Municipality that receives State aid. The units are required to be deed restricted for a period not less than 10 years. During the Township’s investigation, a mortgage was found which demonstrates that there was a deed restriction for fifteen (15) years beginning on February 1, 2002 and ending at the first non-exempt transfer of title after January 31, 2017.

5. **25 Mission Street** – The property was purchased by HOME Corp and was rehabilitated through the DCA Balance Housing Program. It was sold on February 10, 1999 with a mortgage recorded with the County that included a twenty-year deed restriction. The deed restriction ends at the first non-exempt transfer of title after February 9, 2019.
6. **53 Mission Street** – The property was purchased by HOME Corp and was rehabilitated through the DCA Balance Housing Program. The property was sold on September 25, 1998 at which time a deed restriction was recorded on the property with a term of 10 years. This deed restriction expired in 2008. In November, 2018, the Township was notified that the owner wished to sell the property. The Township informed the Housing Affordability Service that the Essex Community Land Trust (ECLT), a non-profit organization, was interested in purchasing the property. The ECLT decided not to purchase the property in December 2018, and the property was sold at market rate in 2019 and a recapture fee of \$86,816.70 was deposited into the Township’s Housing Trust Fund.
7. **59 Mission Street** – The property was administered by HOME Corp and was proposed to be financed by the DCA Balance Housing Program, which at the time of the proposed deed restriction, required a deed restriction of no less than ten (10) years. The Township was unable to locate a deed restriction for this property and has removed the units associated with this property from the Fair Share Plan.

Housing Element and Fair Share Plan Township of Montclair, New Jersey

8. **62 Mission Street** – The property was administered by HOME Corp and was proposed to be financed by the DCA Balance Housing Program, which at the time of the proposed deed restriction, required a deed restriction of no less than ten (10) years. The Township was unable to locate a deed restriction for this property and has removed the units associated with this property from the Fair Share Plan.
9. **68 Elmwood Avenue** - The property was administered by HOME Corp and was proposed to be financed by the DCA Balance Housing Program, which at the time of the proposed deed restriction, required a deed restriction of no less than ten (10) years. During the Township's investigation, a mortgage was located which demonstrates that there was a deed restriction for fifteen (15) years beginning on February 1, 2002 and ending at the first nonexempt transfer of title after January 31, 2017.
10. **16 Miller Street** - The property was administered by HOME Corp and was proposed to be financed by the Essex County Home Program, which is referred to as the "Federal HOME Program". The Federal Home Program requires that twenty (20) years is the minimum period of affordability for new construction or acquisition of newly constructed housing. 24 CFR 92.504 Avery's Exhibit E-v, page 1 provides a deed dated January 10, 2002 and a corrective deed dated September 20, 2016, which acknowledges that the "cost of rehabilitation of the Property has been satisfied out of the proceeds of a certain loan from the County of Essex under the Federal HOME Program and that the premises to be constructed shall be subject to the affordability requirements contained in 24 Code of Federal Regulation, Part 92... The premises to be acquired shall be subject to the specific provisions for affordability contained in 24 CFR 92.504 for a period of twenty years from the date of completion of the project (issuance of a certificate of occupancy for the use of the premise). The property has a deed restriction dated October 23, 2002 between Homes of Montclair Ecumenical Corp and the current owner, Jason Field.
11. **24 Miller Street** - The property was administered by HOME Corp and was proposed to be financed by the DCA Balance Housing Program, which at the time of the proposed deed restriction, required a deed restriction of no less than ten (10) years. During the Township's investigation, a mortgage was located which demonstrates that there was a deed restriction for fifteen (15) years beginning on October 1, 2000 and ending at the first non-exempt transfer of title after September 30, 2015.
12. **26 Miller Street** - The property was administered by HOME Corp and was proposed to be financed by the DCA Balance Housing Program, which at the time of the proposed deed restriction, required a deed restriction of no less than ten (10) years. During the Township's investigation, a mortgage was located which demonstrates that there was a deed restriction for fifteen (15) years beginning on February 1, 2001 and ending at the first non-exempt transfer of title after January 31, 2016.

Housing Element and Fair Share Plan Township of Montclair, New Jersey

**Table 28: 2009 Fair Share Plan – Prospective Need
Township of Montclair, Essex County, New Jersey**

Program	Project	Type	Units	Bonus	Total
Redevelopment	Siena	Family Ownership	10	0	10
	Alister	Family Rental	17	17	34
Inclusionary Development	69-83 Bay Street	Family Ownership	1	0	1
	24 Elm Street	Family Ownership	0	0	0
	The Montclarion	Family Rental	18	0	18
Gut Rehabilitation	19 Elmwood	Family Rental	2	0	2
	58 Maple Avenue	Family Rental	2	0	2
	43 Glenridge Avenue	Family Rental	2	2	4
	55 Glenridge Avenue	Family Rental	6	6	12
	14 Mission Street	Family Sale w/Rental	2	0	2
	24 Mission Street	Family Sale w/Rental	2	1	3
	25 Mission Street	Family Sale w/Rental	2	0	2
	53 Mission Street	Family Sale w/Rental	2	0	2
	59 Mission Street	Family Sale w/Rental	0	0	0
	62 Mission Street	Family Sale w/Rental	0	0	0
	68 Elmwood Avenue	Family Sale w/Rental	2	0	2
	16 Miller Street	Family Sale	1	0	1
	24 Miller Street	Family Sale w/Rental	2	0	2
	26 Miller Street	Family Sale w/Rental	2	1	3
	25 William Street	Family Rental	3	3	6
	33 William Street	Family Rental	5	5	10
	100% Affordable	53-55 New Street	Family Ownership	0	0
Senior Housing	Pine Ridge of Montclair	Age Restricted	40	0	40
Alternative Living Arrangements	ARC of Essex County	Supportive/Special Needs	10	2	12
	Covenant House	Supportive/Special Needs	8	2	10
TOTAL			139	39	178

The Township has 143 units of affordable housing that exceed the third-round prospective need obligation and can be applied to the fourth-round obligation. Most of these units, which are detailed in Table 29, have been created through redevelopment and inclusionary zoning in large multi-family and mixed-use development projects located along the Bloomfield Avenue corridor.

Housing Element and Fair Share Plan Township of Montclair, New Jersey

**Table 29: Excess Affordable Housing Credits
Township of Montclair, Essex County, New Jersey**

Project	# of Units	Type	Mechanism
Valley and Bloom	26	Family Rental	Redevelopment
Montclarion II	2	Family Rental	Redevelopment
The Vestry	8	Family Rental	Redevelopment
Two South Willow	20	Family Rental	Redevelopment
The Clair	4	Family Rental	Redevelopment
59 Church Street	8	Family Rental	Redevelopment
58 James Street	1	Family Sales	IZO
The Westerly	2	Family Rental	IZO
57 James Street	1	Family Rental	IZO
161-167 Glenridge Avenue	2	Family Rental	IZO
10 Elm Street	4	Family Rental	IZO
Talbot Village	6	Family Sales	100% Affordable
7 Sylvan Place	2	Family Rental	IZO
14 North Willow Street	2	Family Rental	Market to Aff
Mental Health Association	12	Special Needs	Supportive Housing
27 Miller Street	1	Family Rental	Extension of Controls
12 Miller Street	2	Family Rental	Extension of Controls
Miller Street Cottages	5	Family Rental	Extension of Controls
Miller Street Homes	9	Family Rental	Extension of Controls
The Mews	20	Family Sales	Extension of Controls
Montclairion I	6	Family Rental	Extension of Controls
Total	143		

Calculation of Affordable Housing Need

The Montclair Housing Commission worked with the Rutgers University Bloustein School to prepare a housing needs assessment for Montclair.⁶ 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. These households are cost burdened and even extremely cost burdened. 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.

While household sizes have decreased over time, the size of homes has grown. The median square footage of a single-family home built in the 1960s or earlier was approximately 1,500 square feet. In contrast, the median square footage of single-family homes built between 2000 and 2009 was approximately 2,150 square feet. This trend of smaller households and larger homes has exacerbated

⁶ Affordable Housing in Montclair, New Jersey: Challenges and Solutions. May, 2024

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the affordability problem and limited access to homeownership. Demographic shifts point to a need for more housing that is appropriate for senior citizens, including smaller units for an aging population, multi-generational housing, accessory dwelling units and two-family homes. Housing development must be diversified beyond multifamily housing and encourage townhouses, small lot single family homes, and two-family homes which are undersupplied.

7. FAIR SHARE PLAN

The Fair Share Plan addresses Montclair's Present Need (rehabilitation component) of 132 units. The Township maintained its designation as an Urban Aid Municipality in 2024, which means that the Township's new affordable housing obligation does not include a prospective need and the Township does not have a prior round obligation. Despite the lack of an official prospective need, the Township is committed to advancing affordable housing opportunities in the future and includes both existing and new affordable housing programs as part of the Fair Share Plan. Many of the programs identified in the Fair Share Plan will be funded through the Township's Housing Trust Fund.

Present Need

Present Need is the estimated number of substandard existing deficient housing units occupied by low- and moderate-income (LMI) households. The US Department of Housing and Urban Development (HUD) and the US Census Bureau publish separate tables on housing age, lack of plumbing facilities, lack of kitchen facilities, and overcrowding. However, there is no data source that reports the number of units that meet any one of those three conditions. Therefore, this number is estimated using data from existing tables, with measures taken to account for overlap and to narrow the scope to deficient housing units occupied by low- and moderate-income households. The DCA analysis utilizes data from HUD's Comprehensive Housing Affordability Strategy (CHAS) dataset, which has municipal-level data on the number and percentage of LMI households from a special tabulation of Census Bureau American Community Survey (ACS) data. The latest CHAS data release at the time of calculation corresponds to the 2017-2021 5 Year Estimates. To ensure data year and source consistency, the LMI deficient housing calculation relies on 2017-2021 data.

Montclair's Present Need is 132 units. The Township will address this need by using 132 of the 143 affordable housing unit credits that exceed the third-round obligation. Most of these units, which are detailed in Table 22, have been created through redevelopment and inclusionary zoning in large multi-family and mixed-use development projects located along the Bloomfield Avenue corridor.

Montclair Home Improvement Program

The Township can continue to preserve existing affordable housing through the Township's Home Improvement Program that started in 2020 and has been used to rehabilitate eight dwelling units. The program provides up to \$24,000 for an eligible owner-occupied single-family home and up to \$15,000 for eligible multi-family properties. This program not only provides funding for income-eligible households in the Township to make bring their homes up to code, but it also provides a resource to non-profit organizations. This includes HOME Corp, who owns 61 rental units affordable to low- and moderate-income households that require improvements to be building code compliant.

Housing Element and Fair Share Plan Township of Montclair, New Jersey

One of the problems with the home improvement program is that it cannot be used to improve homes that require more funding than permitted to bring the home up to current code. Gut rehabilitation is defined as “any project where the extent and nature of the work is such that the work area cannot be occupied while the work is in progress and where a new certificate of occupancy is required before the work area can be reoccupied, pursuant to the Rehabilitation Subcode, N.J.A.C. 5:23-6. Reconstruction shall not include projects comprised only of floor finish replacement, painting or wallpapering, or the replacement of equipment or furnishings. Asbestos hazard abatement and lead hazard abatement projects shall not be classified as reconstruction solely because occupancy of the work area is not permitted.” The program could be expanded to include funding for gut rehabilitation, allowing up to \$60,000 per unit and include a longer-term deed restriction to reflect the larger Township investment.

Preservation of Naturally Occurring Affordable Housing (NOAH)

Smaller, older single-family homes are the largest source of naturally occurring affordable housing (NOAH), which are unsubsidized privately owned residences that are affordable to low- or moderate-income households. A significant pocket of older, smaller homes is in the vicinity of Mission Street, New Street, Maple Avenue, Wheeler Street, Elmwood Avenue and Washington Street. This neighborhood started as housing for African Americans who worked as servants in nearby estates or as workers in local mills. As African Americans became more prosperous, they moved to larger homes in the south end of the Township. After World War I, the neighborhood’s cultural and ethnicity diversified, attracting working class Italians and other immigrant groups seeking affordable housing.

Many of these units are in a prime location within easy walking distance to the Bay Street train station. This area is characterized by narrow lots and a dense development pattern that reflects its historical origins. There is a mix of one-family and two-family structures, with some larger apartment buildings containing up to 10 dwelling units. As housing costs have skyrocketed in Montclair, NOAH units have been lost and replaced with a much larger and more expensive home that is not affordable to existing residents. The challenge is to retain the Township’s existing NOAH.

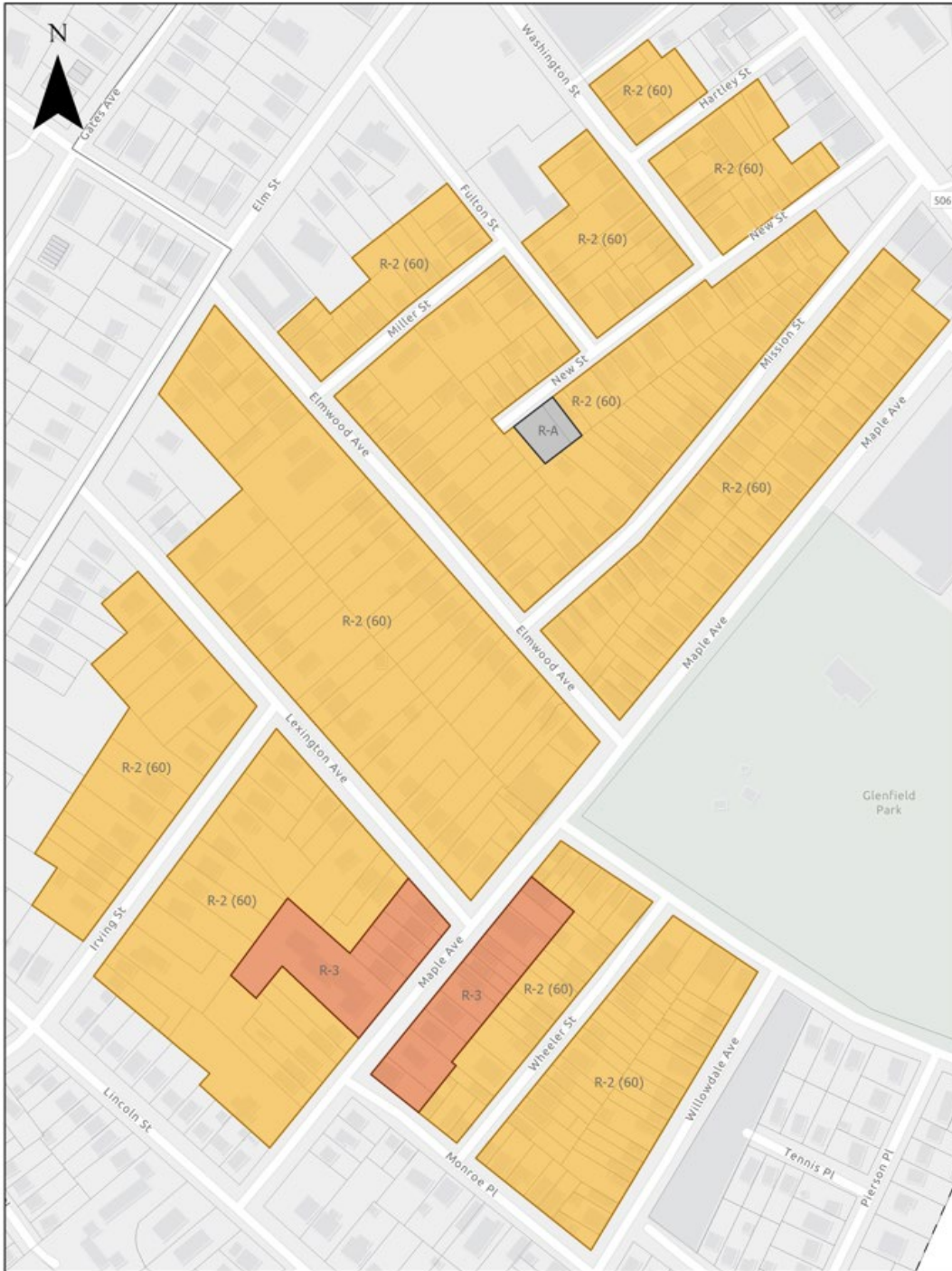
Zoning changes can be established to help preserve the Township’s NOAH. Many of the principal structures were constructed in the late 1800s to early 1900s and do not conform to the current R-2 zone requirements. Side yard setbacks are often less than the minimum permitted 6 feet and 10 feet. The average lot width is 38 feet compared to the minimum lot width requirement of 60 feet in the R-2 zone. These nonconforming conditions are prevalent throughout the neighborhood, highlighting a misalignment between the existing built environment and current zoning standards.

Zoning changes are recommended to limit building sizes to reflect existing scale. A new R-2A zone district is recommended for this area with lot size, lot width, building setbacks and home sizes that reflect the existing scale of the neighborhood. This new zone could include a sliding-scale Floor Area Ratio to create maximum total building volume in comparison to lot size. For example, lots under 5,000 square feet might receive a 0.50 FAR, while lots over 10,000 square feet would be limited to 0.35 FAR. Adjusting side yard setback requirements from the current 6 and 10 feet to 3 and 6 feet would better align with the neighborhood's existing development pattern. This change recognizes and encourages the existing shared driveways between alternating properties throughout the area. The revised standards would maintain sufficient space between buildings.

Housing Element and Fair Share Plan Township of Montclair, New Jersey

In addition, the use of historic preservation policies to prevent demolition of these buildings can prevent the destruction of NOAH properties. Currently, over 2,800 properties in the Township have been surveyed as a historic resource and are subject to the Township's total demolition review process. Most of these properties are on larger lots, with only Wheeler Street, Miller Street and Pine Street included. New zoning regulations, such as limiting the physical expansion of an existing structure or establishing a residential floor area ratio can help preserve these naturally affordable units. The Township's Home Improvement Program could target this neighborhood to ensure that eligible households take advantage of the program.

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Proposed New R-2A Zone District

Housing Element and Fair Share Plan Township of Montclair, New Jersey

Prior Round Obligation

Montclair's prior round obligation is zero as the Township has met its third-round prospective need.

Prospective Need

As an Urban Aid Municipality, Montclair Township does not have a fourth round prospective need obligation. This does not mean that there is no need for affordable housing in the Township – it simply means that the Township is exempt from the State's affordable housing mandate. Despite the lack of prospective need, there are significant housing issues to be addressed. Rents have increased substantially and have outpaced increases in household income, creating a cost burden to renters. Likewise, housing values have increased significantly making it difficult for low- and moderate-income households to purchase homes. Larger redevelopment projects, which generated most affordable units over the past 15 years, are mostly completed and housing policy needs to pivot to provide affordable housing in smaller scale projects throughout the Township.

The Township could continue to advance opportunities to create new affordable housing through strategic redevelopment, inclusionary development, development of 100% affordable housing on vacant Township-owned property, adaptive reuse of property owned by faith-based organizations, construction of supportive and special needs housing and development of affordable accessory dwelling units. Following are changes to the Montclair Code that are recommended to continue to create opportunities for affordable housing in Montclair.

Affordable Housing Ordinance

As housing prices and rents have increased over the past 15 years, Montclair's historic lower-income households have been forced to move out of the Township. As indicated in Table 6, the median household income in Montclair was 49% higher than the State median income in 2000. By 2023, median household income in Montclair was 67% higher than the State median income. As household incomes have increased, so have housing prices and rents. As indicated in Tables 9 and 10, the median value of a house was \$601,100 in 2010 and the median monthly contract rent was \$1,281. By 2023, the median value of a single-family home was \$850,700 and the median monthly contract rent was \$2,045.

Renters are particularly cost burdened in Montclair. The current market rate rent of \$2,045 is not affordable for almost all low-income and very low-income households. In 2023 over 47.5% of renters are cost-burdened and pay more than 30 percent of their income towards housing as shown in Table 12. This is a significant increase from 2010 when 41.9% of renter households paid more than 30% of income for housing. Lower-income households are being displaced from Montclair because of increased housing costs. These households tend to be more racially diverse, and as a result the Township's historic Black and African-American population is declining. In 2000, the Township's Black population was 34% of the Township's total population, and by 2020 this percentage decreased to 26.6%.

The Township responded to this issue in 2018 by establishing a local preference. Specifically, **Montclair Code §65-9B** states that "the Affirmative Marketing Plan shall include a local preference for all households that live in the Township of Montclair or are full-time employees of either the Township of Montclair or the Township of Montclair Board of Education." This provision helps address displacement of the Township's lower-income residents by giving priority to Montclair Township residents and

Housing Element and Fair Share Plan Township of Montclair, New Jersey

employees when marketing affordable units. It is recommended that this provision remain to continue to combat displacement of Montclair's low-income residents.

Inclusionary Zoning Ordinance (IZO)

The Township's Inclusionary Zoning Ordinance (IZO) could be amended to increase the affordable housing set aside to 25 percent for any development application requiring a use variance per NJSA 40:55D-70d. This change will ensure that any adaptive reuse of nonconforming properties in residential zones will include a larger percentage of affordable housing. In addition, the ordinance could be amended to require that 15% of the newly-created affordable units be reserved for households with special needs. Currently, the IZO requires a minimum density of 8 dwelling units per acre. This minimum density could be eliminated as lower-density developments can be designed to include affordable housing. Finally, the IZO could be amended to extend the affordability controls to a minimum of 40 years for rental units and 30 years for sales units to be consistent with new statutory requirements.

Most of the funds in the Montclair Township Housing Trust Fund are collected through the Township's Development Fee Ordinance. The cash-in-lieu of option only applies when the IZO requirement creates a fractional unit. **Montclair Code §347-161** provides the details of how the cash-in-lieu payment is calculated as follows.

Whenever this article permits a cash-in-lieu contribution, the contribution shall be calculated based on the amount of the subsidy necessary to make one housing unit affordable for municipalities in Montclair's region. The Township Council determines the required subsidy is \$197,391 (as of 2021). The subsidy amount may be revised periodically by the Township Council.

In most cases, in-lieu fee levels are based on a consultant report that estimates market prices and rents for the kinds of units that are typically being produced by local developers. A single fee is then set that applies to all projects for a year or some other defined period. As the cash-in-lieu of payment is not a critical funding source for the Housing Trust Fund, a lengthy consultant report to determine the correct amount was not used when the in-lieu payment fee was revised in 2021. The in-lieu payment ordinance was amended in 2021 to reflect 2021 prices and generated a subsidy of \$197,391. Applying the RS Means construction cost index to calculate the increase in construction costs from June 2021 to November 2024 shows in a cost increase of \$48,025, changing the subsidy amount to \$245,416. With an average construction cost of approximately \$250 per square foot and an average apartment size of 1,000 square feet, the subsidy for an affordable dwelling unit could be about \$250,000. The ordinance could be further amended to include an automatic annual adjustment of the cash-in-lieu of payment based on the RS Means construction cost index.

Zoning for Houses of Worship

In Montclair, houses of worship are permitted as a conditional use in the R-2, R-3, OR-3, R-4, and OR-4 zone districts. Many houses of worship, however, are in the R-O, R-O(a), R-1 and N-C zone districts where they are not permitted. The zoning requirements for houses of worship could be revised to make houses of worship permitted conditional uses in all residential zone districts. The conditional use standards could be revised to permit adaptive reuse of existing buildings for 100% affordable multi-family uses and to permit development of unused land for 100% affordable multi-family housing. With

Housing Element and Fair Share Plan Township of Montclair, New Jersey

appropriate design controls, historic buildings can be preserved, and new construction can maintain existing neighborhood character. Senior and supportive housing could also be a permitted use.

Residential Zoning Changes

The New Jersey Municipal Land Use Law specifies that community residences for persons with developmental disabilities, community shelters for victims of domestic violence, community residences for persons with terminal illnesses, community residences for persons with head injuries, and adult family care homes for persons who are elderly and adults with physical disabilities are a permitted use in all residential districts and the requirements are the same as for single family dwelling units located within such districts. Many of these facilities are currently located in the Township’s residential zone districts as indicated in Table 31. The Township’s residential zone districts could be amended to clarify that supportive housing and senior housing are permitted uses. In addition, congregate living could also be permitted in residential zone districts. Congregate living refers to housing where individuals or families share common areas and facilities, while maintaining private living spaces. Amending the zoning ordinance to include a table of permitted uses for residential zone districts, as shown in Table 32, would provide greater clarity regarding this issue.



Figure 23: Essex Guest House at 271 Claremont Avenue.

Table 31: Alternative Living Facilities in Residential Zone Districts in Montclair

Project Name	Type	Address	Capacity	Zone
ARC of Essex County	Supportive Housing	434 Washington Av	4	R-1
Horizon Manor North	Residential Health Care Facility	73 Overlook Rd	22	R-1
Memorial Home of U Montclair	Residential Health Care Facility	185 Fernwood Ave	14	R-1
Mental Health Association	Supportive Housing	354 Orange Rd	12	R-1
Montclair Inn	Senior Congregate Living	27 Hillside Ave	22	R-1
Oxford House	Transitional Housing	21 Irving St	9	R-1
Walpan Manor	Residential Health Care Facility	176 Christopher St	17	R-1
ARC of Essex County	Supportive Housing	27 Claremont Ave	6	R-2
Covenant House	Supportive Housing	2 – 4 Walnut Pl	10	R-2
Essex Guest House	Residential Health Care Facility	271 Claremont Ave	27	R-2
Horizon Manor South	Residential Health Care Facility	89 Christopher St	14	R-2
Little Nursing Home	Residential Health Care Facility	71 Christopher St	29	R-2
Real House	Transitional Housing	95 Grove St.	18	R-2
Montclair Care Center	Residential Health Care Facility	111-115 Gates Ave	64	R-3
Montclair Manor	Residential Health Care Facility	403 Claremont Ave	40	R-3
Nancy’s Place	Transitional Housing	32 S. Willow St	8	R-3
Real House	Transitional Housing	31 N. Mountain Ave	23	R-3
Willows Home for Sr Citizens	Residential Health Care Facility	39 South Willow St	20	R-3

**Housing Element and Fair Share Plan
Township of Montclair, New Jersey**

Table 32: Sample List of Permitted Uses in Residential Zone Districts

Uses	Residential Zones					
	R-O	R-O(a)	R-1	R-2	R-3	R-4
Principal Uses						
Single-family dwelling, non-attached	P	P	P	P	P	P
Two-family dwelling	N	N	N	P	P	P
Townhouses	N	N	N	N	P	P
Multi-family dwellings	N	N	N	N	P	P
Parks and open space	P	P	P	P	P	P
Group homes	P	P	P	P	P	P
Congregate living arrangements	P	P	P	P	P	P
Senior citizen housing	P	P	P	P	P	P
Conversion of one-family dwellings to two-family dwellings	N	N	N	P	C	C
Accessory Uses						
Uses customarily incidental and associated with permitted principal uses	A	A	A	A	A	A
Accessory dwelling units	A	A	A	A	N	N
Boats and trailers	A	A	A	A	A	A
Dish antennas	A	A	A	A	A	A
Family daycare	A	A	A	A	A	A
Fences and walls	A	A	A	A	A	A
Home occupations	A	A	A	A	A	A
Swimming pools	A	A	A	A	A	A
Tennis and basketball courts	A	A	A	A	A	A
Parking	A	A	A	A	A	A
Signs	A	A	A	A	A	A
Conditional Uses						
Assisted-living facilities	N	N	N	N	C	C
Boarding or rooming house	N	N	N	N	C	C
Boarding homes for sheltered care	N	N	N	N	C	C
Cemetery	N	N	C	N	N	N
Houses of worship	C	C	C	C	C	C
Museums	N	C	N	N	N	N
Nursing homes	N	N	N	N	C	C
Schools, public and private	C	C	C	C	C	C
Wireless telecommunication facilities	C	C	C	C	C	C

- P: Permitted use
- N: Not permitted use
- A: Accessory use
- C: Conditional use

Housing Element and Fair Share Plan Township of Montclair, New Jersey



Figure 26: Walpan Manor at 176 Christopher Street.



Figure 27: Little Nursing Home at 71 Christopher Street.

Overlay zones could be established for specific sites where 100% affordable housing is proposed. This will provide site specific zoning requirements that reflects the characteristics of individual properties. Each overlay zone could include a density maximum that considers the type of housing proposed; align front and side yard setbacks with existing structures on the same street; reduced parking requirements; and waive parking requirements if located within 1/4 mile of public transit access.

Commercial Zoning Changes

There are several large properties in the C-2 zone district where redevelopment is anticipated. Several changes are recommended to the C-2 zone district to clarify zoning requirements for new residential and mixed-use development. The C-2 zone district currently only allows new residential development where the site is adjoined by a residential use on at least one side, not counting the rear. This is inconsistent with Montclair Code §347-84M which permits mixed-use buildings. In addition, the C-2 zone also includes a requirement added in 1980 that the conversion of existing floor space to residential use is a conditional use, subject to compliance with the United States Department of Housing and Urban Development Minimum Property Standards, Volume 1 or 2 (1973), whichever is applicable, Chapter 4, and to a determination that such living facilities will not be unduly exposed to noise and other adverse effects of the commercial operations on the property or adjoining properties. The minimum dwelling unit size is approximately 500 square feet, depending on the number of bedrooms. This is an unnecessary requirement as unit sizes are generally determined by the maximum density permitted in the zone which is 28 units per acre.

Housing Element and Fair Share Plan

Township of Montclair, New Jersey

Affordable Housing Projection

Continuation of the Township’s current affordable housing program, supplemented with the proposed changes in zoning, can create a total of 209 new units of affordable housing by 2035.

Table 33: Affordable Housing Projection Summary

Program	Number of Affordable Units
Redevelopment	104
Township-Owned or Leased Land	16
100% Affordable Housing	10
Faith-Based Organizations	6
Supportive/Special Needs Housing	28
Extension of Affordability Controls	40
Accessory Dwelling Units	5
Total	209

Redevelopment

Development of the properties identified as potential redevelopment areas could yield a total of **104 affordable units** under current zoning including the 20 percent affordable housing set aside requirement. Further, three of the four properties identified below are located within ½-mile of a train station and development of these properties advances Transit-Oriented Development principles. Opportunities to combine affordable housing with Transit-Oriented Development (TOD) could be encouraged.

- 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.
- The Montclair Center Gateway Phase 2 area includes a total of 1.31 acres in the C-1 Central Business Zone and .37 acres in the R-2 Two-Family zone. Redevelopment of these properties could add approximately 78 dwelling units under the existing zoning yielding **15 affordable units** under the current 20 percent set aside.
- Underutilized properties in the Walnut Street/Greenwood Avenue Area total 3.13 acres all within the C-2 General Business and Light Manufacturing Zone. Development of these properties under the current zoning would yield 87 dwelling units yielding **17 affordable units** under the current 20 percent set aside.
- The Acme Shopping Center on Valley Road is 2.17 acres in the N-C Neighborhood Commercial zone district. Redevelopment of this site under the existing zoning would create 61 dwelling units, yielding **12 affordable units** under the current 20 percent set aside.

Township-Owned and/or Leased Land

The Township owns and/or leases four properties that are appropriate for affordable housing and can provide a total **16 affordable units**.

Housing Element and Fair Share Plan Township of Montclair, New Jersey

Wildwood Tract

This 2.63-acre tract of land is located adjacent to Brookdale Park between Wildwood Avenue and the entrance drive to Brookdale Park. This site is appropriate for infill development and can support four two-family dwellings with parking in the rear. The Township can subdivide the part of the Township-owned property that fronts on Wildwood Avenue for development of four two-family homes, creating a total of **eight affordable units**. The property could be rezoned to a **new AH-1 overlay zone** to allow four lots measuring 60 feet wide by 150 deep. This design maintains the existing neighborhood character. Design standards could require parking in the rear yard.

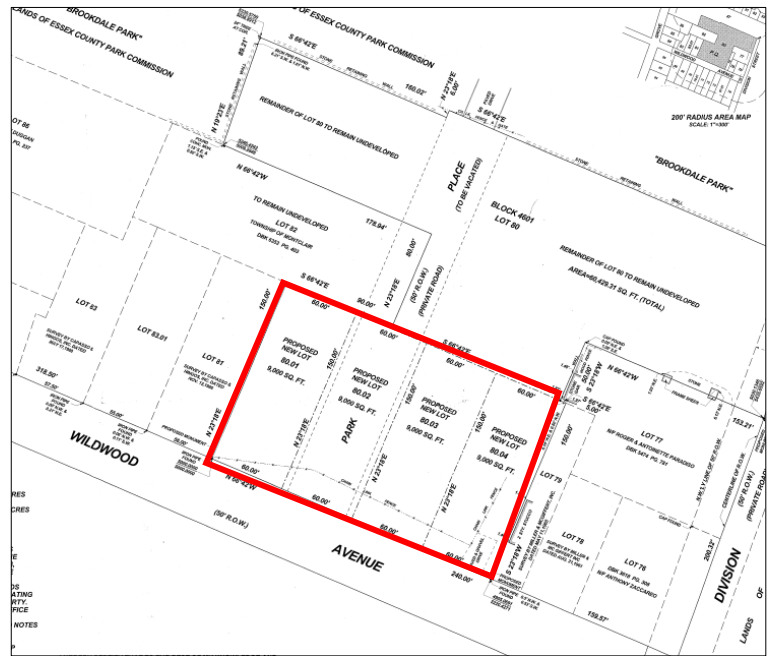


Figure 28: Potential layout for subdivision of Township-owned land on Wildwood Avenue.

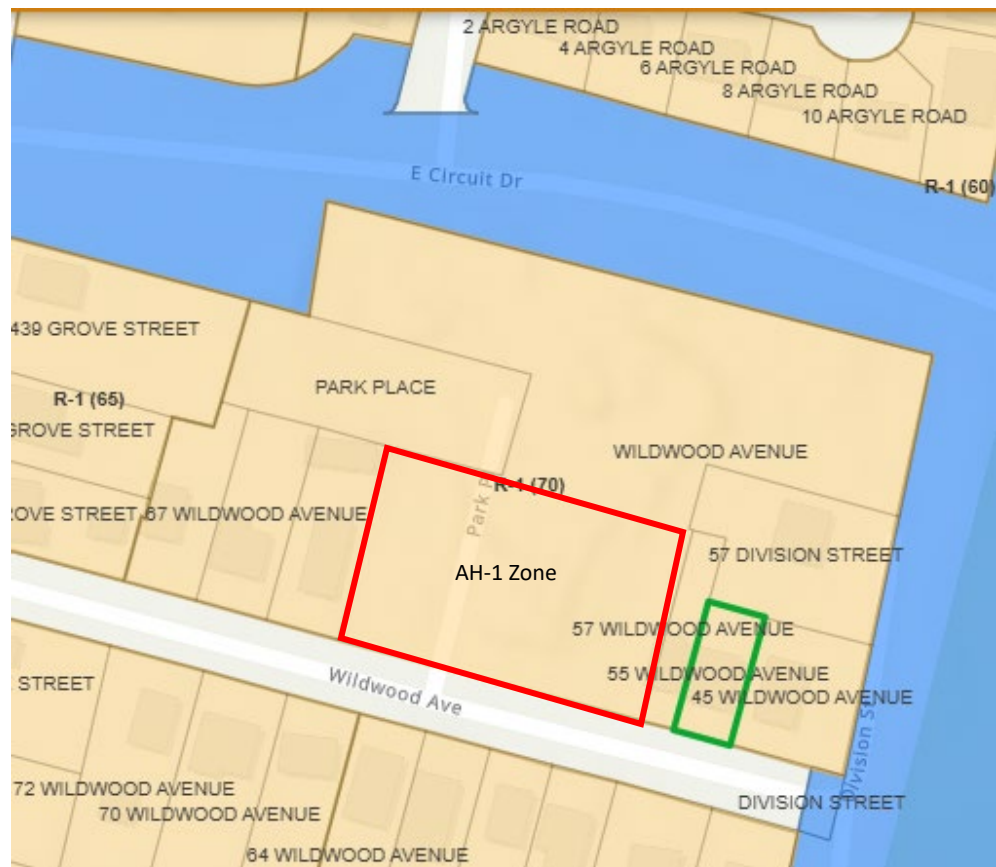


Figure 29: Proposed AH-1 Overlay Zone

Housing Element and Fair Share Plan Township of Montclair, New Jersey

53-55 New Street

This .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 Township could create an **AH-2 overlay zone** for this property so that it can be subdivided to create two lots. Each lot can be sold for development of **four affordable units** in two duplex buildings with parking in the rear.

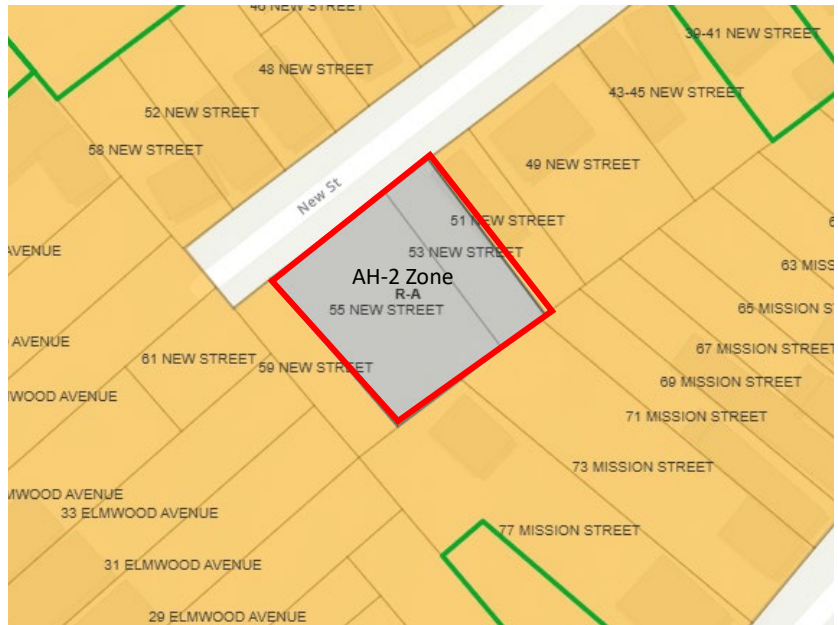


Figure 30: Proposed AH-2 Zone

14 Miller Street

The Township could create an **AH-3 overlay zone** for this property so that it can be sold to an organization to rehabilitate the building to create **three affordable units**.



Figure 31: Proposed AH-3 Zone

Housing Element and Fair Share Plan Township of Montclair, New Jersey

Mountain Avenue Train Station

The Township is currently renegotiating a lease with NJ Transit for use of the historic train stations in Montclair Township. This lease includes the Mountain Train Station which in the past has been subleased by the Township for residential use. This station could be rehabilitated and affirmatively marketed to provide **one affordable unit**. This property is currently in the P Public zone district. A **new AH-4 overlay zone** is recommended for the property to make this a permitted use.



Figure 32: Proposed AH-4 Overlay Zone.

100% Affordable Housing

HOME Corp is a non-profit organization that has partnered with the Township over the past 30 years to create opportunities for affordable housing. HOME Corp currently owns and manages 62 units of low- and moderate-income housing. HOME Corp, however, has significant financial difficulties due partially to non-payment of rent during COVID and other management problems. The organization is looking to expand its housing supply and add moderate-income units to support the cost of managing its affordable units. Currently, six of their properties are in tax arrears and tax liens have been sold. In addition, the Township has provided HOME Corp with \$410,000 from the Housing Trust Fund to create 16 affordable units through the Market to Affordable program. HOME Corp has requested a series of zoning changes to allow additional development on their properties.

Miller Street Properties

Miller Street is noted for its history of providing worker housing, built in the late 1800's and is a local and state historic district. The properties on the west side of Miller Street are mostly one- and two-family homes while the properties on the east side of Miller Street are multi-family buildings. HOME Corp owns four properties on Miller Street containing 17 affordable units as follows:

- 17 – 27 Miller Street: 6-unit building
- 9 – 15 Miller Street: 9-unit building
- 12 Miller Street: 2-family building
- 18 Miller Street: vacant lot

Housing Element and Fair Share Plan Township of Montclair, New Jersey

These properties are in the R-2(60) Two-Family zone district. The buildings at 12 Miller Street and 18 Miller Street are typical of Miller Street and could be regulated the same as other properties in the zone. The buildings at 9 – 27 Miller Street are unique and could be included in a separate **AH-5 Affordable Housing** overlay district with zoning and affordable housing requirements that are unique to the properties in question.

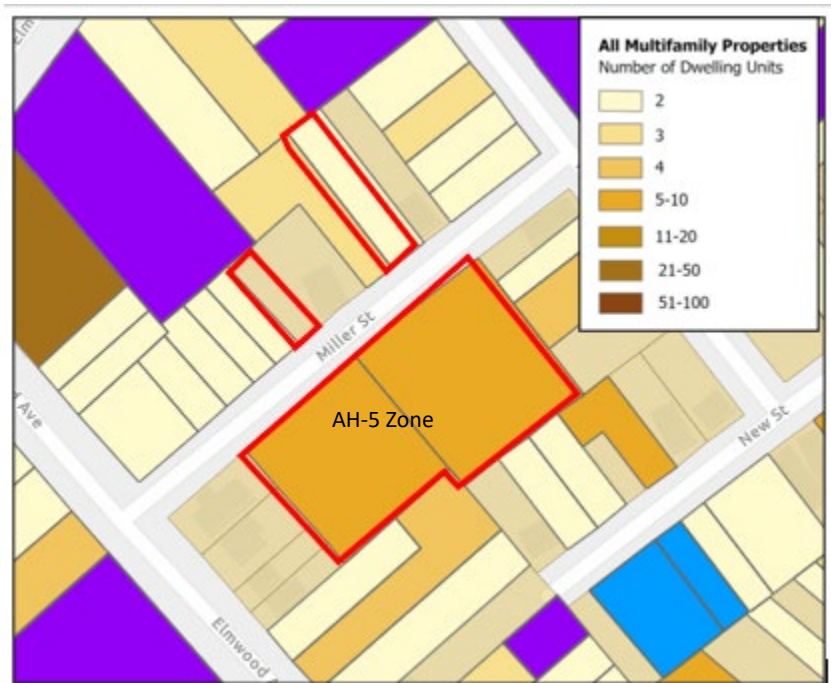


Figure 33: HOME Corp Miller Street properties and proposed AH-5 overlay zone.

**Housing Element and Fair Share Plan
Township of Montclair, New Jersey**

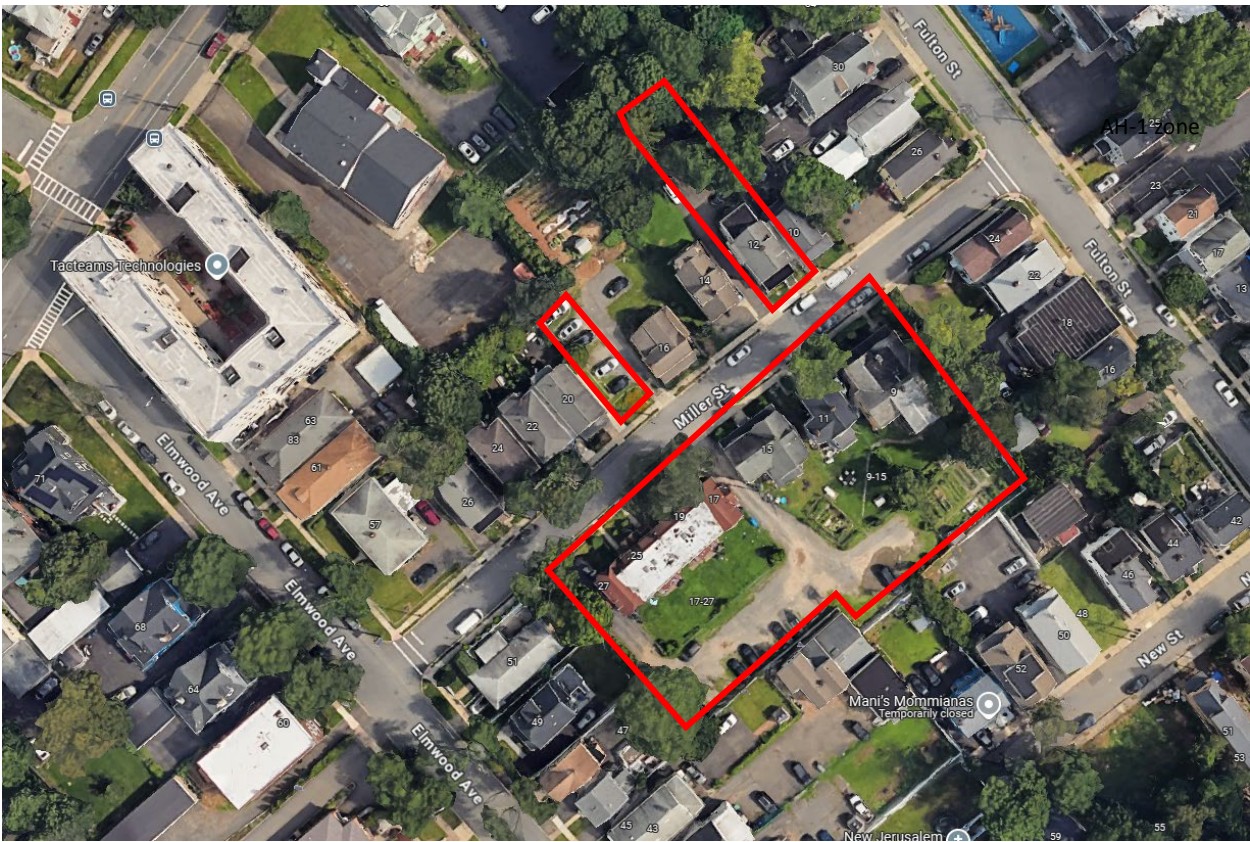


Figure 34: Aerial photo of HOMECorp properties on Miller Street.



Figure 35: 17 - 27 Miller Street

Housing Element and Fair Share Plan Township of Montclair, New Jersey



Figure 36: 9 - 15 Miller Street

William Street Properties

HOME Corp owns two properties on William Street. The property at 25 William Street includes a first-floor retail use and six affordable dwelling units while the property at 33 William Street contains six affordable dwelling units. Both properties are in the R-2 Two-Family zone. HOME Corp requests that the zoning be amended to permit mixed-use development with commercial/retail on the first floor with 3 or 4 stories of residential above. A **new AH-6 Affordable Housing** overlay district could be established for these properties.



Figure 37: Location of HOME Corp's William Street properties and proposed AH-2 overlay zone.

Housing Element and Fair Share Plan
Township of Montclair, New Jersey



Figure 38: Aerial photo of HOMECorp’s William Street properties.

Housing Element and Fair Share Plan
Township of Montclair, New Jersey



Figure 39: HOME Corp property at 25 William Street.



Figure 40: HOME Corp property at 33 William Street.

Housing Element and Fair Share Plan Township of Montclair, New Jersey

Faith-Based Organizations

The Township has received inquiries from several faith-based organizations about providing affordable housing, and several organizations have vacant and/or obsolete facilities or vacant land that are available for affordable housing. The Township has been working with Our Lady of Mt. Carmel Church to evaluate reuse option for their former convent at 102 Pine Street. This property, which is in the R-4 zone district, is a historic building that could be adapted to 100% affordable housing. Working with an affordable housing partner, the building can be adapted and expanded to include **6 affordable units**. This property could be rezoned to a **new AH-7 overlay zone** to permit conversion and expansion of the former convent to permit 6 affordable units.



Figure 41: Proposed AH-7 overlay zone.

Housing Element and Fair Share Plan Township of Montclair, New Jersey

Supportive/Special Needs Housing

The Township has been working with the Crawford Crews American Legion Post who owns the building at 210 Bloomfield Avenue which was founded in 1934 to honor WWI "Hell fighters." The American Legion has received approval from the Historic Preservation Commission to demolish the existing building and plans to build a new building with a new American Legion Hall on the first floor and **eight affordable units** for homeless veterans on the upper floors. This property could be rezoned **to a new AH-8 zone** to permit development of on this site to permit 8 affordable units.

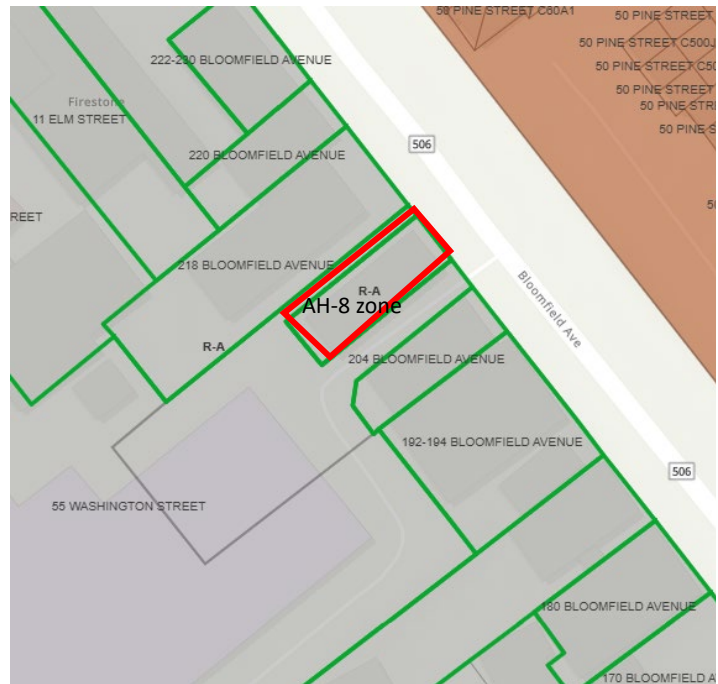


Figure 42: Proposed AH-8 overlay zone.

The Township has also been working with Cohome, a non-profit organization that provides independent living opportunities for adults with disabilities through affordable housing partnerships, as well as a direct support program to help clients achieve their independent living goals. Cohome is looking to create two models of supportive housing in Montclair. One is to create supportive apartments by managing some of the affordable housing created through the Township's inclusionary zoning program. The second model is to acquire residential properties to create coliving homes where multiple individuals, with and without disabilities, live together as one family. While it is possible to create a coliving situation in a single-family house, acquisition of a rooming house would be a good opportunity to create this type of supportive housing. Overall, a total of **20 affordable supportive housing units** are projected.

Housing Element and Fair Share Plan Township of Montclair, New Jersey

Extension of Affordability Controls

The Township has an Extension of Affordability Controls program that permits the Township to provide grants in the amount of \$15,000 to owners of properties whose affordability controls have expired in exchange for extending the affordability controls for another 30 years. Assembly Bill A4, which was adopted on March 20, 2024, states that the updated UHAC regulations could require that units with expiring controls must have an extended affordability restriction of a minimum of 60 years when the original deed restriction term is combined with the new deed restriction term. The Township could increase the amount of the grant to extend affordability controls and work to extend the affordability controls on existing affordable units to ensure the supply of affordable housing in the future. HOME Corp has 40 units whose affordability controls have either expired or will expire by 2035. It is anticipated that the funding from the Extension of Affordability Controls program will be used to extend the affordability controls on these **40 affordable units** so that the combined term of the deed restrictions is at least 60 years.

Table 34: Properties with Expiring Affordability Controls

Project	Total	Status	Type	Exp.
25 William Street	6	Complete	Rental	2021
33 William Street	6	Complete	Rental	2021
43 Glenridge Avenue	6	Complete	Rental	2024
89 Maple /1 Woodland Ave	5	Complete	Rental	2024
4 Washington Street	9	Complete	Rental	2030
55 Glenridge Avenue	6	Complete	Rental	2036
87 Mission St/19 Elmwood	2	Complete	Rental	2038
Total	40			

Accessory Dwelling Units

An Accessory Dwelling Unit (ADU) is a residential living unit with complete independent living facilities, including kitchen and bathroom, located on the same lot as a one-or-two family home. It may take various forms including a detached unit; a unit that is part of an accessory structure such as a detached garage; or a unit that is part of an expanded or remodeled dwelling. ADUs provide a “hidden housing” market by creating housing opportunities on developed properties within the context of existing land use patterns. Because of their limited size, they are structured to provide “affordable” housing without the traditional affordability controls.

Montclair recently amended its ADU ordinance to expand its applicability so that ADUs are permitted in all one- and two-family zoning districts. While there has been much interest in creating ADUs, the number of ADUs created is limited. While part of this is due to construction costs and financing requirements, another limitation is zoning restrictions. The zoning regulations for ADUs could be revised to make it easier to build ADUs. One problem faced by several property owners is that adapting or expanding a garage to create an ADU often requires that more than 50% of the garage façade be demolished, which quite often requires approval of a Total Demolition Permit from the Historic Preservation Commission. Garages that are demolished or altered to create an ADU could be evaluated

Housing Element and Fair Share Plan Township of Montclair, New Jersey

by the HPC as a low-impact or minor application to help ease the process of creating ADUs. The Township could also develop ADU designs that are zoning compliant and can be used on most properties.

The State of New Jersey has proposed a program to provide funding to create ADUs as affordable housing and it is recommended that the Township participate in this program. A total of 5 **five affordable units** could be created through this program.

Fourth Round Housing Trust Fund Spending Plan (2025-2035)

TOWNSHIP OF MONTCLAIR, ESSEX COUNTY, NEW JERSEY



Housing Trust Fund Spending Plan Township of Montclair, New Jersey

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Housing Trust Fund Spending Plan Township of Montclair, New Jersey

INTRODUCTION

The Township of Montclair, County of Essex, has prepared a Housing Element and Fair Share plan that addresses its regional fair share of the affordable housing need in accordance with the Municipal Land Use Law (N.J.S.A. 40:55D-1 et seq.), the Fair Housing Act (N.J.S.A. 52:27D-301) and the new State regulations for affordable housing (N.J.A.C. 5:99-2.1 et seq.). A development fee ordinance creating a dedicated revenue source for affordable housing was approved by the New Jersey Council on Affordable Housing (COAH) on December 11, 2002 and adopted by Montclair Township in October 2002. The ordinance established the Township of Montclair’s affordable housing trust fund for which this spending plan is prepared. COAH approved Montclair’s first spending plan in 2002 and amended spending plans in 2005, 2009, and 2012. An amended Spending Plan was approved by the Court in August, 2018. As of January 1, 2025 the Township of Montclair collected \$4,232,316, expended \$2,212,699, resulting in a balance of \$2,019,647. A summary of revenue sources and expenditure details are provided in Table 1.

Table 1: Housing Trust Fund Summary, 2004 – December 31, 2024

Revenue Source	
Development Fees	\$3,332,893
Interest	\$158,062
Other Income	\$496,103
Payments in Lieu	\$245,257
Total	\$4,232,316
Expenditure Summary	
Rehabilitation Program	\$175,377
Market to Affordable Program	\$1,013,740
Extension of Controls Program	\$437,275
Affordability Assistance Program	\$88,546
Total	\$1,714,940
Administrative Costs	\$497,759
Total Costs	\$2,212,699
Balance	\$2,019,647

All development fees, payments in lieu of constructing affordable units on site, funds from the sale of units with extinguished controls, and interest generated by fees are deposited in a separate interest-bearing affordable housing trust fund in Citizens Bank for the purposes of affordable housing. These funds shall be spent in accordance with N.J.A.C. 5:99-2.3 as described in the sections that follow.

**Housing Trust Fund Spending Plan
Township of Montclair, New Jersey**

REVENUES FOR CERTIFICATION PERIOD

Anticipated revenue from January 1, 2025 through December 31, 2034 are provided in Table 2. The Township of Montclair projects a total of **\$2,821,545** in revenue to be collected between January 1, 2025 and December 31, 2034. All interest earned in the account shall accrue to the account to be used only for the purposes of affordable housing. Interest calculated at 6 months of beginning balance and 6 months of ending balance. Total revenues are **\$4,838,192** when combined with the existing balance of \$2,019,647 in the Housing Trust Fund.

Table 2: Housing Trust Fund Anticipated Revenues

Revenue Sources	Projected Revenues										
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	Total
Development Fees	\$222,193	\$222,193	\$222,193	\$222,193	\$222,193	\$222,193	\$222,193	\$222,193	\$222,193	\$222,193	\$2,221,929
Payments in Lieu	\$16,350	\$16,350	\$16,350	\$16,350	\$16,350	\$16,350	\$16,350	\$16,350	\$16,350	\$16,350	\$163,505
Other Funds	\$33,074	\$33,074	\$33,074	\$33,074	\$33,074	\$33,074	\$33,074	\$33,074	\$33,074	\$33,074	\$330,736
Interest	\$10,538	\$10,538	\$10,538	\$10,538	\$10,538	\$10,538	\$10,538	\$10,538	\$10,538	\$10,538	\$ 105,375
TOTAL	\$284,179	\$284,180	\$284,181	\$284,182	\$284,183	\$284,184	\$284,185	\$284,186	\$284,187	\$284,188	\$2,821,545

To calculate a projection of revenue anticipated during the fourth round period, the Township of Montclair considered the following:

Development Fees. Development fees are collected from residential and nonresidential projects which have had development fees imposed upon them at the time of preliminary or final development approvals. This includes all projects currently before the planning and zoning boards for development approvals that may apply for building permits and certificates of occupancy. It also includes future development that is likely to occur based on historical rates of development.

Payment in Lieu (PIL). Montclair Township requires developers to build their affordable housing in the Township. Payments in lieu are accepted for calculating the cash equivalent of fractional units.

Other Funding Sources. Recapture fees from the sale of units with extinguished controls and other payments to the Township that are earmarked for affordable housing.

Projected Interest. Interest in the projected revenue in the municipal affordable housing trust fund at the current average interest rate which is 3.75%.

Housing Trust Fund Spending Plan Township of Montclair, New Jersey

Administrative Mechanism to Collect and Distribute Funds

The following procedural sequence for the collection and distribution of development fee revenues shall be followed by the Township of Montclair.

Collection of Development Fee Revenues. Collection of development fee revenues shall be consistent with Montclair's development fee ordinance for both residential and non-residential developments in accordance with N.J.A.C. 5:99-3.

Distribution of Development Fee Revenues. Montclair Township's Director of Planning and Community Development is Montclair Township's Municipal Housing Liaison (MHL). The MHL works with local non-profit organizations such as HOME Corp and the Essex Community Land Trust to identify potential projects that can be funded through the market to affordable program. The MHL works with the Montclair Housing Commission, established by the Township Council in 2004, to advise the Township Council on issues related to affordable housing, including requests to use affordable housing trust funds as set forth in this Spending Plan. The Township Council reviews the request and renders a decision which is memorialized by resolution. Once a funding request is approved, the Township Chief Financial Officer releases the revenues from the fund for the specific use as per the Township Council's resolution.

DESCRIPTION OF ANTICIPATED USE OF AFFORDABLE HOUSING FUNDS

Table 3 summarizes the anticipated use of the Housing Trust Fund which will create 75 new affordable units between 2025 and 2035.

Rehabilitation Program

The Township of Montclair adopted an ordinance to create a housing rehabilitation program in 2009. In 2020, the Township retained an administrative agent to implement a local Home Improvement Program and spent a total of \$190,313 to rehabilitate eight units at an average cost of approximately **\$24,000** per unit. The Township will increase the maximum cost per unit to **\$35,000**, with \$30,000 for hard costs and \$5,000 for soft costs and allocate a total of **\$800,000** to rehabilitate a total of 23 units through this program. A 10-year deed restriction is required for each unit rehabilitated through this program to ensure that the units are occupied by income-eligible households.

Gut Rehabilitation Program

One of the problems with the home improvement program is that it cannot be used to improve homes that require more funding than permitted to bring the home up to current code. The program should be expanded to include funding for gut rehabilitation, allowing up to \$100,000 per unit. This would, however, have a mandatory deed restriction of 20 years. A new Gut Rehabilitation Program will be created to support the rehabilitation of affordable housing units in the Township's targeted area. A minimum of **\$60,000** per unit will be available to rehabilitate units to be occupied by low- and moderate-income households. A total of **\$500,000** is allocated for this program which will lead to the creation of 8 new affordable units.

Housing Trust Fund Spending Plan Township of Montclair, New Jersey

Table 3: Summary of Expenditures

Program	Funding	Average Cost per Unit	Number of Units
Program Budget			
Rehabilitation Program	\$800,000	\$35,000	23
Gut Rehabilitation Program	\$500,000	\$60,000	8
Market to Affordable Program	\$800,000	\$75,000	11
Extension of Controls Program	\$800,000	\$35,000	23
100% Affordable Housing			
<i>Faith Based Organizations</i>	\$400,000	\$75,000	5
<i>Special Needs Housing</i>	\$400,000	\$75,000	5
Affordability Assistance Programs	\$423,231		
Subtotal	\$4,123,231		75
Administrative Costs	\$543,233		
Total Costs	\$4,666,465		

Market to Affordable Program

The Township of Montclair will dedicate **\$800,000** (hard costs) toward the market to affordable program which was created by ordinance in 2009 and included in the approved Spending Plan. Working in partnership with non-profit organizations, the Township will provide funding to purchase, rehabilitate and/or build new affordable housing units. Based on previous experience, the fund will be used to acquire property appropriate for affordable housing and to subsidize the cost to create these affordable units at a minimum of \$75,000 for a low-income unit and \$50,000 for a moderate-income unit. A total of 11 affordable units will be created through this program.

Extension of Controls Program

The affordability controls of 32 units in Montclair Township are to expire before 2035. The Township has the right of first refusal to purchase affordable sales units and resell them as affordable units, thereby extending the affordability controls on these units in perpetuity. This functions as a revolving loan program, since the cost to purchase these units will be refunded to the Township upon resale of the units. There are also rental units with expiring controls. A total of **\$800,000** is budgeted for the Extension of Controls Program. This program will be used as a revolving loan program to purchase and resell units with expiring controls. The rehabilitation program identified in paragraph (a) will be used to improve these

Housing Trust Fund Spending Plan Township of Montclair, New Jersey

units, if necessary, prior to resale. In addition, the fund will be used to provide a \$35,000 grant as an incentive to owners of affordable housing whose deed restrictions have expired to extend their deed restrictions for another 30 or 40 years depending on the unit's deed restriction history. It is anticipated that 23 new affordable units will be created through this program.

100% Affordable Housing

A total of \$800,000 is allocated for 100% affordable housing. The Township has historically worked with HOME Corp and Essex Community Land Trust to create affordable housing and will reach out to additional non-profit and faith-based organizations to assist in the development of new affordable housing. This program will provide funds that can be used by faith-based and non-profit organizations to create affordable housing. An average of \$75,000 per unit is budgeted, which will create a total of 10 affordable units.

Affordability Assistance

The Township of Montclair has allocated 15% of the housing trust fund to affordability assistance. The Township has created a First-Time Homebuyer's Program and a Rental Assistance Program and has spent over \$88,000 in affordability assistance since the program's inception. The updated Spending Plan allocates 10% of gross revenues for affordability assistance, which totals \$423,231.

Administrative Expenses (N.J.A.C. 5:99-2.4)

The Township of Montclair has allocated \$543,233 from the affordable housing trust fund to be used for administrative purposes. Projected administrative expenditures will be subject to the 20 percent cap. The Township of Montclair has contracted with Acuity Consulting Services (ACS) to provide administrative agent services. The administrative agent has been certified through the program offered by Rutgers Center for Continuing Education and has the resources to manage the Township's affordable housing units and large waiting list. Additional administrative costs include software, consultants as needed, affordable housing attorneys and program administration.

EXPENDITURE SCHEDULE

The Township of Montclair intends to use affordable housing trust fund revenues for the creation and/or rehabilitation of housing units. Where applicable, the creation/rehabilitation funding schedule below parallels the implementation schedule set forth in the Housing Element and Fair Share Plan and is summarized as follows.

Housing Trust Fund Spending Plan Township of Montclair, New Jersey

Table 4: Expenditure Schedule

Expenditure Summary	Total	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Rehabilitation Program	\$ 800,000	\$ 80,000	\$ 80,000	\$ 80,000	\$ 80,000	\$ 80,000	\$ 80,000	\$ 80,000	\$ 80,000	\$ 80,000	\$ 80,000
Gut Rehabilitation Program	\$ 500,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
Market to Affordable Program	\$ 800,000	\$ 80,000	\$ 80,000	\$ 80,000	\$ 80,000	\$ 80,000	\$ 80,000	\$ 80,000	\$ 80,000	\$ 80,000	\$ 80,000
Extension of Controls Program	\$ 800,000	\$ 80,000	\$ 80,000	\$ 80,000	\$ 80,000	\$ 80,000	\$ 80,000	\$ 80,000	\$ 80,000	\$ 80,000	\$ 80,000
Faith Based Organizations	\$ 400,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000
Special Needs Housing	\$ 400,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000
Affordability Assistance Programs	\$ 423,321	\$ 42,331	\$ 42,331	\$ 42,331	\$ 42,331	\$ 42,331	\$ 42,331	\$ 42,331	\$ 42,331	\$ 42,331	\$ 42,331
Total	\$4,123,321	\$414,356	\$414,356	\$414,356	\$414,356	\$414,356	\$414,356	\$414,356	\$414,356	\$414,356	\$414,356
Administrative Costs	\$543,233	\$54,323	\$54,323	\$54,323	\$54,323	\$54,323	\$54,323	\$54,323	\$54,323	\$54,323	\$54,323
Total Costs	\$4,666,554	\$468,679	\$468,679	\$468,679	\$468,679	\$468,679	\$468,679	\$468,679	\$468,679	\$468,679	\$468,679

Excess of Shortfall of Funds

The Township has not adopted a resolution agreeing to fund any shortfall of funds required for implementing a housing program because the Township has fully met its housing obligation.

Barrier-Free Escrow

Collection and distribution of barrier-free funds shall be consistent with Montclair’s Affordable Housing Ordinance in accordance with N.J.A.C. 5:99-2.6.

SUMMARY

The Township of Montclair intends to spend affordable housing trust fund revenues pursuant to N.J.A.C. 5:99-2 and consistent with the housing programs outlined in the Fourth Round Housing Element and Fair Share Plan adopted by the Planning Board in May 2025 and amended in August 2025. The Township of Montclair has a balance of **\$2,019,647.25** as of December 31, 2024 and an anticipated budget of **\$4,841,192** as of December 31, 2034. The municipality will dedicate **\$800,000** towards a rehabilitation program, **\$500,000** towards a gut rehabilitation program, **\$800,000** towards a market to affordable program, **\$800,000** to an extension of controls program, **\$800,000** for 100% affordable housing program, **\$423,231** for affordability assistance programs, and **\$543,233** to administrative costs.

**Housing Trust Fund Spending Plan
Township of Montclair, New Jersey**

Table 5: Spending Plan Summary

Balance as of December 31, 2024		\$2,019,647
PROJECTED REVENUE – 1/2025 – 12/2034		
Development fees	+	\$2,221,929
Payments in lieu of construction	+	\$163,505
Other funds	+	\$330,736
Interest	+	\$105,375
TOTAL REVENUE	=	\$4,841,192
EXPENDITURES		
Funds used for Rehabilitation Program	-	\$800,000
Funds used for Gut Rehabilitation Program	-	\$500,000
Funds used for Market to Affordable Program	-	\$800,000
Funds for Expiring Controls Program	-	\$800,000
Funds for 100% Affordable Housing	-	\$800,000
Affordability Assistance	-	\$423,231
Administration	-	\$543,233
TOTAL PROJECTED EXPENDITURES	=	\$4,666,465
REMAINING BALANCE	=	174,726