



**Borough of New Providence**  
**Mt. Laurel Round Four**  
**Housing Element and Fair Share Plan Presentation**  
**June 3, 2025**

# What does it mean that we are in “Round Four” of Affordable Housing?

Affordable housing obligations in New Jersey are divided into **housing rounds**.

The housings rounds are as follows:

**First Round**  
1987-1993

**Second Round**  
1993-1999

**Third Round**  
1999-2025

**Fourth Round**  
2025-2035

Known together as  
**the Prior Round**  
1987-1999

(including “Gap Period” of  
1999-2015)



**We are here**  
Moving forward, rounds  
should be 10-year  
periods

# What is Affordable Housing?

The term “affordable housing” is used to describe both renter- and owner-occupied housing that is affordable to a diverse range of incomes.

Affordable housing is broken down into **three income classifications:**

## **Moderate**

More than 50% but less than 80% of median household income for the region

## **Low**

50% or less of median household income for the region

## **Very Low**

30% or less of median household income for the region

# What Income Levels Qualify for Affordable Housing?

All counties in New Jersey are broken down into Housing Regions.

**Union County is in Housing Region 2**, along with Essex, Morris, and Warren Counties.

2024 Income levels for Region 2 are as follows:

Maximum Household Income 2024 Region 2				
	1-Person Household	2-Person Household	3-Person Household	4-Person Household
<b>Median Income</b> (For Reference)	\$90,591	\$103,533	\$116,475	\$129,416
<b>Moderate-Income:</b> 50% to 80% of Median Income	\$72,473	\$82,826	\$93,180	\$103,533
<b>Low-Income:</b> 30% to 50% of Median Income	\$45,296	\$51,766	\$58,237	\$64,708
<b>Very Low-Income:</b> Below 30% of Median Income	\$27,177	\$31,060	\$31,942	\$38,825

# What is Considered Affordable Housing in Union County?

## **ILLUSTRATIVE\* Affordable Home Sales Prices for Very Low-, Low-, and Moderate-Income Households**

<b>One-Bedroom:</b>	\$69,000 to \$149,000
<b>Two-Bedroom:</b>	\$85,000 to \$180,000
<b>Three-Bedroom</b>	\$100,000 to \$210,000

## **ILLUSTRATIVE\* Affordable Home Rental Prices for Very Low-, Low-, and Moderate-Income Households**

<b>One-Bedroom:</b>	\$600 to \$1,450
<b>Two-Bedroom:</b>	\$730 to \$1,750
<b>Three-Bedroom</b>	\$840 to \$2,020

\*These are order of magnitude estimates to be used for illustrative purposes only. A fictitious development was utilized to create this example. Calculations generated from the Affordable Housing Calculator, released annually by the Affordable Housing Professionals of New Jersey, most recently on April 19, 2024

# New Providence's Fair Share Obligation

(First + Second Round)

## Prior Round

1987-1999

## Third Round

1999-2025

## Fourth Round

2025-2035

## Rehabilitation

(Present Need)

Existing “deficient” housing

**135**

**units**



New Providence's  
Court-approved  
Round 3 HEFSP  
addresses this need

**316**

**units**

**201**

**units**



Affirmed by Court  
Order

**20**

**units**

A rehabilitation obligation  
is assigned each round.  
These obligations do not  
carry over to the next  
round. This is the  
Borough's Round 4  
Rehabilitation obligation

# Where did New Providence's Round 4 number of 201 come from?

State

Housing  
Region

Town

84,698

20,506  
(Region 2)

210\*  
(New Providence)

\*Reduced  
to 201 Units

DCA utilized the methodology from the Amended Fair Housing Act to calculate the State-wide obligations. This is a trickle-down effect.

# What is a Housing Element and Fair Share Plan?

**PURPOSE:** To describe the specific, intended methods that a municipality plans to use in order to meet its low- and moderate-income housing needs.

## Part 1: Housing Element

- Inventory of municipal housing stock
- Projection of municipal housing stock
- Analysis of municipal demographic characteristics
- Analysis of exiting and future employment opportunities

## Part 2: Fair Share Plan

- Determination of present and prospective fair share obligation
- Consideration of lands most appropriate for construction of affordable housing
- Analysis of factors that detract from the goal of preserving multigenerational housing.
- Analysis of consistency with the State Development and Redevelopment Plan

## **Why is a Housing Element and Fair Share Plan Different from other Master Plan Elements?**

- The HEFSP is subject to **judicial oversight** under the Fair Housing Act.
- The HEFSP is a **quasi-judicial** document as it **satisfies a constitutional obligation**.
- The Planning Board plays an **advisory role on the Housing Element**, but not the Fair Share Plan.

**The Planning Board's role is still critical** in the process as it ensures consistency with the overall Master Plan.

However, the responsibility for deciding how a town will meet its affordable housing obligation remains with the governing body.

# Process for Adoption of Fourth Round Housing Element and Fair Share Plan

Planning Board Adopts HEFSP as  
Element of Master Plan



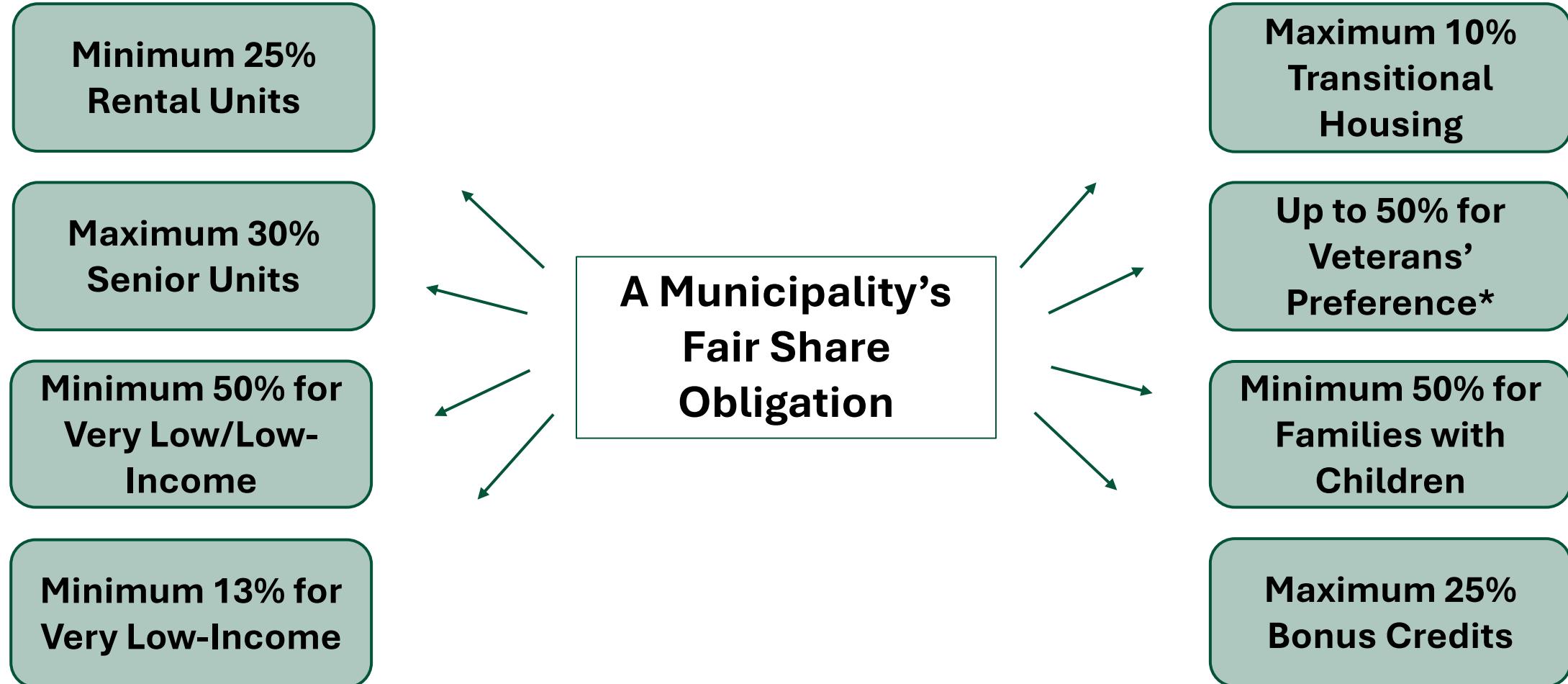
Governing Body Endorses the  
Adopted HEFSP



The Adopted and Endorsed HEFSP  
is Submitted to The Program\*

\*No later  
than June  
30, 2025

# Components of a Municipality's 4<sup>th</sup> Round Fair Share Obligation:



The above requirements are relevant for Round 4 obligations.  
They are slightly different than what was applicable in  
Rounds 1, 2, and 3

\*Up to 50% of the affordable units in any particular project may be prioritized for low- and moderate-income veterans

# Vacant Land Adjustment (VLA)

Municipalities can request an “adjustment” to their obligation → Not sufficient vacant or developable land within the municipality.

A Vacant Land Adjustment → Determines the amount of parcels available for development.

The end result of a VLA → Determination of the Borough’s Realistic Development Potential (**RDP**) for new affordable units.

RDP → Portion of the Borough’s fair share obligation that **can be realistically created** after accounting for the lack of vacant land. This number can change based on changes in circumstances.

Unmet Need → The portion of the Borough’s fair share obligation that **cannot realistically be created** because of the lack of developable land.

## Vacant Land Adjustment (VLA)

Municipalities can request an “adjustment” to their obligation if:

- Not sufficient vacant or developable land within the municipality is available for the creation of new affordable housing units.

A Vacant Land Adjustment is:

The end result is:

New Providence Received a Vacant Land Adjustment in 1989 and again as part of its Third Round compliance

available for

realistic  
new affordable

obligation that accounting for  
other can change  
prices.

Unmet Need



The portion of the Borough's fair share obligation that **cannot realistically be created** because of the lack of developable land.

## Vacant Land Adjustment (VLA)

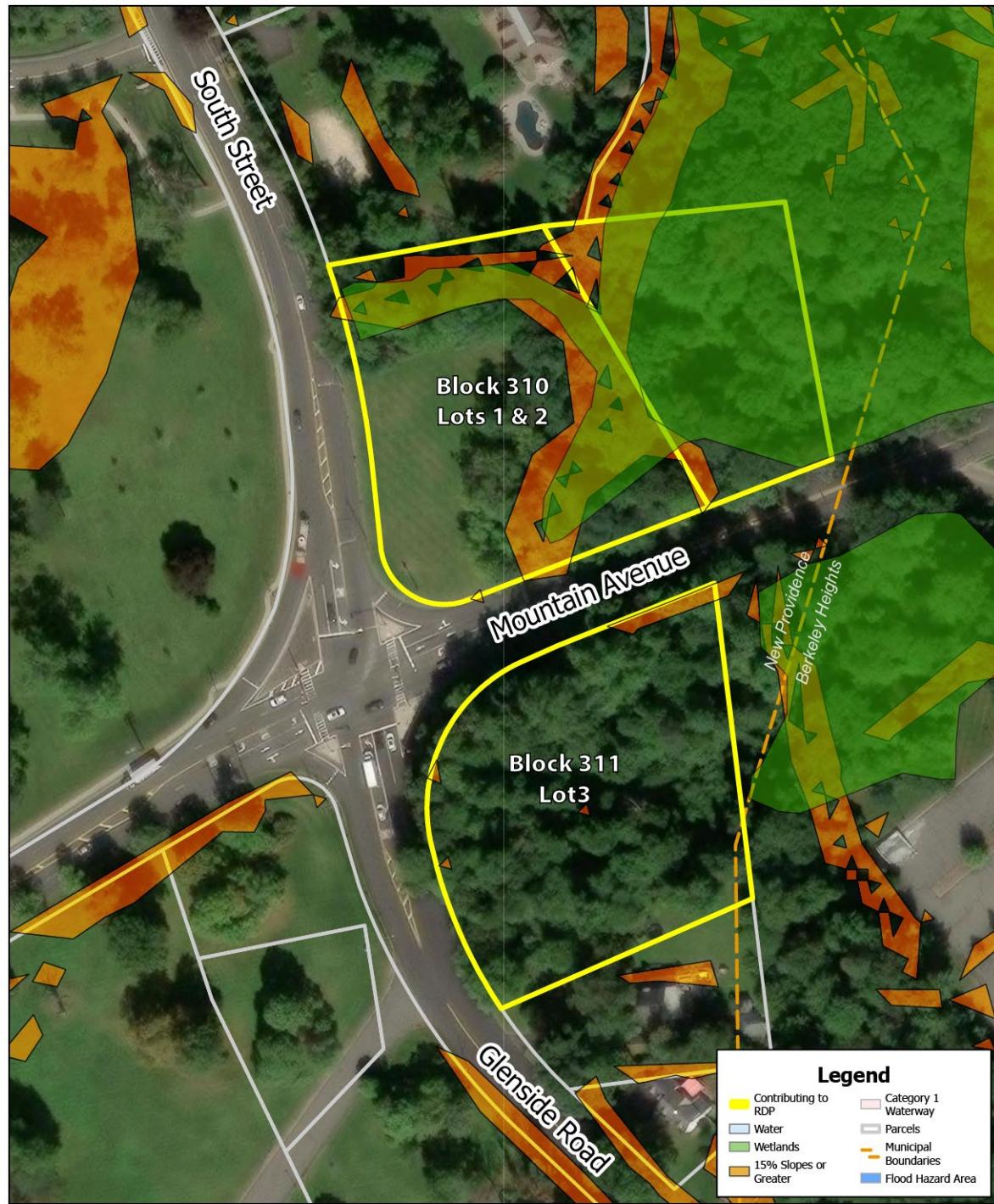
<b>New Providence Adjusted Obligations</b>	
<b>Prior Round Prospective Need (1987-1999)*</b>	135
<b>Third Round Prospective Need (1999-2025)</b>	316
Third Round RDP	52
Third Round Unmet Need	264
<b>Fourth Round Prospective Need (2025-2035)</b>	201
Fourth Round RDP	0
Fourth Round Unmet Need	201

\* New Providence ultimately met its full 135-unit obligation and forwent the 1989 VLA

New Fair Housing Act Requires municipalities to address at least 25% of the prospective need obligation that has been adjusted.

# Addressing 25% of Unmet Need of 201

Extension of Controls	
Elizabeth Barabash Manor	22
Bonus Credits	11
Murray Hill Farms	13
Southgate at Murray Hill	2
Increased Density	
Block 310 Lots 1 & 2 and Block 311 Lot 3	3
Both lots were components of previous Round. Proposed increased density from 10 units per acre to 13 units per acre	
TOTAL	
	51



# Addressing Present Need of 20

## **County Programs**

Community Development Block Grant

HOME Investment Partnership Program

## **Borough Program**

Community Grants Planning & Housing (CGP&H) is the Borough's appointed Administrative Agent who will run a Borough-wide rehabilitation program utilizing monies from the Borough's Affordable Housing Trust Fund

## Next Steps

Borough Council endorses the HEFSP at their next meeting

Borough Attorney submits HEFSP and endorsement to The Program

Borough implements the proposed zoning amendment for Blocks 310 and 311

August 31, 2025 is the deadline for interested parties to file an objection to the HEFSP.

If no objection is filed, The Program provides the Borough with a compliance certification.

