

## East Newark Borough February 2026 Amendment to Fourth Round Housing Element/Fair Share Plan

This report details the substantive revisions which comprise the February 2026 Amendment to the Fourth Round Housing Element and Fair Share Plan (HEFSP) for the Borough of East Newark, dated June 12, 2025 and adopted by the Planning Board on June 26, 2025. All page numbers listed correspond to the adopted HEFSP document.

- Amended the subsection entitled “Review of Previous Round Compliance” to read as follows (strikethroughs indicate a deletion ~~thus~~ and bolded italics indicate an addition *thus*) (page 37):
  - Fourth Paragraph: “The Borough proposes to meet its combined Prior and Third Round obligation of 23 units through the development proposed at 900 Passaic Avenue in the Borough’s Thread Mill District of its designated East Newark Redevelopment Area. As was the standard during the Prior and Third Rounds, the Borough will apply ~~6~~ *5* age-restricted units, ~~11~~ *12* non-age-restricted units, and 6 units of bonus credits to the Prior and Third Round obligation. Refer to the Fourth Round Obligation Section of this Plan for further information about this development.”
- Amended the subsection entitled “Proposed Inclusionary Development” under the “Fourth Round Prospective Need Obligation” section to read as follows (strikethroughs indicate a deletion ~~thus~~ and bolded italics indicate an addition *thus*) (page 39):
  - Second Paragraph: “The Borough and redeveloper are in the process of negotiating the redevelopment agreement for the site, which will include the final breakdown of age-restricted and non-age-restricted for the affordable units. As of the writing of this Plan, it is expected that 33 of the affordable units will be non-age-restricted and 34 will be age-restricted, but negotiations are ongoing. As previously discussed, the Borough will apply ~~6~~ *5* age-restricted and ~~11~~ *12* non-age-restricted units to the combined Prior/Third Round obligation of 23 units.”
  - Fourth Paragraph: “The Borough will apply ~~7~~ *4* units of age-restricted units, ~~9~~ *12* units of non-age-restricted units, and 6 bonus credits to the Fourth Round obligation.”
- Amended the section entitled “Fourth Round Summary” to read as follows (strikethroughs indicate a deletion ~~thus~~ and bolded italics indicate an addition *thus*) (page 42):
  - The inclusionary development proposed at 900 Passaic Avenue is expected to provide 67 ~~market-rate~~ *affordable* units, which is enough to cover East Newark’s Prior Round, Third Round, and Fourth Round Prospective Obligations.
- Amended the section entitled “Additional Mechanisms” as follows:
  - Replaced the subsection entitled “Affordable Housing Ordinance” in its entirety to read as follows (page 42):
    - The Borough has prepared an Affordable Housing Ordinance (“AHO”) (Ordinance No. 03-2026) establishing the criteria for implementing affordable housing units in conformance with the requirements set forth in applicable statutes including the

Fair Housing Act (P.L.2024, c.2), 5:99 Substantive Rules (N.J.A.C. 5:99-1.1 et seq.), and Uniform housing Affordability Controls (N.J.A.C. 5:80-26.1 et seq.) as most recently amended and supplemented. The AHO has been prepared to include the necessary language regarding East Newark's Borough-Wide Mandatory Set Aside as well as its Development Fee and Affordable Housing Trust Fund regulations. The AHO was introduced by the Borough Council on February 11, 2026 and is scheduled for second reading and adoption at its March 11, 2026 meeting. The draft Ordinance has been attached as Appendix E.

- Replaced the subsection entitled "Development Fee Ordinance and Affordable Housing Trust Fund (AHTF)" in its entirety to read as follows (page 42):
  - East Newark adopted a development fee ordinance (Ordinance No. 17-2025) on December 29, 2025 implementing a development fee ordinance to collect fees from development projects and to establish an Affordable Housing Trust Fund. It is anticipated that this ordinance will be repealed and replaced by the aforementioned Affordable Housing Ordinance (Ordinance No. 03-2026), the draft copy of which has been included in this Plan as Appendix E.

The Borough Council adopted a Fourth Round Spending Plan on June 12, 2025 (Appendix F), which was prepared in accordance with the provisions of the amended Fair Housing Act ("FHA"). The FHA sets forth that a municipality may not spend or commit to spend any affordable housing development fees, including Statewide non-residential fees collected and deposited into the municipal Affordable Housing Trust Fund, without first obtaining the approval of the expenditure as part of its compliance certification. An amended Fourth Round Spending Plan will be prepared to reflect the most recent 5:99 Substantive Rules (N.J.A.C. 5:99-1.1 et seq.), and is anticipated to go before the Borough Council for approval at its March 11, 2026 meeting.

- The appendices section has been revised as follows:
  - Appendix E, entitled "Draft Mandatory Set-Aside Ordinance", and Appendix F, entitled "Draft Development Fee Ordinance," have been removed and replaced by Appendix E, entitled "Affordable Housing Ordinance (Ordinance No. 03-2026)"
  - Appendix G, entitled "Draft 2025 Spending Plan" has been renumbered to Appendix F and retitled to "Adopted 2025 East Newark Fourth Round Spending Plan"