



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

What is Considered Affordable Housing in Union County?

ILLUSTRATIVE* Affordable Home <u>Sales Prices</u> for Very Low-, Low-, and Moderate-Income Households	
One-Bedroom:	\$69,000 to \$149,000
Two-Bedroom:	\$85,000 to \$180,000
Three-Bedroom	\$100,000 to \$210,000

ILLUSTRATIVE* Affordable Home <u>Rental Prices</u> for Very Low-, Low-, and Moderate-Income Households	
One-Bedroom:	\$600 to \$1,450
Two-Bedroom:	\$730 to \$1,750
Three-Bedroom	\$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

316
units

201
units

20
units



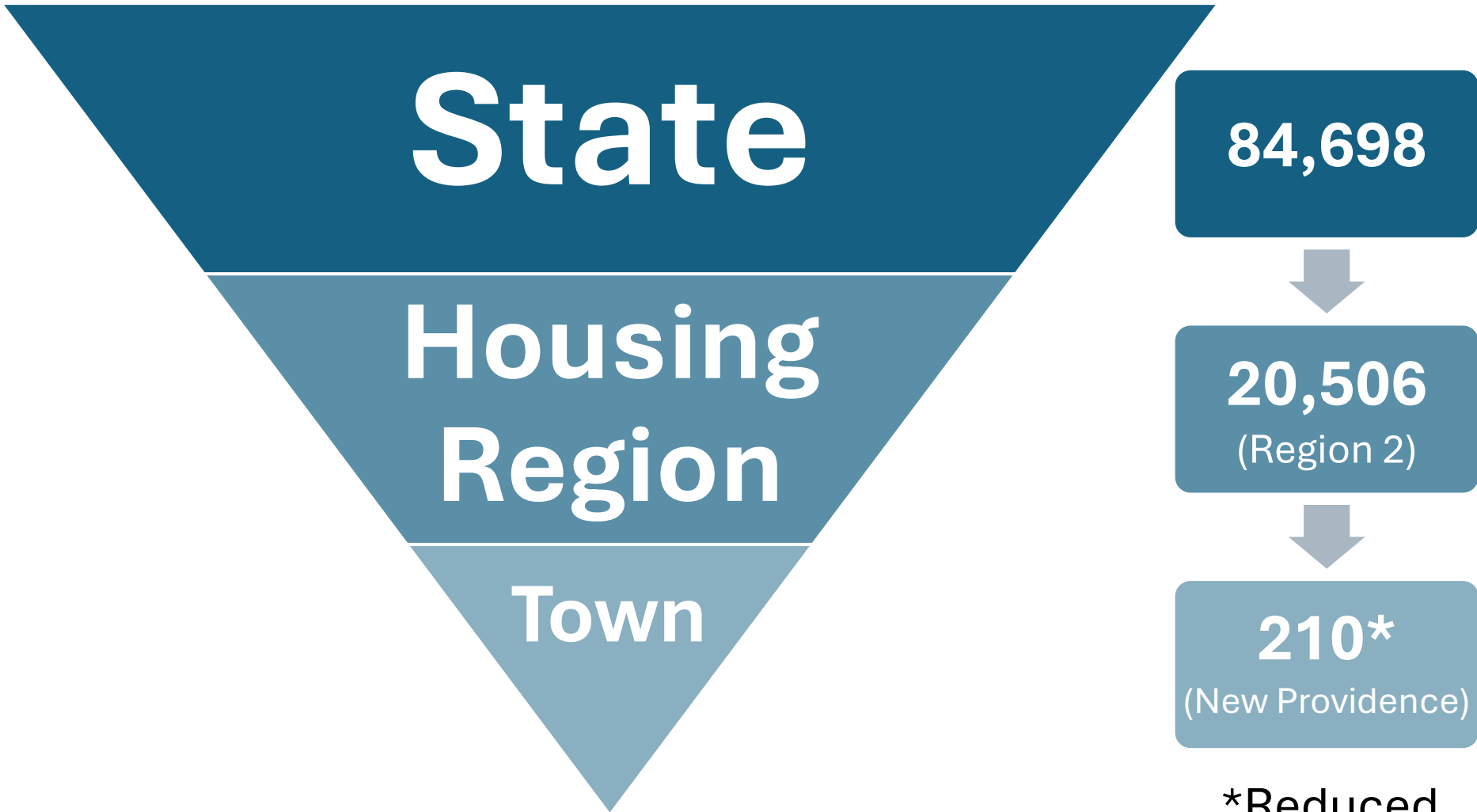
New Providence's
Court-approved
Round 3 HEFSP
addresses this need



Affirmed by Court
Order

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?



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

*Reduced
to 201 Units

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 existing 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 4th 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 there is not sufficient vacant or developable land within the "adjustment" to their obligation.

A Vacant Land Adjustment is available for

The end result is a realistic

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

alistic

ew affordable

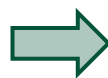
obligation that

accounting for

er can change

nces.

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)

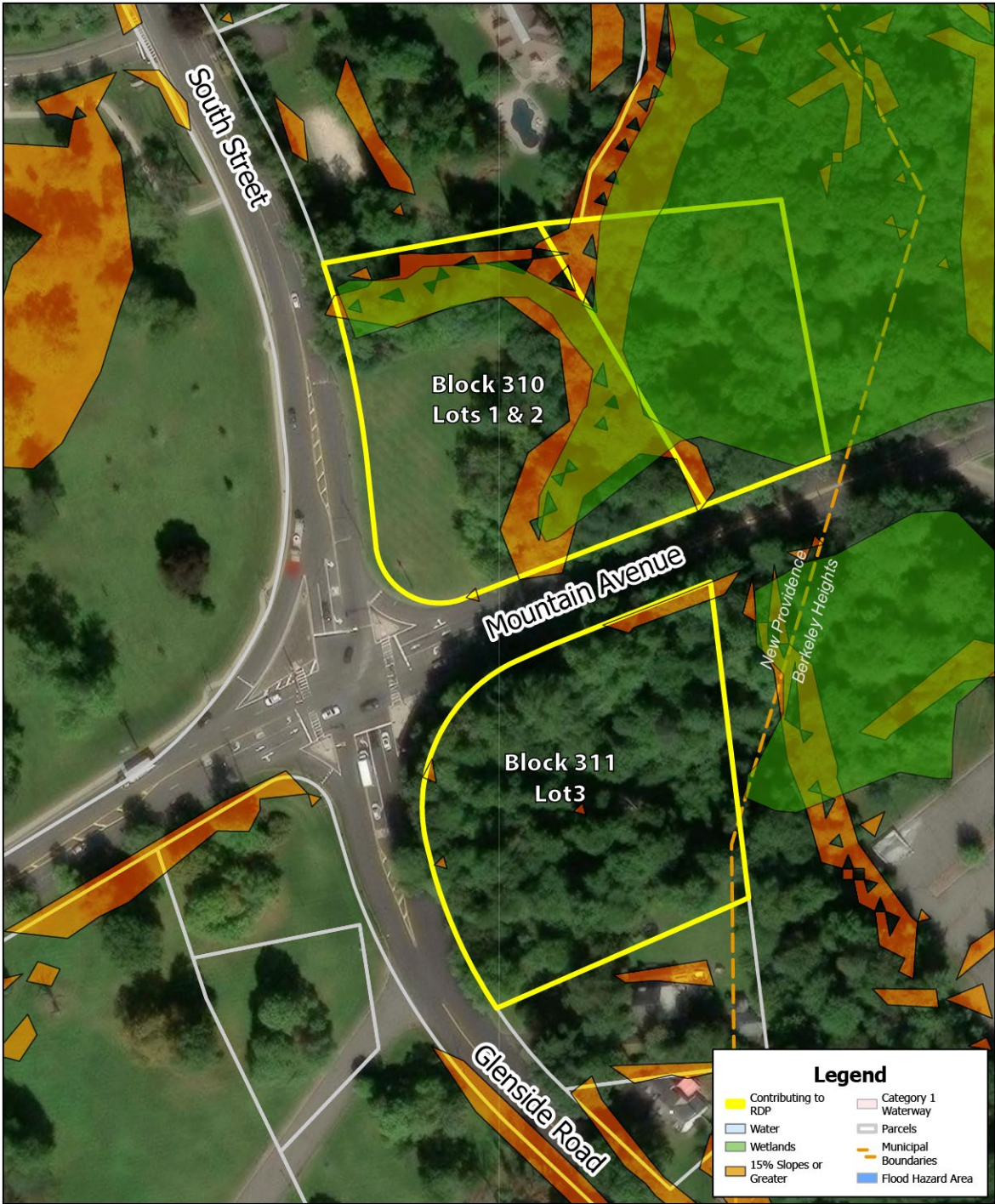
New Providence Adjusted Obligations	
Prior Round Prospective Need (1987-1999)*	135
Third Round Prospective Need (1999-2025)	316
Third Round RDP	52
Third Round Unmet Need	264
Fourth Round Prospective Need (2025-2035)	201
Fourth Round RDP	0
Fourth Round Unmet Need	201

* 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 Both lots were components of previous Round. Proposed increased density from 10 units per acre to 13 units per acre	3
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

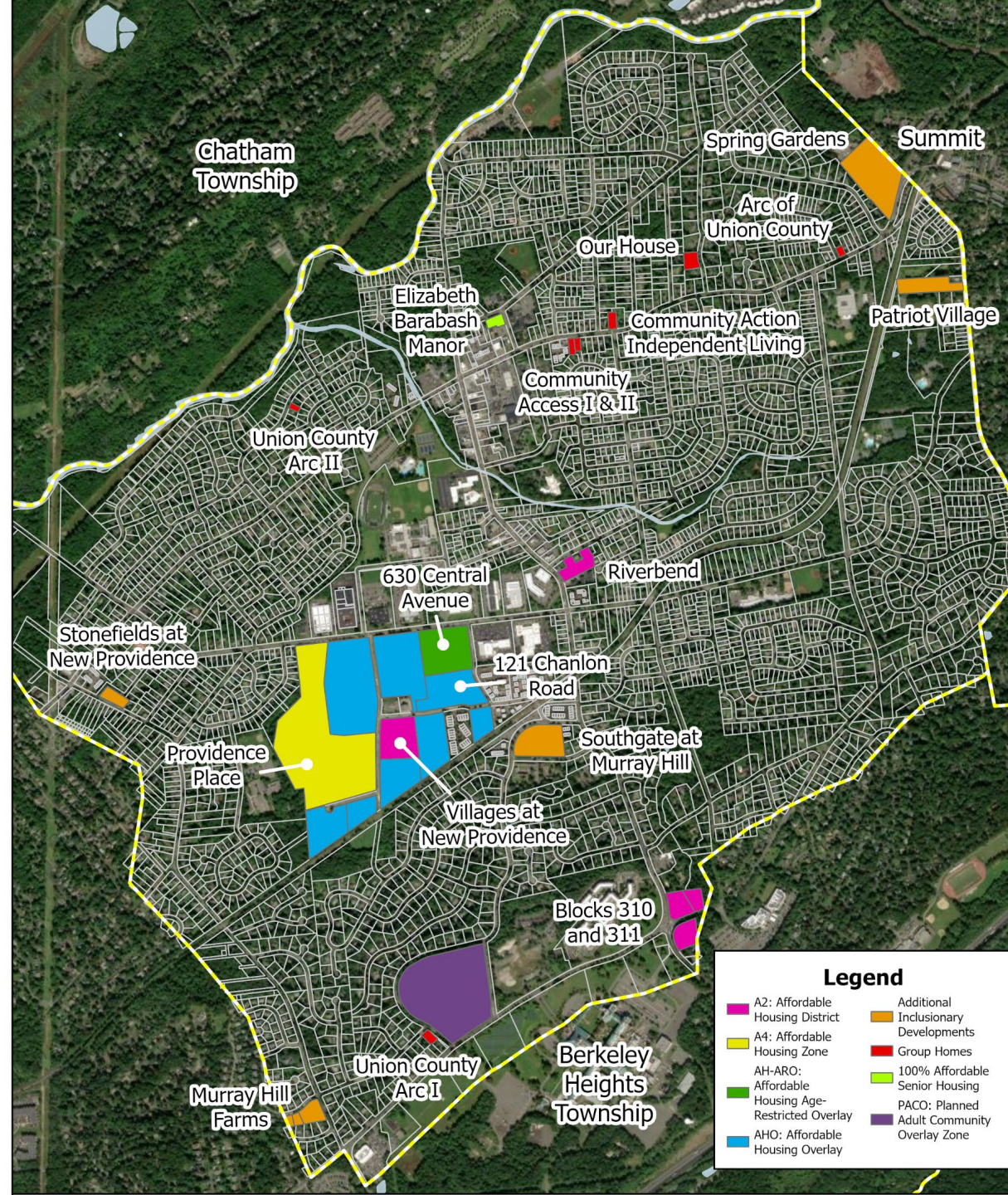
Borough Council endorses the HEFSP at their next meeting

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.



Legend

- | | |
|---|--|
| A2: Affordable Housing District | Additional Inclusionary Developments |
| A4: Affordable Housing Zone | Group Homes |
| AH-ARO: Affordable Housing Age-Restricted Overlay | 100% Affordable Senior Housing |
| AHO: Affordable Housing Overlay | PACO: Planned Adult Community Overlay Zone |