

Master Plan Amendment Housing Plan Element and Fair Share Plan Round 4

**Borough of Oakland
Bergen County, New Jersey**

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Borough of Oakland Land Use Board

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The original of this document has been signed and sealed in accordance with Law.

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Housing Element

The Borough of Oakland, Bergen County, has prepared this Housing Element and Fair Share Plan as an amendment to the municipal master plan in accordance with the New Jersey Municipal Land Use Law (N.J.S.A. 40:55D-1 et seq.) and the New Jersey Fair Housing Act 2 (N.J.S.A. 52:27D-301 et seq.).

The Municipal Land Use Law requires that a municipal master plan include a housing element to enable the municipality to exercise the power to zone and regulate land use. The housing element is adopted by the municipal planning board and endorsed by the municipal governing body, and is drawn to achieve the goal of meeting the municipal obligation to provide for a fair share of the regional need for affordable housing.

This Housing Element and Fair Share Plan amends the Borough's master plan to address affordable housing planning requirements for the time period known as Round 4, which includes the decade between July 2025 and July 2035. It addresses the Borough's cumulative fair share obligation for the period from 1987 through 2035. The Borough last adopted a Round 3 Housing Element dated December 21, 2022 on February 9, 2023. This plan will replace the 2022 Round 3 plan.

Affordable Housing in New Jersey

The Mt. Laurel II doctrine requires that all municipalities provide a realistic opportunity for their fair share of low and moderate income housing. The Oakland Fair Share Plan is the Borough's proposal for satisfying its share of the regional affordable housing needs under applicable affordable housing regulations.

This Plan provides the Borough's fair share obligation and details its strategies for addressing its present, prior, and prospective housing needs. The New Jersey Fair Housing Act established the New Jersey Council on Affordable Housing (COAH). COAH was responsible for developing rules and regulations on affordable housing, as well as approving municipalities' submitted affordable housing plans. The COAH approval process was known as Substantive Certification.

COAH adopted its first set of rules, known as 'Round 1,' for the period of 1987 through 1993. COAH 'Round 2' covered the 1993 to 1999 time period. These rounds are now combined and collectively referred to as the 'Prior Round,' which covers the 1987 to 1999 time period.

COAH adopted its first Round 3 rules in 2005. The Round 3 rules included a new methodology for calculating affordable housing, known as Growth Share. These rules were challenged, and the Appellate Division invalidated the Round 3 rules in 2007. COAH then adopted its second set of Round 3 rules in 2008; these rules also used the

Growth Share methodology and were found invalid by the Appellate Division in 2010. COAH was directed to prepare new rules that used the Prior Round methodologies of establishing the statewide and regional affordable housing obligation and assigning municipalities their fair share of the regional affordable housing obligations.

COAH prepared new rules in 2014, but failed to adopt them. In response, a motion was filed with the New Jersey Supreme Court to enforce litigant's rights in response to COAH's lack of action. On March 10, 2015 the Supreme Court issued its decision to enforce litigant's rights and established a procedure for municipalities to transition their COAH applications to the Courts.

The Supreme Court established a new procedure that requires participating towns, such as Oakland, to submit a Declaratory Judgment action. The Borough of Oakland filed its action of Declaratory Judgment with the Court on or about July 8, 2015.

Fair Share Housing Center (FSHC), a nonprofit affordable housing advocacy group, was considered an "interested party" in all municipal Declaratory Actions. FSHC and the Borough engaged in a mediation process under the supervision of the court-appointed Special Master. Oakland and FSHC also settled its affordable housing litigation. Oakland's Settlement Agreement is dated August 11, 2020.

Round 4 Affordable Housing

On March 20, 2024 Governor Murphy signed new legislation known as P.L.2024, c.2 that amended the state's Fair Housing Act and changed the affordable housing process in New Jersey.

The Fair Housing Act (FHA) Amendment ("FHA 2" or the "Act") eliminated the Council on Affordable Housing (COAH), directed the Department of Community Affairs (DCA) to prepare nonbinding affordable housing obligations, changed certain aspects of the vacant land process, eliminated and revised available bonus credits, and imposed strict deadlines on municipalities.

Pursuant to the FHA 2, municipalities must adopt a Housing Element and Fair Share Plan by June 30, 2025. This plan conforms to the requirements established in the legislation and FHA 2 and addresses Oakland's Prior Round, Round 3 and Round 4 affordable housing obligations.

Mandatory Contents of the Housing Element

Pursuant to the New Jersey Fair Housing Act (FHA 2), "a municipality's housing element shall be designed to achieve the goal of access to affordable housing to meet present and prospective housing needs, with particular attention to low-and moderate-income housing." The essential plan components are:

- An inventory of the municipality's housing stock by age, condition, purchase or rental value, occupancy characteristics, and type, including the number of units affordable to low- and moderate-income households and substandard housing capable of being rehabilitated;
- A projection of the municipality's housing stock, including the probable future construction of low- and moderate-income housing, for the next ten years, taking into account, but not necessarily limited to, construction permits issued, approvals of applications for development and probable residential development of lands;
- An analysis of the municipality's demographic characteristics, including but not necessarily limited to, household size, income level, and age;
- An analysis of the existing and probable future employment characteristics of the municipality;
- A determination of the municipality's present and prospective fair share for low- and moderate-income housing and its capacity to accommodate its present and prospective housing needs, including its fair share for low- and moderate-income housing, as established pursuant to section 3 of P.L.2024, c.2 (C.52:27D-304.1); and,
- A consideration of the lands that are most appropriate for construction of low- and moderate-income housing and of the existing structures most appropriate for conversion to, or rehabilitation for, low- and moderate-income housing, including a consideration of lands of developers who have expressed a commitment to provide low- and moderate-income housing;
- An analysis of the extent to which municipal ordinances and other local factors advance or detract from the goal of preserving multigenerational family continuity as expressed in the recommendations of the Multigenerational Family Housing Continuity Commission, adopted pursuant to paragraph (1) of subsection f. of section 1 of P.L.2021, c.273 (C.52:27D-329.20);
- For a municipality located within the jurisdiction of the Highlands Water Protection and Planning Council, established pursuant to section 4 of P.L.2004, c.120 (C.13:20-4), an analysis of compliance of the housing element with the Highlands Regional Master Plan of lands in the Highlands Preservation Area, and lands in the Highlands Planning Area for Highlands conforming municipalities. This analysis shall include consideration of the municipality's most recent Highlands Municipal Build Out Report, consideration of opportunities for P.L. 2024, redevelopment of existing developed lands into inclusionary or 100 percent affordable housing, or both, and opportunities for 100 percent affordable housing in both the Highlands Planning Area and Highlands Preservation Area that are consistent with the Highlands regional master plan; and
- An analysis of consistency with the State Development and Redevelopment Plan, including water, wastewater, stormwater, and multi-modal transportation based on guidance and technical assistance from the State Planning Commission.

This Housing Element and Fair Share Plan Amendment addresses the above requirements.

Analysis of Demographic, Housing, and Employment Characteristics

As required by N.J.S.A. 52:27D-310, all housing elements must contain a discussion of the municipality's demographic, housing, and economic characteristics. The following subsections fulfill this requirement by providing a profile of information for the Borough of Oakland from the US Census Bureau, the New Jersey Department of Labor and Workforce Development, and the North Jersey Transportation Planning Authority.

Population Characteristics

Table 1 shows the population trends for the Borough of Oakland and Bergen County from 1930 to 2020. As shown, Oakland's population increased by 12,013 residents during this period. The three greatest increases occurred in the periods from: 1950 to 1960, when the Borough's population increased by approximately 419.9 percent; 1940 to 1950, when there was an increase of approximately 95.0 percent; and between 1960 and 1970, when population increased by approximately 52.7 percent. There were decreases in population between 1970 and 1980, when the Borough's population decreased by about 6.8 percent; and 1980 and 1990, when the Borough's population decreased by about 10.8 percent.

Bergen County's population also increased over the period from 1930 to 2020. Indeed, the County's population increased by 590,755 residents over this period. As compared to the Borough, however, change in the County's population was never as great as in the Borough. Indeed, the maximum rate of change in the Borough's population was about 419.9 percent (between 1950 and 1960), but the change in the County's population never exceeded about 44.7 percent (also between 1950 and 1960) in any ten-year period.

Table 1
POPULATION CHANGE, 1930 – 2020
Borough of Oakland and Bergen County

Borough of Oakland

<u>Year</u>	<u>Population</u>	<u>Number</u>	<u>Change</u> <u>Percent</u>
1930	735	-----	-----
1940	932	197	26.8
1950	1,817	885	95.0
1960	9,446	7,629	419.9
1970	14,420	4,974	52.7
1980	13,443	-977	-6.8
1990	11,997	-1,446	-10.8
2000	12,466	469	3.9
2010	12,754	288	2.3
2020	12,748	-6	0.0

Bergen County

<u>Year</u>	<u>Population</u>	<u>Number</u>	<u>Change</u> <u>Percent</u>
1930	364,977	-----	-----
1940	409,646	44,669	12.2
1950	539,139	129,493	31.6
1960	780,255	241,116	44.7
1970	897,148	116,893	15.0
1980	845,385	-51,763	-5.8
1990	825,380	-20,005	-2.4
2000	884,118	58,738	7.1
2010	905,116	20,998	2.4
2020	955,732	50,616	5.6

Sources:

1930 - 1950: "Number of Inhabitants, New Jersey."

<https://www2.Census.Gov/library/publications/decennial/1950/population-volume-2/23024255v2p30ch1.pdf>. U.S. Census Bureau, 1950;

1940 - 2000: "New Jersey Population Trends 1790 to 2000." Division of Labor Market and Demographic Research New Jersey State Data Center, August 2001.

<https://www.nj.gov/labor/labormarketinformation/assets/PDFs/census/2kpub/njsdcp3.pdf>;

2010: 2010 U.S. Census (Table P3); and,

2020: 2020 U.S. Census (Table DP1)

Population Composition by Age

Table 2 shows population by age cohort in the Borough of Oakland during 2010 and 2020. As can be seen, the population decreased by 6 residents or less than 0.0 percent between 2010 and 2020. The three age-cohort with the largest decreases were 5-14, which decreased by 495 residents or about 24.4 percent; 35-44, which decreased by 436 residents or about 22.8 percent; and 45-54, which decreased by 488 residents or about 20.2 percent. The three age cohorts with the largest increases were: 15-24, which increased by 456 residents or 33.7 percent; 65-74, which increased by 271 residents or 29.5 percent; and 55-64, which increased by 470 residents or 29.0 percent. The change in all other age cohorts was less than ± 20 percent.

Table 2
POPULATION BY AGE
Borough of Oakland

<u>Age Group</u>	2010 Population		2020 Population		Change 2010-2020	
	<u>Persons</u>	<u>Percent</u>	<u>Persons</u>	<u>Percent</u>	<u>Persons</u>	<u>Percent</u>
Under 5	679	5.3	630	4.9	-49	-7.2
5-14	2,032	15.9	1,537	12.1	-495	-24.4
15-24	1,352	10.6	1,808	14.2	456	33.7
25-34	937	7.3	1,112	8.7	175	18.7
35-44	1,912	15.0	1,476	11.6	-436	-22.8
45-54	2,414	18.9	1,926	15.1	-488	-20.2
55-64	1,621	12.7	2,091	16.4	470	29.0
65-74	918	7.2	1,189	9.3	271	29.5
75-84	592	4.6	631	4.9	39	6.6
85+	297	2.3	348	2.7	51	17.2
TOTALS	12,754	100.0	12,748	100.0	-6	< 0.0

Sources:

2010: 2010 U.S. Census (Table PCT12); and,

2020: U.S. Census (Table DP1)

Table 2 shows considerable growth and decline in several age cohorts. The effects of the change in the distribution of Oakland's population among age cohorts can be summarized in the change in the median age of the Borough's population, which increased by one (1.0) year, from 42.8 years to 43.8 years, in the period from 2010 to 2020. This represents an increase of about 2.3 percent. By comparison, the median age of Bergen County's population increased by approximately 0.9 years, from 41.1 years to 42.0 years, which equates to an increase of about 2.2 percent. Table 3 summarizes the distribution of the Borough's and County's populations among age cohorts and the change in the median age of said populations.

Table 3
PERCENTAGE POPULATION DISTRIBUTION, 2010 & 2020
Borough of Oakland and Bergen County

<u>Age Group</u>	2010 Percentage of Population		2020 Percentage of Population	
	<u>Borough</u>	<u>County</u>	<u>Borough</u>	<u>County</u>
Under 5	5.3	5.6	4.9	5.0
5-14	15.9	12.9	12.1	12.0
15-24	10.6	11.6	14.2	12.0
25-34	7.3	11.6	8.7	11.8
35-44	15.0	14.3	11.6	13.2
45-54	18.9	16.3	15.1	14.0
55-64	12.7	12.7	16.4	14.3
65+	14.2	15.1	17.0	17.7
TOTALS	100.0	100.0	100.0	100.0
Median Age	42.8	41.1	43.8	42.0

Sources:

2010: 2010 U.S. Census (Tables PCT12, P13)

2020: 2020 U.S. Census (Tables DP1, P13)

Existing Housing Characteristics

Type of Household

A household is a group of people who occupy a housing unit as their usual place of residence. As shown in Table 4, there were 4,356 households in the Borough of Oakland in 2020. The majority, or approximately 84.3 percent, of households consisted of two or more persons. The remaining 15.7 percent of households consisted of one person. Table 4 provides additional details on the types of households in Oakland Borough during 2020.

Table 4
TYPES OF HOUSEHOLDS, 2020

Borough of Oakland

<u>Type of Households</u>	<u>Total</u>	<u>Number in Subgroup</u>	<u>Percent of Total</u>
TOTAL HOUSEHOLDS	4,356		
One Person		684	15.7
Male Householder	277		6.4
65 years or older	101		2.3
Female Householder	407		9.3
65 years or older	241		5.5
Two or More Persons		3,672	84.3
<i>Married Couple Families</i>	2,985		68.5
With Own Children Under 18	1,309		30.1
<i>Cohabiting Couple</i>	147		3.4
With Own Children Under 18	34		0.8
<i>Male Householder Not living alone</i>	189		4.3
With Own Children Under 18	34		0.8
<i>Female Householder Not living alone</i>	351		8.1
With Own Children Under 18	121		2.8

Source: 2020 U.S. Census (Table DP1)

Household Size

Table 5 provides further details on household size in the Borough of Oakland during 2020. As shown, the most frequent household size was two persons, which accounted for 31.0 percent of all households in Oakland and 29.1 percent of all households in Bergen County. The average household size in Oakland was 2.87, which is 0.17 more than the average household size of 2.70 in Bergen County during 2020.

Table 5
HOUSEHOLD SIZE, 2020
Borough of Oakland & Bergen County

Household Size	<u>Borough of Oakland</u>		<u>Bergen County</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
1 Person	684	15.7	84,254	24.0
2 Persons	1,350	31.0	102,218	29.1
3 Persons	849	19.5	63,130	18.0
4 Persons	967	22.2	61,107	17.4
5 Persons	362	8.3	26,098	7.4
6+ Persons	144	3.3	13,857	4.0
TOTALS	4,356	100.0	350,664	100.0
Average Household Size	2.87		2.70	

Source: 2020 U.S. Census (Tables H12, DP1)

Per Capita and Household Income

Table 6 displays the per capita income, median household income, and population poverty status of Oakland, Bergen County and the State of New Jersey. This data is derived from the 2023 American Community Survey Five-Year Estimates and represents estimated average conditions over the five-year period ending in 2023.

As shown in Table 6, Oakland had a higher per capita income at \$64,120 than in Bergen County and New Jersey, where the per capita incomes were \$62,968 and \$53,118, respectively. Oakland also had a higher median household income at \$162,862 than Bergen County and New Jersey, where the median household incomes were \$123,715 and \$101,050, respectively. Additionally, the Borough had just 3.2 percent of its population living below poverty status, which is lower than the 6.7 percent and 9.8 percent exhibited by Bergen County and New Jersey, respectively.

Table 6

PER CAPITA AND HOUSEHOLD INCOME; POVERTY STATUS 2023
Borough of Oakland, Bergen County & New Jersey

	<u>Per Capita Income</u>	<u>Median Household Income</u>	<u>Percentage of Population Below Poverty Status</u>
Borough of Oakland	\$64,120	\$162,862	3.2
Bergen County	\$62,968	\$123,715	6.7
New Jersey	\$53,118	\$101,050	9.8

Source: 2023 American Community Survey 5-Year Estimates (Tables BP19301, S1901 and S1701)

Family Income Distribution

Table 7 details family income for the Borough and County as represented by 2023 American Community Survey Five-Year Estimates. Approximately 85.6 percent of Oakland's families earned \$75,000 or more. By comparison, just 77.6 percent of Bergen County's families earned \$75,000 or more.

Table 7
FAMILY INCOME DISTRIBUTION, 2023
Borough of Oakland & Bergen County

<u>Income Levels</u>	<u>Borough</u>		<u>County</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Less than \$10,000	13	0.4	4,882	1.9
\$10,000 - \$14,999	5	0.1	2,555	1.0
\$15,000 - \$24,999	34	1.0	6,022	2.4
\$25,000 - \$34,999	63	1.8	7,350	2.9
\$35,000 - \$49,999	99	2.8	12,602	5.0
\$50,000 - \$74,999	294	8.4	23,286	9.2
\$75,000 - \$99,999	265	7.6	23,706	9.4
\$100,000 - \$149,999	522	14.9	45,647	18.1
\$150,000 - \$199,999	794	22.6	36,887	14.6
\$200,000 or more	1,420	40.5	89,702	35.5
TOTALS	3,509	100.0	252,639	100.0

Source: 2023 American Community Survey 5-Year Estimates (Table DP03)

Housing Affordability

Table 8 identifies the maximum income limits for low, very low- and moderate-income households in Housing Region 1. All of Bergen, Hudson, Passaic and Sussex counties are in Housing Region 1.

Oakland is in Housing Region 1. As of 2025, the median household income for a three-person household in Housing Region 1 was \$114,500. A three-person moderate income household, defined as a household with an income in excess of 50 percent but less than 80 percent of the median income, would have an income that does not exceed \$91,600. A four-person low-income household, defined as a household with income equal to or less than 50 percent but more than 30 percent of the median income, would have an income that does not exceed \$63,600. A two-person very low-income household, defined as a household with an income equal to 30 percent or less of the median income, would have an income that does not exceed \$30,540. Finally, the 1.5 person, three-person and 4.5-person columns are used for calculating the pricing for one-, two- and three-bedroom affordable units.

Table 8
2025 REGIONAL INCOME LIMITS
HOUSING REGION 1

<u>Household Size</u>	<u>Median Income</u>	<u>Moderate Income</u>	<u>Low Income</u>	<u>Very Low Income</u>
1 Person	\$89,100	\$71,280	\$44,550	\$26,730
1.5 Person	\$95,450	\$76,360	\$47,725	\$28,635
2 Person	\$101,800	\$81,440	\$50,900	\$30,540
2.5 Person	\$108,150	\$86,520	\$54,075	\$32,445
3 Person	\$114,500	\$91,600	\$57,250	\$34,350
4 Person	\$127,200	\$101,760	\$63,600	\$38,160
4.5 Person	\$132,300	\$105,840	\$66,150	\$39,690
5 Person	\$137,400	\$109,920	\$68,700	\$41,220
6 Person	\$147,600	\$118,080	\$73,800	\$44,280
7 Person	\$157,800	\$126,240	\$78,900	\$47,340
8 Person	\$168,000	\$134,400	\$84,000	\$50,400

Source: 2025 Affordable Housing Regional Income Limits by Household Size, Prepared by Affordable Housing Professionals of New Jersey (AHPNJ) – May 16, 2025.

Housing Unit Data

In 2020, there were 4,561 housing units in Oakland, of which 4,356 or 95.5 percent were occupied. By comparison, the County had 367,383 housing units, of which 350,664 or 95.4 percent were occupied.

As shown in Table 9, owner-occupied housing stock comprised a greater percentage of the Borough's housing stock than in the County's housing stock. In 2020, approximately 91.2 percent of the Borough's housing stock was owner-occupied, versus 63.1 percent of the County's housing stock.

Table 9
HOUSING UNIT DATA, 2020
Borough of Oakland & Bergen County

	<u>Borough</u>		<u>County</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Unit Type				
Occupied	4,356	95.5	350,664	95.4
Vacant, Seasonal & Migratory	205	4.5	16,719	4.6
TOTALS	4,561	100.0	367,383	100.0
Owner vs Renter Occupied Units				
Owner Occupied	3,974	91.2	221,274	63.1
Renter Occupied	382	8.8	129,390	36.9
TOTALS	4,356	100.0	350,664	100.0

Source: 2020 U.S. Census (Table DP1)

Year Householder Moved into Unit

Table 10 provides the year the current householders moved into the Oakland and Bergen County homes. As shown, 64.7 percent of the Borough's households moved into their current residences during or after 2000, compared to 74.2 percent countywide. Approximately 32.6 percent of the Borough's households and 25.8 percent of the County's households moved into their residences before 2000.

Table 10
YEAR HOUSEHOLDER MOVED INTO UNIT, 2023
Borough of Oakland & Bergen County

<u>Year Householder Moved into Unit</u>	<u>Borough</u>		<u>County</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
2021 or later	256	5.8	27,042	7.7
2010 - 2020	1,852	42.1	165,730	46.9
2000 - 2009	856	19.5	69,267	19.6
1990 - 1999	689	15.7	42,548	12.0
1989 or earlier	742	16.9	48,720	13.8
TOTALS	4,395	100.0	353,307	100.0

Source: 2023 American Community Survey 5-Year Estimates (Table DP04)

Housing Unit Information

Table 11 includes a variety of information from the American Community Survey on the Borough of Oakland and Bergen County housing stocks, including when the housing unit was built, the number of units per structure, and the number of rooms and bedrooms per unit.

As shown, approximately 91.0 percent of the Borough's housing stock consists of single-family detached structures. In contrast, single-family detached homes comprise approximately 53.2 percent of the County's housing stock.

As shown in Table 11, the Borough's housing stock contains more rooms than the County's housing stock. In 2023, about 74.0 percent of Oakland's housing units contained six (6) or more rooms, while approximately 54.7 percent of the County's housing stock recorded the same number of rooms. About 38.6 percent of the Borough's housing units contain four or more bedrooms, compared with approximately 27.2 percent of the County's housing stock.

Finally, approximately 81.8 percent of the Borough's housing stock was built before 1980. Similarly, about 74.6 percent of the County's housing stock was built before 1980.

Table 11

HOUSING UNIT INFORMATION, 2023
Borough of Oakland & Bergen County

	<u>Borough</u>		<u>County</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Total Units	4,687	100.0	368,535	100.0
<u>Units in Structure</u>				
One (Single Family Detached)	4,265	91.0	196,102	53.2
One (Single Family Attached)	202	4.3	22,284	6.0
Two+ Units	215	4.6	148,595	40.3
Mobile Home, Trailer, Other	5	0.1	1,554	0.4
<u>Number of Rooms</u>				
1 Room	9	0.2	10,090	2.7
2 or 3 Rooms	118	2.5	54,929	14.9
4 or 5 Rooms	1,092	23.3	101,934	27.7
6 or 7 Rooms	1,614	34.4	103,786	28.2
8+ Rooms	1,854	39.6	97,796	26.5
<u>Number of Bedrooms</u>				
No Bedroom	9	0.2	11,192	3.0
1 Bedroom	166	3.5	58,568	15.9
2 or 3 Bedrooms	2,703	57.7	198,472	53.9
4+ Bedrooms	1,809	38.6	100,303	27.2
<u>Year Structure Built</u>				
2020 - later	0	0.0	2,486	0.7
2010 - 2019	95	2.0	18,587	5.0
2000 - 2009	287	6.1	21,455	5.8
1990 - 1999	261	5.6	20,951	5.7
1980 - 1989	210	4.5	30,051	8.2
1960 - 1979	1,469	31.3	86,461	23.5
1940 - 1959	1,940	41.4	116,865	31.7
1939 or earlier	425	9.1	71,679	19.4

Source: 2023 American Community Survey 5-Year Estimates (Table DP04)

Housing Conditions

Housing conditions in Oakland are good. As shown in Table 12, just 1.5 percent of the Borough's housing units lack complete plumbing facilities or kitchen facilities, and just 1.8 percent lack phone service, compared to 0.3, 0.7 and 0.8 percent, respectively, in the county overall.

In addition to the above, just 1.0 of the Borough's housing stock has more than one person per room, compared to about 3.4 percent of the County's housing stock. Having more than one person per room is an indicator of overcrowding.

Table 12
INDICATORS OF HOUSING CONDITIONS, 2023
Borough of Oakland & Bergen County

	<u>Borough</u>		<u>County</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
<u>Total Occupied Units</u>	4,395		353,307	
Units Lacking Complete Plumbing	65	1.5	899	0.3
Units Lacking Kitchen Facilities	65	1.5	2,541	0.7
No telephone service	78	1.8	2,797	0.8
 <u>Persons per Room, Occupied Units</u>				
1.00 or less	4,351	99.0	341,275	96.6
1.01 to 1.50	35	0.8	7,036	2.0
1.51 or more	9	0.2	4,996	1.4
TOTALS	4,395	100.0	353,307	100.0

Source: 2023 American Community Survey 5-Year Estimates (Table DP04)

Housing Values

Table 13 shows 2023 housing values for the Borough of Oakland and Bergen County. As indicated, approximately 94.6 percent of the Borough's owner-occupied housing units are valued at over \$300,000. This is higher than in the County, where only about 89.9 percent of the owner-occupied housing units are valued at over \$300,000. This higher percentage of units is despite the fact that the median value of owner-occupied units in Bergen County is slightly higher than in the Borough. Indeed, the median value of owner-occupied units is \$593,200 in Bergen County, but \$567,200 in Oakland Borough.

Table 13
OWNER-OCCUPIED HOUSING VALUES, 2023
Borough of Oakland & Bergen County

<u>Housing Value</u>	<u>Borough</u>		<u>County</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Less than \$50,000	63	1.6	4,241	1.8
\$50,000 - \$99,999	23	0.6	2,583	1.1
\$100,000 - \$149,999	21	0.5	2,366	1.0
\$150,000 - \$199,999	0	0.0	2,680	1.2
\$200,000 - \$299,999	112	2.8	11,285	4.9
\$300,000 - \$499,999	1294	32.1	62,212	26.9
\$500,000 - \$999,999	2435	60.4	115,000	49.8
\$1,000,000 or more	85	2.1	30,556	13.2
TOTALS	4,033	100.0	230,923	100.0
Median Value	\$ 567,200		\$ 593,200	

Source: 2023 American Community Survey 5-Year Estimates (Table DP04)

Contract Rents

Table 14 details the gross rents for renter-occupied units in Oakland and Bergen County. As shown, the median monthly rent in Oakland was \$1,462. In Bergen County overall, however, the median rent was \$1,863. In Oakland, about 19.4 percent of all cash rents were at least \$3,000, whereas in Bergen County only about 13.2 percent of all cash rents were \$3,000 or more.

Table 14

GROSS RENTS, 2023
OCCUPIED UNITS PAYING RENT
Borough of Oakland & Bergen County

<u>Contract Rents</u>	<u>Borough</u>		<u>County</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Less than \$500	17	7.2	3,870	3.3
\$500 - \$999	37	15.6	5,086	4.3
\$1,000 - \$1,499	75	31.6	21,678	18.3
\$1,500 - \$1,999	62	26.2	39,395	33.3
\$2,000 - \$2,499	0	0.0	21,731	18.3
\$2,500 - \$2,999	0	0.0	11,103	9.4
\$3,000 or more	46	19.4	15,614	13.2
TOTALS	237	100.0	118,477	100.0
 Median Rent	 \$ 1,462		 \$ 1,863	

Source: 2023 American Community Survey 5-Year Estimates (Table DP04)

Employment Data

Table 15 details the occupational characteristics of Oakland residents as indicated by 2023 American Community Survey Five-Year Estimates. As indicated, the largest occupational group among Oakland residents aged 16 years and over engaged in the civilian labor force is “Management, Business Science & Arts” with about 55.2 percent. This was also the largest occupational group in Bergen County with about 53.3 percent of County residents aged 16 years and over engaged in the civilian labor force. The second largest occupational group was “Sales & Office Occupations,” which accounted for 22.8 percent and 20.4 percent of the Borough and County residents aged 16 years and over engaged in the civilian labor force, respectively. The third largest occupational group was “Service Occupations,” which accounted for 11.1 percent of the Borough residents and 12.4 percent of the County residents aged 16 years and over engaged in the civilian labor force. In total, these three occupational groups accounted for about 89.1 percent of the Borough residents and 86.2 percent of the County residents aged 16 years and over engaged in the civilian labor force.

With regard to the industry of employment, it is noted that the top-three industries of employment among Borough residents aged 16 years and over and engaged in the civilian labor force were “Educational Services, Health Care/Social Assist.” with 30.3 percent; “Finance, Insurance and Real Estate” with 9.9 percent; and “Manufacturing” with 9.6 percent. Among County residents, the top-three industries of employment were “Educational Services, Health Care/Social Assist.” with 25.1 percent; “Professional, Scientific, Management” with 15.2 percent; and “Retail Trade” with 10.2 percent.

Table 15
OCCUPATIONAL CHARACTERISTICS, 2023
Borough of Oakland & Bergen County

<u>Occupation Group</u>	<u>Borough</u>		<u>County</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Management, Business, Science & Arts	3,771	55.2	263,942	53.3
Service Occupations	762	11.1	61,574	12.4
Sales & Office Occupations	1,561	22.8	101,185	20.4
Nat. Resources, Construction & Maint.	371	5.4	25,740	5.2
Production, Transportation & Material	371	5.4	42,480	8.6
TOTALS	6,836	100.0	494,921	100.0

<u>Industry</u>	<u>Borough</u>		<u>County</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Agriculture, Forestry, Fishing	39	0.6	636	0.1
Construction	416	6.1	25,742	5.2
Manufacturing	653	9.6	38,180	7.7
Wholesale Trade	231	3.4	18,362	3.7
Retail Trade	542	7.9	50,517	10.2
Transportation & Warehousing	214	3.1	25,586	5.2
Information	157	2.3	14,303	2.9
Finance, Insurance, Real Estate	678	9.9	50,356	10.2
Professional, Scientific, Management	1,025	15.0	75,107	15.2
Edu. Services, Health Care/Social Assist.	2,072	30.3	124,338	25.1
Arts, Entertain., Recreation, Food Services	439	6.4	33,665	6.8
Other Services, Except Public Admin.	149	2.2	22,115	4.5
Public Administration	221	3.2	16,014	3.2
TOTALS	6,836	100.0	494,921	100.0

Source: 2023 American Community Survey 5-Year Estimates (Tables S2401, S2405)

Data from the New Jersey Department of Labor and Workforce Development indicates that there was an average total of 5,060 private sector jobs located in Oakland during 2023. This represents jobs located in Oakland, not the occupational characteristics of Oakland's residents.

Table 16 provides data on the sector of employment of 5,060 private jobs located within the Borough of Oakland. Of these jobs, 784 or 15.5 percent were classified as "Manufacturing." An additional 623 jobs or 12.3 percent were classified as "Retail Trade," 615 jobs or 12.2 percent were classified as "Wholesale Trade," and an additional 611 or 12.1 percent were classified as "Health/Social." These four employment sectors account for about 52.1 percent of all jobs located within the

Borough of Oakland. All other sectors for which data was provided accounted for less than 7.0 percent of all jobs.

While the New Jersey Department of Labor and Workforce Development has provided information on the sector of employment for 90.8 percent of the private jobs located within the Borough of Oakland, it has not disclosed sector of employment for about 9.2 percent of the 5,060 private jobs located within the Borough. Typical reasons why the New Jersey Department of Labor and Workforce Development would not provide the number of jobs in a particular sector include the presence of only one or very few employers in a particular sector, or the presence of a very limited number of jobs in a sector. In such cases, the New Jersey Department of Labor and Workforce Development withholds information so as to not release what could be perceived as confidential information.

Table 16
PRIVATE EMPLOYMENT BY SECTOR, 2023
Borough of Oakland

<u>Employee Sector</u>	<u>Borough</u>	
	<u>Number</u>	<u>Percent</u>
Mining	Undisclosed	Undisclosed
Utilities	Undisclosed	Undisclosed
Construction	327	6.5
Manufacturing	784	15.5
Wholesale Trade	615	12.2
Retail Trade	623	12.3
Transportation/Warehousing	80	1.6
Information	Undisclosed	Undisclosed
Finance/Insurance	129	2.6
Real Estate	32	0.6
Professional/Technical	248	4.9
Management	Undisclosed	Undisclosed
Admin/Waste Remediation	335	6.6
Education	233	4.6
Health/Social	611	12.1
Arts/Entertainment	Undisclosed	Undisclosed
Accommodations/Food	344	6.8
Other Services	206	4.1
Unclassified	22	0.4
TOTAL	5,060	100.0

Source: New Jersey Department of Labor and Workforce Development

Residential Construction

Table 17 contains data on dwelling units authorized by building permit and demolished with a demolition permit from 2012 through 2023. This data has been obtained from the New Jersey Department of Community Affairs.

In the reported period, a total of 42 new units were created and 19 units were demolished, resulting in a net increase of 23 units. The average annual net change in the reported period was slightly more than 1.9 units.

Table 17

NEW DWELLING UNITS AUTHORIZED BY BUILDING PERMIT & HOUSING UNITS
DEMOLISHED: 2012 - 2023
Borough of Oakland

<u>Year</u>	<u>New Units</u>	<u>Demolitions</u>	<u>Net Increase</u>
2012	4	2	2
2013	4	0	4
2014	2	1	1
2015	4	2	2
2016	4	2	2
2017	4	0	4
2018	1	0	1
2019	5	8	-3
2020	4	0	4
2021	4	0	4
2022	1	3	-2
2023	5	1	4
TOTALS	42	19	23

Source: "Development Trends Viewer." State of New Jersey Department of Community Affairs, September 16, 2024. Accessed February 4, 2025.
https://www.nj.gov/dca/codes/reporter/Development_Trend_Viewer.xlsb.

Population and Household Projection

As has been previously mentioned, the Borough of Oakland's population was 12,748 at the time of the 2020 United States Census.

The North Jersey Transportation Planning Authority has released 2050 population and household projections for its constituent municipalities. The 2050 population projection for Oakland is 15,223, which represents an increase of 2,475 residents over the 2020 United States Census population of 12,748 residents. The 2050 household projection for Oakland is 5,072, which represents an increase of 716 households over the 2020 United States Census count of 4,356 households.

N.J.S.A. 52:27D-310.b require that Housing Elements and Fair Share Plans include a household projection for the next ten years. When the 2050 projections of the North Jersey Transportation Planning Authority are linearly adjusted to represent 2035 values, projections of 13,986 residents and 4,714 households result. This is summarized in Table 18.

Table 18

POPULATION AND HOUSEHOLD PROJECTION, 2015 - 2050
Borough of Oakland

<u>2020 Census Population</u>	<u>2035 Population Projection (Adjusted from 2050)</u>	<u>2050 Population Projection</u>
12,748	13,986	15,223
<u>2020 Census Households</u>	<u>2035 Household Projection (Adjusted from 2050)</u>	<u>2050 Household Projection</u>
4,356	4,714	5,072

Sources:

2020: United States Census;

2035: Calculated by T&M based on 2050 values; and,

2050: North Jersey Transportation Planning Authority.

The foregoing information has been provided for informational purposes only and in response to N.J.S.A. 52:27D-310.b.

Employment Projection

The North Jersey Transportation Planning Authority (NJTPA) has released a 2050 employment projection for the Borough of Oakland of 5,850, which represents an increase of 393 jobs over the Borough's 2023 average total of 5,457 public and private sector jobs (includes: 5,060 private sector jobs; 20 federal government jobs; and 377 local government jobs).

When the NJTPA's 2050 employment projection is linearly adjusted to represent 2035 values, an adjusted 2035 employment projection of 5,632 jobs results. This is summarized in Table 19.

Table 19
EMPLOYMENT PROJECTION, 2023 - 2050
Borough of Oakland

<u>2023</u> <u>Public and Private</u> <u>Employment</u>	<u>2035</u> <u>Adjusted Employment</u> <u>Projection</u>	<u>2050</u> <u>Employment</u> <u>Projection</u>
5,457	5,632	5,850

Sources:

2023: New Jersey Department of Labor and Workforce Development;

2035: Calculated by T&M; and,

2050: North Jersey Transportation Planning Authority.

Note: 2023 average of 5,457 public and private sector jobs + ((2050 Employment Projection of 5,850 jobs – 2023 average of 5,457 public and private sector jobs) ÷ (2050 – 2023)) × 12 years = 5,632 jobs in 2035.

The foregoing information has been provided for informational purposes only and in response to N.J.S.A. 52:27D-310.d.

Fair Share Plan

Affordable Housing Obligation

A municipality's affordable housing obligation is made up of both a present need (rehabilitation obligation) and a prospective need obligation. Obligations are calculated in time periods known as "rounds."

Previous Round obligations have either been determined by the New Jersey Council on Affordable Housing (COAH), or by Court decisions. However, pursuant to FHA 2, for Round 4 and subsequent rounds, the Department of Community Affairs (DCA) was directed to provide a non-binding calculation of regional need and municipal present and prospective need obligations in accordance with the formula contained in the Act.

DCA calculated a Round 4 present need obligation of ten units and a prospective need obligation of 306 units for the Borough of Oakland. The Borough analyzed the data that resulted in the obligation and, as permitted under the FHA 2, calculated a prospective need obligation of 252 units. The Borough adopted a binding resolution stipulating its Round 4 affordable housing obligation on January 27, 2025.

The New Jersey Builders Association (NJBA) objected to the Borough's asserted prospective need obligation. A settlement was reached between the parties for a prospective need obligation of 286 units, as memorialized in a settlement agreement dated April 8, 2025.

Oakland's affordable housing obligations are as follows:

- Prior Round (Rounds 1 & 2, from 1987-1999) Obligation: 220 Units
- Round 3 (from 1999-2025) Prospective Need Obligation: 462 Units
- Round 4 (from 2025-2035) Present Need (Rehabilitation Oblig.): 10 Units
- Round 4 (from 2025-2035) Prospective Need Obligation: 286 Units

The Borough's affordable housing obligation and the manner in which it has met and intends to meet it, is described in the following subsections.

Prior Round & Round 3 Obligations

For the purposes of the Borough's settlement with the Fair Share Housing Center, and the subsequent Round 3 Housing Element and Fair Share Plan, Oakland's Prior Round and Round 3 obligations were combined for a total of **682 units** (220 Prior Round + 462 Round 3 = 682 units)

Oakland is located in the New Jersey Highlands, with 46% of the Borough situated in the Highlands Preservation Area and 54% of the Borough in the Highlands Planning Area. The Borough generally lacks sanitary sewer infrastructure.

The Borough's Round 3 Housing Element and Fair Share Plan states the following:

"...it should be noted that Oakland does not contain the land resources necessary to fully fulfill the new construction obligation assigned to the Borough. Understanding this limitation, and consistent with Council on Affordable Housing's rules, Oakland is entitled to receive a vacant land adjustment."

The plan continues, 'In addition to lacking the land resources necessary to fully implement its new construction obligation, Oakland generally lacks the sanitary sewer infrastructure necessary to construct higher density housing. As a result of this lack of infrastructure, Oakland is entitled to a durational adjustment to its new construction obligation pursuant to COAH rules through the end of the Third Round housing cycle. ... It is anticipated the need for Oakland to receive a durational adjustment will outlive the Third Round housing cycle and continue into the Fourth Round cycle.'

Oakland's Round 3 plan correctly stated that the durational adjustment outlived the Third Round. As will be described herein, a durational adjustment continues to be necessary for the Borough in Round 4.

Oakland also received a Vacant Land Adjustment in Round 3. The VLA resulted in the calculation of a 148 unit Realistic Development Potential (RDP). The difference, 534 units, comprises the unmet need.

Oakland's settlement with Fair Share Housing Center and its adopted Round 3 Housing Element and Fair Share Plan include the following affordable housing mechanisms, as shown in Table 20, to address the Round 3 RDP.

Table 20

Round 3 Affordable Housing Mechanisms
Borough of Oakland, Bergen County

<u>Project</u>	<u>Block</u>	<u>Lot</u>	<u>Status</u>	<u>Affordable Units</u>	<u>Bonus Credits</u>	<u>Total</u>
<u>RDP Mechanisms</u>						
Municipal Sponsored Construction,	1901	14	Property Acquired	10	0	10
Bi-County	3001	1, 4, 15, 18	Intervenor Settlement & Memorandum of Agreement	27	0	27
Fanale/K. Hovnanian	4202	1-3	Under Construction	40	0	40
W. Oakland Ave. 1	1706	4.01	Ordinance Adopted	6	0	6
W. Oakland Ave. 2	1707	2	Ordinance Adopted	4	0	4
Terhune Site	1802	1	Ordinance Adopted	17	0	17
Raritan Ave. Site	4004	8, 9	Ordinance Adopted	20	0	20
Various Bonus Credits	Various	Various	Bonus Credit	0	25	25
TOTALS				124	25	149
<u>Unmet Need Mechanisms</u>						
DT-1 Zone	Various	Various	Ordinance Adopted	N/A	N/A	N/A
DT-2 Zone	Various	Various	Ordinance Adopted	N/A	N/A	N/A
Mandatory Set-Aside	Various	Various	Ordinance Adopted	N/A	N/A	N/A

It is important to note that, for those properties where ordinances have been adopted as referenced above, the lack of sewers in the Borough has impeded development.

Round 4 Present Need

The present need is a measure of overcrowded and deficient housing that is occupied by low- and moderate-income households. The present need has previously been called “rehabilitation share.” **Oakland’s Round 4 present need obligation is ten units.**

The Borough has established a rehabilitation program that is administered by Community Grants, Planning & Housing (CGP&H). The program is funded via the Borough’s Affordable Housing Trust Fund. In addition, all income-qualified Borough residents are eligible to participate in Bergen County’s Home Improvement Program. The Borough’s rehabilitation manual is included in Appendix A.

Four properties have been rehabilitated via Oakland’s Rehabilitation Program since 2022. A summary of the work completed, project funding and date of final inspection follows:

Table 21 Properties Rehabilitated Borough of Oakland, Bergen County			
<u>Case Number</u>	<u>Inspection Date</u>	<u>Funding</u>	<u>Work Completed</u>
OAK-2204	10/9/2023	\$19,800	Weatherization, Roofing, Structural System
OAK-2205	1/3/2024	\$37,100	Roofing, Structural System, Central Cooling
OAL-2308	3/5/2024	\$27,700	Weatherization, Roofing, Electrical System
OAK-2410	9/30/2024	\$28,500	Roofing, Electrical System

Round 4 Prospective Need

Oakland’s Round 4 prospective need obligation is 286 units.

The Borough is continuing its durational adjustment that was granted in Round 3. Oakland continues to lack the sanitary sewer infrastructure necessary to construct higher density housing, with the exception of three (3) small isolated individual service areas, which cannot accept additional waste flow. As indicted in the Borough's Round 3 Housing Element and Fair Share Plan, the durational adjustment was expected to extend into future rounds.

The NJ Department of Environmental Protection (NJDEP) has approved a Water Quality Management Plan Amendment (WQMPA) for Oakland. The WQMPA notes the reliance upon further agreements between Borough and the receiving sanitary treatment plant, Northwest Bergen County Utilities Authority (NBCUA), to fund the necessary infrastructure. Those agreements are currently under discussion between the respective entities.¹ Consequently, there is no planned, anticipated or even estimated date for the installation of sewer infrastructure in the Borough. Furthermore, it is expected that, were there a date for sewers to be installed in the Borough, Oakland would be aware and advised accordingly no less than a year in advance, and potentially even farther in advance.

Therefore, the Borough continues to request a durational adjustment due to lack of sewer infrastructure. Furthermore, should this status change, or potentially change, the Borough recognizes that it would revise its Housing Element and Fair Share Plan accordingly, to continue to provide for the realistic opportunity for the provision of affordable housing. The durational adjustment creates the opportunity for affordable housing at the time the necessary infrastructure becomes available.

Durational Adjustment

As indicated, the Borough requests to continue its durational adjustment pursuant to N.J.A.C 5:93-4.3. A durational adjustment is a deferral of the Borough's affordable housing obligation based on lack of infrastructure, which constrains Oakland's ability to create a realistic opportunity for the production of affordable housing.

The Borough's 2022 Housing Element states the following:

"Generally speaking, construction of attached housing requires connection to a wastewater treatment facility. The current status of sanitary sewer service in Oakland is limited to just a few discrete isolated areas of town being served by small treatment plants generally beyond their useful service life with no capacity to expand their service areas. Understanding that bringing sanitary sewer infrastructure to significant portions of the Borough is a time-consuming process, Oakland has sought and received a durational adjustment from the Court. This durational adjustment means that although Oakland has an affordable housing obligation, the discharge of this obligation must await the delivery of sanitary sewer service to the community.

¹ Per Borough Engineer, June 2025.

Therefore, Oakland's entire new construction obligation is deferred until sanitary sewer service is available. “

The Borough's settlement agreement references that sewer service is anticipated during the Round 3 time period, which ends in July 2025. While the settlement agreement was predicated on sewer service being available during Round 3, that has not come to fruition. In fact, as previously stated, there is no planned timeframe for the provision of sewer services during Round 4 (2025-2035).

The settlement agreement included the following table with information as to the sewer capacity for the Round 3 sites, with updates from the Borough Engineer:

Table 22

Potential Future Sewer Capacity per Settlement Agreement
Borough of Oakland, Bergen County

<u>Use of Sewer Capacity</u>	<u>Allocated Capacity</u>
Upgrading Three treatment plants for connection to NBCUA (completed 2024)	65,000 gpd
Connection for properties with failing septic systems nearby to downtown	Up to 393,124 gpd
Bi-County (200 units at 300 gallons per unit)	60,000 gpd
Lennar, formerly Fanale/K. Hovnanian (200 units at 300 gallons per unit). Under construction	56,250 gpd
Senior Housing site: Block 1901, Lot 14 (10 units at 225 gallons per unit)	2,250 gpd
West Oakland Ave 1: Block 1706, Lot 4.01 (40 units at 225 gallons per unit)	9,000 gpd
West Oakland Ave 2: Block 1707, Lot 2 (20 units at 225 gallons per unit)	4,500 gpd
Terhune St. site: Block 1802, Lot 1 (95 units at 300 gallons per unit)	28,500 gpd
Raritan Ave site: Block 4004, Lots 8 & 9 (140 units at 225 gallons per units)	31,500 gpd
CBD I & CBD II zones (now DT-1 and DT-2 zones)	116,250 gpd
Sub-total of allocated sewer service gallonage	766,374 gpd

It is noted that the Lennar/Fanale development was actually approved for a total of 192 residential units although the above table indicates 200 units.

Therefore, the Borough continues its request for a durational adjustment through Round 4. Should information be provided as to a schedule for sewer installation, the Borough will consider revision of its Housing Element and Fair Share Plan.

Finally, the Borough is respectfully requesting a waiver from N.J.A.C 5:93-4.3(c)(2), requiring that the municipality endorse all applications to the NJDEP or its agent to provide water and/or sewer capacity. The Borough's settlement agreement with the FSHC appears to waive this requirement for Round 3. In support of this waiver request, and to further demonstrate Oakland's commitment to the provision of affordable housing, the Borough proposes the following:

Revision of the Existing DT-1 Affordable Housing Overlay. The DT-1 Affordable Housing Overlay was approved as a Round 3 unmet need mechanism. The overlay permits mixed-used development, with a nonresidential use on the ground floor and inclusionary residential development on the second and third floors.

Presently, the overlay zone permits a residential density of 18 units per acre, with a permitted height of three stories and 44 ft. The Borough proposes to increase the permitted density to 22 units an acre, resulting in a four (4) unit per acre density increase.

Per the Borough's Round 3 settlement agreement, the DT-1 zone contains 37 acres. Therefore, the four (4) unit per acre density increase results in the possibility of another 148 potential units, of which 30 would be affordable units (assumes a 20% set-aside).

A draft ordinance, and the Borough's Zoning Map, which includes the DT-1 zone, are located in the Appendix.

Availability of Existing and Planned Infrastructure

As has been explained throughout this plan, the Borough is entitled to a durational adjustment due to a lack of sewer infrastructure.

Consideration of Lands Appropriate for Affordable Housing

Oakland anticipates that future development and growth will be tied to infrastructure improvements and the provision of sewer services in the Borough. This plan, and earlier plans, recommend growth along Ramapo Valley Road, which is the Borough's commercial core; a proposed revision to the DT-1 AHO zone is included in this area. Access to Rt. 287 is readily available from these locations.

Two property owners came forward to express a commitment to provide affordable housing in Round 4, as follows.

Block 4004, Lots 4 & 5. The attorney representing this 10.7 acre property, which functions as a farm, contacted the Borough and provided a concept plan consisting of 80 residential units (64 townhouses and 16 apartments). The subject property is not included within the approved sewer service area, and therefore, would not have sewer infrastructure, resulting in the property not being developable pursuant to affordable housing regulations. In addition, the proposed concept plan does not integrate the affordable units with the market units, which is in conflict with affordable housing regulations and practices. Therefore, the site is not suitable for the proposed use.

Block 3301, Lot 2 & Block 3401, Lots 11, 12, 19, 40, 41, 43, 57 and 58. These lots appear to comprise the “McBride” property. To date, a formal submission to the Borough has not been made on behalf of this site. A presentation was made to Borough officials, but it was for a conceptual development. This property also is outside of the sewer area, resulting in the site not being developable. Review of a concept plan, which has not been provided, would be needed for further comment.

The above properties are both outside of the sewer service area with no feasible means of connecting provided. Therefore, they are not realistic opportunities for the provision of affordable housing, and have not been included in the current plan. The Borough will consider revising its Housing Element and Fair Share Plan at such time that either property presents a realistic plan that includes the necessary infrastructure.

Consistency with the State Development and Redevelopment Plan

The 2001 New Jersey State Development and Redevelopment Plan (SDRP) contains a series of smart growth goals and policies, and mapping that reflects desired growth patterns within a series of state planning areas.

As provided in the SDRP, the majority of the area of Oakland that is located in the Highlands Planning Area is also situated within the SDRP Planning Area 1, which is also known as the Metropolitan Planning Area. The Borough’s DT-1 AHO zone is located in Planning Area 1. Within the Metropolitan Planning Area, the SDRP’s intention is to:

- Provide for much of the State’s future redevelopment;
- Revitalize cities and towns;
- Promote growth in compact forms;
- Stabilize older suburbs;
- Redesign areas of sprawl; and
- Protect the character of existing stable communities.

Additionally, it is noted that the 2001 SDRP outlines several policy objectives for the Metropolitan Planning Area, including:

- Land Use: Promote redevelopment and development in cores and neighborhoods of centers and in nodes that have been identified through cooperative regional planning efforts. Promote diversification of land uses, including housing where appropriate, in single-use developments and enhance their linkages to the rest of the community. Ensure efficient and beneficial utilization of scarce land resources throughout the Planning Area to strengthen its existing diversified and compact nature.
- Housing: Provide a full range of housing choices through redevelopment, new construction, rehabilitation, adaptive reuse of nonresidential buildings, and the introduction of new housing into appropriate nonresidential settings. Preserve the existing housing stock through maintenance, rehabilitation and flexible regulation.

Execution of this Housing Element and Fair Share Plan and, therewith, promotion of affordable housing development in the Metropolitan Planning Area would be consistent with the intent and aforementioned policy objectives of said planning area.

SDRP Update

It is noted that as of the preparation of this Housing Element and Fair Share Plan, the State of New Jersey was in the process of updating the SDRP. While a draft of an updated SDRP was released for public review and comment in December 2024, its finalization and adoption are not anticipated to occur before late 2025 or early 2026. Thus, the 2001 SDRP remained in effect as of the preparation and adoption of this Housing Element and Fair Share Plan.

Notwithstanding the above, it is noted that the draft SDRP incorporates the same planning areas as the 2001 SDRP and associated mapping indicates that the Borough would remain in the Metropolitan Planning Area.

In addition to the above, it is noted that the draft SDRP includes several “State Planning Goals.” One of these goals relates to housing and includes the following core objectives:

- Increase the Construction of Diverse Housing Types and the Amount of Affordable Housing: Promote varied housing options for all income levels, including rentals, starter homes, senior housing, and market-rate units in transit-rich and mixed-income communities.
- Focus on Retaining Residents and Increasing Sustainability: Support inclusionary zoning, green building standards, and Transit-Oriented Development, while reinforcing fair housing practices and preventing the displacement of residents.
- Address Housing Needs of Diverse Demographics: Facilitate multi-generational households, senior housing, and adaptable options to ensure all residents can age in place and access affordable housing.

- Promote Regional Housing Balance: Encourage diverse housing development in areas with strong job markets, educational opportunities, and other amenities which support socio-economic mobility and integrate communities.

Based on its continuation of the same planning areas as outlined in the 2001 SDRP and its promotion of affordable housing, it is concluded that this Housing Element and Fair Share Plan is generally consistent the draft SDRP.

Compliance with the Highlands

For municipalities located within the jurisdiction of the Highlands Water Protection and Planning Council, N.J.S.A. 52:27D-310.h requires an analysis of compliance of the Housing Element and Fair Share Plan with the Highlands Regional Master Plan for 1) lands in the Highlands Preservation Area; and 2) lands in the Highlands Planning Area when the municipality is a Highlands-conforming municipality.

The Borough of Oakland is in both the Highlands Preservation Area and the Highlands Planning Area. However, the Borough is not a Highlands-conforming municipality with regard to the Highlands Planning Area. Thus, it is not required to address compliance of the Housing Element and Fair Share Plan with the Highlands Regional Master Plan for lands located within the Highlands Planning Area.

With regard to lands located within the Highlands Preservation Area, it is noted that all but one of the areas associated with fair share compliance mechanisms are located in the Highlands Planning Area. The one area associated with a fair share compliance mechanism that is located in the Highlands Preservation Area is: Block 3001, Lots 1, 4, 15 and 18. These properties are collectively referred to in this Housing Element and Fair Share Plan as the “Bi-County” site. Said site is subject to a Court-approved Settlement Agreement that was executed in 1991, prior to the adoption of the Highlands Act in 2004. N.J.S.A. 13:20-23 stipulates that nothing in the Highlands Act shall affect protections provided through a grant of substantive certification or a judgment of repose granted prior to the date of its enactment. While a Court-approved Settlement Agreement is not technically a substantive certification or judgement of repose, there is a strong foundation for the application of N.J.S.A. 13:20-23 in the case of the Bi-County site.

Notwithstanding the above, it is noted that this Housing Element and Fair Share Plan requests a durational adjustment through Round 4. A durational adjustment is a deferral of the Borough’s affordable housing obligation based on lack of sewer infrastructure, which constrains Oakland’s ability to create a realistic opportunity to produce affordable housing. Based on the above, it is unlikely that the Bi-County site would be developed during Round 4 unless sewer infrastructure becomes available.

Minimums & Maximums

The FHA2 stipulates certain requirements within C.52:27D-311.k(10)1. Oakland is claiming a durational adjustment, which is a deferral of its affordable housing obligation, for Round 4. Oakland's plan includes a revision to the DT-1 Overlay to increase the permitted density. It is noted that such a density increase meets the following as described.

- A maximum of 30% of the affordable housing units, exclusive of any bonus credits, to address its prospective need affordable housing obligation, may be addressed with age restricted housing. The Borough's plan conforms. No Round 4 units are age-restricted housing.
- A minimum of 50% of the actual affordable housing units, exclusive of bonus credits, created to address its prospective need obligation must be satisfied with the creation of housing available to families with children. All units proposed for the Round 4 overlay zone are available to families with children.
- A minimum of 25% of the actual affordable housing units, exclusive of bonus credits, created to address its prospective need obligation, must be satisfied with the creation of rental housing. It is expected that all potential units created through the revisions to the DT-2 overlay zone would be rental units.

Multigenerational Housing Continuity

In 2021, the New Jersey Senate and General Assembly of the State of New Jersey enacted C.52:27D-329.20, which established the Multigenerational Family Housing Continuity Commission.

The commission's responsibilities include preparing and adopting recommendations on how to best advance the goal of "enabling senior citizens to reside at the homes of their extended families, thereby preserving and enhancing multigenerational family continuity, through the modification of State and local laws and policies in the areas of housing, land use planning, parking and streetscape planning, and other relevant areas." The commission members and associated staff shall conduct research, obtaining public input, and adopt recommendations on how to most effectively advance the goal of enhancing multigenerational family housing continuity.

The Borough of Oakland's Round 4 Housing Element and Fair Share Plan includes a durational adjustment. Notwithstanding the lack of available infrastructure, the plan encourages inclusionary development in the Borough's downtown area, along Ramapo Valley Road. An age-restricted development was also included in Oakland's Round 3 plan. Finally, the Borough's rehabilitation program, while open to all income

qualified households, assists senior citizens “aging in place” by providing financial support to maintain and upgrade their homes.

Oakland’s Senior Center is located on Lawlor Drive. The Borough offers comprehensive and robust programming for its seniors, including social, educational and health related events. Referrals to social service agencies, neighbor assistance programs and transportation assistance is also provided. Therefore, the Borough’s ordinances advance the goals of preserving multifamily generational continuity.

Conclusion

Oakland lacks available infrastructure to provide for its affordable housing obligation, and, therefore, is eligible to continue its durational adjustment. The Borough is proposing to increase density in an overlay zone in an effort to formalize its commitment to providing its fair share of affordable housing. The majority of the Borough’s affordable housing mechanisms are located within the Highlands Planning Area and the SDRP Planning Area 1.

All affordable units will conform to necessary rules, legislation and regulations, including but not limited to bedroom distribution and income distribution. At least 13% of all affordable housing units will be available to very low income households. This plan addresses Oakland’ affordable housing obligation within the confines of sound planning, and while respecting its environmental and infrastructure constraints and development characteristics.

Appendices

This report contains the following appendices.

Appendix A: Rehabilitation Manual

Appendix B: Affordable Housing Ordinance & Affirmative Marketing Plan. The Borough’s existing ordinance, affirmative marketing plan and mandatory set-aside ordinance are included. Modifications will be made as needed to comply with any future Round 4 requirements.

Appendix C: Development Fee Ordinance. The Borough’s existing ordinance is included. Modifications will be made as needed to comply with any future Round 4 requirements.

Appendix D: Resolutions Appointing the Municipal Housing Liaison and Administrative Agent.

Appendix E: Draft Ordinance– DT-1 Zone Revision and zoning map.

Appendix F: Spending Plan

Appendix A: Rehabilitation Manual

Home Improvement Program

Policies and Procedures Manual

Borough of Oakland

New Jersey

Created May 27, 2022

NJHMFA promulgated emergency rules to UHAC in December 2024 and will be finalizing rule in 2025. Manual will be updated when final rules are published in fall of 2025.

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Home Improvement Program

Policies & Procedures Manual

I. INTRODUCTION

The purpose of this document is to establish policies, guidelines and procedures which will govern the Home Improvement Program (HIP). The HIP was created by the Borough to assist properties occupied by very low, low and moderate-income households to correct all existing interior and exterior health, safety and code violations in conformity with the standards of the New Jersey State Housing Code, N.J.A.C. 5:28 and the Rehabilitation Subcode, N.J.A.C. 5:23-6. Additionally, the HIP was designed to fulfill Oakland's rehabilitation obligation, as described in the Borough's Settlement Agreement with Fair Share Housing Center (FSHC) dated August 11, 2020. The HIP is guided by N.J.A.C. 5:93-5.2 and is subject to all laws, regulations, ordinances, and codes of the New Jersey Department of Community Affairs (DCA) and the Borough of Oakland ¹. The Borough of Oakland contracted with Community Grants, Planning & Housing LLC (CGP&H), a private consulting firm specializing in the implementation of publicly-funded housing rehabilitation programs, to manage and administer the HIP. The Program's funding source will be municipal affordable housing trust funds. If the funding source changes, the manual will be updated to reflect the change as well as changes to regulation requirements, if any.

A. Fair Housing and Equal Housing Opportunities

It is unlawful to discriminate against any person making application to participate in the housing rehabilitation/home improvement programs or rent a unit with regard to race, creed, color, national origin, ancestry, age, marital status, affectional or sexual orientation, familial status, disability, nationality, sex, gender identity or expression or source of lawful income used for mortgage or rental payments.



For more information on discrimination or if anyone feels they are a victim of discrimination, please contact the New Jersey Division on Civil Rights at 1-866-405-3050 or <http://www.state.nj.us/lps/dcr/index.html>. Fair Housing and Equal Housing Opportunities apply to both owner and tenant applications.

¹ The HIP is guided by N.J.A.C. 5:93 except for the length of affordability controls for both owner- and renter-occupied (10 years, not six (6) years) and except for the required minimum average hard cost expenditure (\$10,000, not \$8,000).

II. ELIGIBLE PARTICIPANTS

A. Program Area

The HIP is a Borough wide program currently aimed at scattered site housing rehabilitation of housing occupied by very low, low and moderate-income households throughout the Borough of Oakland.

B. Categories of Participants

Both owner-occupied and renter-occupied housing units are eligible to receive funding for rehabilitation provided that the occupants of the units are determined to be income eligible, the units are determined to be substandard and for primary residency only. Owners of rental properties do not have to be income eligible households. If a structure contains two or more units and an owner, who is not income eligible, occupies one unit, funding may be provided for the rehabilitation of the rest of the units if income-eligible households occupy those units. Rents must be affordable to low- or moderate-income households.

For housing units which received past affordable housing state credit, the following rules for repeat assistance shall apply.

- An owner of a previously rehabbed unit may apply for current rehab assistance if the unit was rehabbed prior to 2010 and the affordability period has expired.
- An owner of an existing affordable deed restricted ownership unit with an active deed restriction that is currently meeting a Round 1 or Round 2 credit may apply for current rehab assistance for the municipality to obtain a Round 3 present need credit, unless the affordable housing deed restriction received a new affordable housing credit during Round 3 due to extended controls.
- Housing units which the municipality received an affordable housing credit in Round 3 in any category are not eligible for additional assistance from the Borough's housing rehabilitation program during Round 3.

Basically, a municipality cannot double dip credits on a unit within the same affordable housing Round.

C. Income Limits

Household income is defined as the combined annual income of all family members over 18 years of age including wages, Social Security, disability insurance, unemployment insurance, pensions, dividend/interest income, alimony, etc. Each unit's total household income must fall within or below the State's moderate-income limits based on family size.

Since the 2015 NJ Supreme decision declaring COAH nonfunctioning, it is now left to the local court vicinages to approve income, sales and rental increases using similar methodologies that were employed by COAH.

The income limits and applicable methodology are in Appendix B, and the plan for properly amending median incomes and rental increases every year going forward until or unless COAH or another state entity becomes functional again is also included in Appendix B at the end of this manual. The Program Administrator will ensure that the annual chart in Appendix B is updated whenever updates become available.

If at any time, COAH (or a successor administrative agency duly empowered by an amendment to the Fair Housing Act) begins to issue updated annual income limits and rules for increasing sales prices and rent levels each year, said updated income limits and rules for increasing sales prices and rent levels each year may be used instead of the methodology set forth herein.

D. Application Selection

At program start-up, and if and when the homeowner intake demand exceeds the number of openings, applications will be prioritized based on the reported income of the household as a percentage of the maximum allowable income for households of that size. This will give priority to the lowest income applicants and assist the municipality in reaching its goal of providing assistance to a minimum of 50% of the properties comprising of low income households. Otherwise, the Program will process new applicants added to the waiting list/applicant pool on a first-come, first served basis, to qualified applicants. If and when there is a waiting list, priority will be given to homeowners with less than \$200,000 in liquid assets. Assets in federally recognized retirement accounts do not apply to the liquid asset limit. The HIP will establish the waiting list from the program marketing efforts identified in Section IX of this manual.

Emergency Processing Order

Properties with safety and/or health hazards, confirmed/certified as an emergency by the municipal Construction Official or Health Department, can by-pass the first-come, first served process however they must meet all the other program requirements including income eligibility and bringing the unit up to code.

The Program Administrator shall determine that an emergency situation exists based on the following:

- A. The repair problem is an immediate and serious threat to the health and safety of the building's residents
- B. The problem has been inspected and the threat verified by the appropriate local building inspector and/or health official

Depending on the type and extent of the emergency and with the homeowner's permission, the Program may by-pass the standard bid process outlined in *Section V sub-section N* to expedite the bid/contractor selection process. Instead the Program may have a proven qualified contractor familiar with the Program present at the initial property inspection with the homeowner to count as the contractor's site visit. This will allow for a quick turn-around on emergency scope of work to be contracted on a single quote basis. To be awarded the emergency work, the contractor's quote must be determined to be a reasonable cost based on the Program Inspector's cost estimate and the contractor must commit to a tight timeline to resolve the emergency situation. This emergency process may apply to heavily leaking roofs, inoperable heating systems during the winter months, immediately hazardous electrical systems and/or blocked sewer lines unresolvable to unclog via a simple service call for under \$1,000.

Please note that the loan agreement will state that if the homeowner takes the emergency funds to abate the safety/health hazards and then subsequently decides to voluntarily remove themselves from participation in the Borough's Home Improvement Program to complete the non-emergency substandard code violation components of their project, essentially negating any opportunity for the municipality to gain credit for a fully rehabilitated home for this unit, those public funds used for the emergency shall be immediately due and payable back to the Borough.

To address this potential, any homeowner receiving emergency funds will also be required to execute a statement indicating that the Borough will place a lien on the property assisted for the Borough to recapture the emergency funds, to be repaid with interest, based on the monthly average mortgage loan commitment rates at the time of closing in the event of noncompliance.

III. ELIGIBLE ACTIVITIES

A. Eligible Improvements

The purpose of the program is to bring substandard housing up to code. In order to qualify for participation in the program, the condition of each home must be certifiable as being "substandard" as defined in N.J.A.C. 5:93-1.3.

In other words, at least one of the following major systems must be in need of replacement or substantial repair:

- Roof
- Plumbing (including wells)
- Heating
- Electrical
- Sanitary plumbing (including septic systems)
- Load bearing structural systems
- Weatherization (building insulation for attic, exterior walls and crawl space, siding to improve energy efficiency, replacement storm windows and storm doors and replacement windows and doors)

The related work may include, but not be limited to the following:

- Lead paint remediation
- Interior trim work
- Interior and/or exterior doors
- Interior and/or exterior hardware
- Interior stair repair
- Exterior step repair or replacement
- Porch repair
- Wall surface repair
- Painting
- Exterior rain carrying system repair

B. Ineligible Improvements

Work not eligible for program funding includes but is not limited to luxury improvements (improvements which are upgrades/higher than mid-grade and/or strictly cosmetic), carpets, additions, conversions (basement, garage, porch, attic, etc.), repairs to structures separate from the living units (detached garage, shed, barn, etc.), furnishings, pools, landscaping, solar panels and generators. If determined unsafe, stoves may be replaced. The replacement or repair of other appliances is prohibited.

Rehabilitation work performed by property owners shall not be funded under this program.

C. Rehabilitation Standards

Funds are to be used for work and repairs required to make the unit standard and abate all interior and exterior violations of the New Jersey State Housing Code (N.J.A.C. 5:28), the Rehabilitation Subcode (N.J.A.C. 5:23-6), and the Borough's local property maintenance code (Chapter 10-3 adopted by Ordinance) (of which the more restrictive requirements will apply), conserve energy and remove health and/or safety hazards; and any other work or repairs, including finishing and painting, which are directly related to the above listed objectives. For projects that require construction permits, the rehabilitated unit shall be considered complete at the date of final approval pursuant to the Uniform Construction Code.

Municipal rehabilitation investment for hard costs shall average at least \$10,000 per unit, and include the rehabilitation of at least one major system, as previously defined under eligible improvements.

D. Certifications of Substandard/Standard

The Program Building Inspector will inspect the property to determine which systems, if any, are substandard in accordance with sub-section A above and issue a Certification of Substandard. Upon program construction completion, all code deficiencies noted in the inspection report must be corrected and rehabilitated units must be in compliance with the standards proscribed in sub-section C above upon issuance of a municipal certificate of completion/approval.

IV. FUNDING TERMS FOR OWNER OCCUPIED AND INVESTOR OWNED UNITS

Funding will be provided on the following terms:

A. Terms and Conditions for Owner Occupied Units**Table 1 Owner-Occupied Single Family Home Terms & Conditions**

Owner-Occupied Single Family Unit Terms and Conditions of Loan	
Minimum Loan Amount	The municipality may rehabilitate substandard units that require less than \$10,000 of work, provided the municipal rehabilitation activity shall average at least \$10,000 per unit.
Maximum Loan Amount	\$30,000 per unit
Interest Rate	0% (No monthly payments)
Payment Terms:	100% forgivable if homeowner maintains occupancy and title during the 10-year period. Original Principal is due if house is sold and/or title/occupancy changes years 1 through 10 except for <i>Exceptions to Loan Repayment Terms</i> section below.
Mechanism for Securing Loan	Mortgage and Mortgage Note recorded against property

If the owner decides to sell the property, transfer title, or if the owner should die before the terms of the lien expire, the owner, heirs, executors or legal representatives must repay 100% of the original loan per the schedule above upon a title change. Rental of house is allowable under certain conditions subject to approval by the Administrative Agent.

Exceptions to Loan Repayment Terms above during the lien period:

1. If the loan transfers due to inheritance by a Class A beneficiary who will take occupancy upon death of Program mortgagee/Borrower and assume the lien (income eligibility not a requirement); or if by inheritance by a qualified income eligible non-Class A beneficiary, or
2. If the house is sold at an affordable price pursuant to UHAC to someone who can be qualified as income eligible, takes occupancy and agrees to assume the program lien, or
3. If the house is sold at an affordable price pursuant to UHAC to an investor who assumes the lien and also signs a deed restriction for the remaining duration of the affordability period to rent the dwelling at the affordability controls restricted rental rate and according to the affirmative marketing requirements for re-rentals. When this occurs, the Borough's Administrative Agent will be responsible for monitoring compliance over that unit.

When a trustee of a trust deed ownership of a single-family property is the applicant occupant of the property, the owner-occupied category terms apply.

B. Terms and Conditions on Owner-Occupied Multi-Family Rental Units

Table 2 Owner-Occupied Multi-Family Home Terms & Conditions

Owner-Occupied Multi-Family Including Tenant Unit(s) Terms and Conditions of Loan	
Minimum Loan Amount	The municipality may rehabilitate substandard units that require less than \$10,000 of work, provided the municipal rehabilitation activity shall average at least \$10,000 per unit.
Maximum Loan Amount	\$20,000 per unit
Interest Rate	0% (No monthly payments)
Payment Terms	100% forgivable if homeowner maintains occupancy and title during the 10 year period. Original Principal is due if not in compliance with affordability controls. Rental restrictions transfer with property. See Restrictions below.
Mechanism for Securing Loan	Mortgage, Mortgage Note and Deed Restriction recorded on property

The assisted housing unit(s) must be occupied by and affordable to a household that is certified as an income eligible household as per either the latest Income Limits by Region, or in compliance with the municipality's Settlement Agreement and Court Order, whichever is applicable

The owner will execute a Mortgage, Mortgage Note, and Deed Restriction, the latter which guarantees the continued availability of the rental unit to low or moderate-income households for the terms of the ten-year deed restricted affordability period. The affordability terms for the rental units do not expire even if the owner sells the property, transfers title to the property, or dies within the ten-year program deed restricted affordability period.

Moreover, if Program funds were expended on the owner-occupied unit, and the homeowner sells, transfers title, dies or is not in compliance during the ten-year deed restricted affordability period, unless ownership is transferred to another low or moderate-income homeowner, any Program funds expended on work done on the owner's individual unit along with a pro-rata

portion of the shared improvements must be fully repaid to the Borough and used to rehabilitate another housing unit.

Additionally, for rental units in a multi-family owner-occupied home:

For tenant units, the maximum permitted rent is pursuant to UHAC and subject to annual adjustment. If a unit is vacant upon initial rental subsequent to rehabilitation, or if a renter-occupied unit is re-rented prior to the end of controls on affordability, the Deed Restriction shall require the unit to be rented to a low- or moderate- income household at an affordable rental price and will be affirmatively marketed by the Borough designated Administrative Agent, in accordance with the Borough of Oakland Affordable Housing Affirmative Marketing Plan. Landlords are responsible to pay income certification fees and affirmative marketing cost for re-rentals.

For information regarding future rental increases: Please refer to Section VIII C of this manual.

When a trustee of a trust deed ownership of a multi-family property is the applicant occupant of the property, the multi-family category terms apply.

C. Terms and Conditions on Investor-Owned Multi-Family Rental Units

Table 3 Investor-Owned Terms & Conditions

Investor-Owned Multi-Family Unit Terms and Conditions of Loan	
Minimum Loan Amount	Per N.J.A.C. 5:93-5.2, the municipality may rehabilitate substandard units that require less than \$8,000 of work, provided the municipal rehabilitation activity shall average at least \$10,000 per unit.
Maximum Loan Amount	\$20,000 per rental unit
Interest Rate	0% (No monthly payments)
Payment Terms	Owner pays 25% of rehab cost at construction agreement signing. 75% balance forgiven if in compliance with rental restrictions. The 25% rehab cost is waived for non-profit corporation rentals, if any. Rental restrictions transfer with property. See restrictions below.
Mechanism for Securing Loan	Mortgage, Mortgage Note and Deed Restriction recorded against property

The ten-year affordability controls against the property will be recorded in a Deed Restriction. The property owner agrees to abide by the rental affordability controls for the life of the Deed Restriction. Additionally, the following conditions apply:

The assisted housing unit(s) must be occupied by and affordable to a household that is certified as an income eligible household as per either the latest Income Limits by Region, or in compliance with the municipality's Settlement Agreement and Court Order, whichever is applicable and as designated by unit in the Deed Restriction. The maximum permitted rent is determined by the Borough's Administrative Agent and is pursuant to UHAC and subject to annual adjustment. A copy of the income figures for 2021, and the methodology for going forward, until the reinstitution of COAH or another state entity performing this function is included in Appendix B of this document.

Throughout the ten year affordability controls, if a rental unit is vacant upon initial rental subsequent to rehabilitation, or if a renter-occupied unit is re-rented prior to the end of controls on affordability, the Deed Restriction shall require the unit to be rented to a low- or moderate-income household(as designated by unit in the Deed Restriction) at an affordable price and will be affirmatively marketed in accordance with the Borough of Oakland Affordable Housing Affirmative Marketing Plan by the Borough's current Administrative Agent at the rates and terms defined within that Agreement. Landlords are responsible to pay income certification fees and affirmative marketing costs for re-rentals.

The owner will execute a Mortgage, Mortgage Note and Deed Restriction, the latter which will guarantee the continued availability of the unit to income eligible households for the terms of the ten-year lien affordability period.

Throughout the ten-year deed restrictive period, the affordability terms do not expire even if the owner sells the property, transfers title to the property, dies, or rents to other than low or moderate-income renters, before the terms of the lien expire.

Life estate deed ownership falls under the investor category. Additionally, when a trustee of a trust deed ownership is not the applicant occupant of the property, the investor terms apply.

D. Special Needs Waivers for Higher Cost Rehabilitation Projects

In cases of housing rehabilitation costs exceeding the program maximum loan amounts listed in applicable Tables 1, 2 and 3 above:

- The Program will attempt to negotiate with lowest qualified bidding contractor to lower bid price.
- The Program will review scope of work to omit work items without jeopardizing code status.
- The Program will get confirmation of whether or not the homeowner can contribute personal funding. It will be mandatory for households with more than \$30,000 in liquid assets to contribute personal funding for the difference rather than obtain a special needs waiver.
- If needed, the Program will attempt to partner with other possible funding sources such as the Low Income Home Energy Assistance Program (LIHEAP) or the Bergen County Home Improvement Program.
- The Program reserves the right to make an exception and allow the expenditure of up to an additional \$10,000 per unit to address code violations. Households with more than thirty thousand dollars in liquid assets will not be considered for additional funding but rather will be required to contribute personal funding for the difference. The Borough will consider other situations for special needs waivers. Individual files will be reviewed on a case-by-case basis. Upon Program and Borough approval, a Special Needs Funding Limit Waiver may be issued.
- If no viable options, the case will have to be terminated.

E. Use of Recaptured Program Funds

All recaptured funds will be deposited into a Oakland Borough affordable housing trust fund in accordance with N.J.A.C. 5:93-8.15

V. IMPLEMENTATION PROCESS

A. Application/Interview

For each prospective applicant, this process starts with a homeowner either submitting an online preliminary application or the Housing Rehabilitation Specialist pre-qualifies the interested homeowner by phone, whichever is the homeowner's preference. The information is entered in the program applicant pool/waiting list. If the homeowner passes the preliminary criteria review, program information, guidelines, and an application package will be mailed or emailed to the applicant when their name is reached in the program's waiting list. Each prospective applicant is to complete the application and return it to the Housing Rehabilitation Specialist, along with the required verification documents. Upon receipt of the completed application package, a case file will be opened for the applicant and a case file number will be assigned to the unit. The Housing Rehabilitation Specialist will be available via a direct phone line to assist applicants during this

and all other phases of the process. Additionally, as needed, a Housing Rehabilitation Specialist will be available for face to face prescheduled appointments. Once a case is assigned a number, the cases are processed in the order of receipt of completed applications.

B. Eligibility Certification

To be eligible for assistance, households in each unit to be assisted must be determined to be income eligible. All adult members, 18 years of age and older, of both the owner household and tenant household (if any) must be fully certified as income-eligible before any assistance will be provided by the Program. The HIP will income qualify applicant, and when applicable tenant, households in accordance with N.J.A.C. 5:93-9 and the Uniform Housing Affordability Controls (UHAC) at N.J.A.C. 5:80-16.1 et seq., except for the asset test.

The following is a list of various types of wages, payments, rebates and credits. Those that are considered as part of the household's income are listed under Income. Those that are not considered as part of the household's income are listed under Not Income.

C. What is Considered Income

The following income sources are considered income and will be included in the income eligibility determination:

- Wages, salaries, tips, commissions
- Alimony
- Regularly scheduled overtime
- Pensions
- Social security
- Unemployment compensation (verify remaining eligible number of weeks)
- TANF (Temporary Assistance For Needy Families)
- Verified regular child support
- Disability
- Net income from business or real estate
- Interest income from assets such as savings, certificates of deposit, money market accounts, mutual funds, stocks, bonds
- Imputed interest (using a current average annual rate of two percent) from non-income producing assets, such as equity in real estate. Rent from real estate is considered income, after deduction of any mortgage payments, real estate taxes, property owner's insurance.
- Rent from real estate is considered income
- Any other forms of regular income reported to the Internal Revenue Service

D. What is Not Considered Income

The following income sources are not considered income and will not be included in the income eligibility determination:

- Rebates or credits received under low-income energy assistance programs
- Food stamps
- Payments received for foster care
- Relocation assistance benefits
- Income of live-in attendants
- Scholarships
- Student loans
- Personal property such as automobiles
- Lump-sum additions to assets such as inheritances, lottery winnings, gifts, insurance settlements
- Part-time income of dependents enrolled as full-time students
- Court ordered payments for alimony or child support paid to another household shall be deducted from gross annual income

E. How to Verify Income

To calculate income, the current gross income of the applicant is used to project that income over the next 12 months. Income verification documentation should include, but is not limited to the following for each and every member of a household who is 18 years of age or older:

1. Four current consecutive pay stubs, including bonuses, overtime or tips, or a letter from the employer stating the present annual income figure or if self-employed, a current Certified Profit & Loss Statement and Balance Sheet.
2. A signed copy of regular IRS Form 1040 (Tax computation form), 1040A or 1040EZ (as applicable) and state income tax returns filed for the last three years prior to the date of interview or notarized tax waiver letter for respective tax year(s)- A Form 1040 Tax Summary for the past three tax years can be requested from the local Internal Revenue Service Center or by calling 1-800-829-1040.
3. If applicable, a letter or appropriate reporting form verifying monthly benefits such as:

- Social Security or SSI – Current award letter or computer printout letter
 - Unemployment – verification of Unemployment Benefits
 - Welfare -TANF current award letter
 - Disability - Worker's compensation letter or
 - Pension income (monthly or annually) – a pension letter
4. A letter or appropriate reporting form verifying any other sources of income claimed by the applicant, such as alimony or child support – copy of court order or recent original letters from the court (includes separation agreement or divorce papers) or education scholarship/stipends – current award letter;
 5. Reports from the last two consecutive months that verify income from assets to be submitted by banks or other financial institutions managing savings and checking accounts (bank statements and passbooks), trust funds, money market accounts, certificate of deposit, stocks or bonds (In brokerage accounts – most recent statements and/or in certificate form – photocopy of certificates), whole life insurance. Examples include copies of all interest and dividend statements for savings accounts, interest and non-interest bearing checking accounts, and investments;
 6. Evidence or reports of income from directly held assets, such as real estate or businesses owned by any household member 18 years and older.
 7. Interest in a corporation or partnership – Federal tax returns for each of the preceding three tax years.
 8. Current reports of assets – Market Value Appraisal or Realtor Comparative Market Analysis and Bank/Mortgage Co. Statement indicating Current Mortgage Balance. For rental property attach copies of all leases.

F. Additional Income Verification Procedures

1. Student Income

Only full-time income of full-time students is included in the income calculation. A full-time student is a member of the household reported to the IRS as a dependent who is enrolled in a degree seeking program for 12 or more credit hours per semester; and part-time income is income earned on less than a 35-hour workweek.

2. Income from Real Estate

If real estate owned by an applicant for affordable housing is a rental property, the rent is considered income. After deduction of any mortgage payments, real estate taxes, property owner

insurance and reasonable property management expenses as reported to the Internal Revenue Service, the remaining amount shall be counted as income.

If an applicant owns real estate with mortgage debt, which is not to be used as rental housing, the Program Housing Rehabilitation Specialist should determine the imputed interest from the value of the property. The Program Housing Rehabilitation Specialist should deduct outstanding mortgage debt from the documented market value established by a market value appraisal. Based on current money market rates, interest will be imputed on the determined value of the real estate.

G. Other Eligibility Requirements

Applicant to submit the following in the application package:

- Copy of current Homeowner's insurance declarations page (not the policy or receipt);
- Proof of flood insurance, if property is located in a flood zone;
- Copy of recorded deed to the property to be assisted;
- If deed co-holder resides at another location, provide proof of same (driver's license, etc);
- If widow or widower, copy of spouse's Death Certificate;
- Receipt for paid property taxes;
- Proof that all mortgage payments and, when applicable, Homeowner Association (HOA) Fees are paid current;
- Copy of any and all other liens recorded against the property;
- Personal identification (a copy of any of the following: Driver's License, Passport, Birth Certificate, Social Security Card, Adoption Papers, Alien Registration Card, etc.); and
- Original of signed Eligibility Release form.

Properties for sale are ineligible for program assistance as well as any property the homeowner plans to sell within the next two years.

H. Requirements of Property Taxes and Municipal Utilities Paid Current

All applicants' property tax accounts and municipal utilities accounts must be paid current. Individual files will be reviewed on a case-by-case basis. Upon approval by the appropriate municipal officials and the Program, a Special Needs Eligibility Requirements Waiver may be issued.

I. Sufficient Equity and Carrying Cost

Additionally, to be determined eligible, there must be sufficient equity in the home to cover the program lien. In other words, the market value of the house must be greater than the total of the existing liens and anticipated program lien combined. For the sake of this rule, the market

value of the home will be calculated using the municipality's assessed value divided by the equalization ratio. All existing property liens (mortgage, home equity loan, etc.) are then deducted from the calculated house value to determine the current property equity. The Borough may consider a Special Needs Waiver approved by the municipality on a case-by-case basis for limited equity, but not for negative equity. Additionally, the applicant's income shall be sufficient to meet the carrying costs of the unit or the homeowner is to demonstrate how the unit's carrying costs are funded. This will be reviewed on a case-by-case basis.

J. House Conditions:

All areas of the house must be readily accessible, uncluttered, and clean. This is in anticipation of the Program Inspector and contractors needs of proper and sanitary access for inspections and construction work progress.

If there are any repairs or renovations currently being undertaken on the home by others or the homeowner or done within the last few years that require or required municipal permits, the work must be completed and the permits closed out prior to the homeowner applying to the Program.

K. Eligibility Scenarios of Multi-Family Structures

Several possibilities exist concerning the determination of eligibility in a multi-family structure.

Scenario 1. The Program Administrator determines that the owner is income eligible and the renters in each unit are income eligible. In this case, all of the units are eligible for rehabilitation.

Scenario 2. The Program Administrator determines that the owner is income eligible, but the renters are not. In this case, only the landlord's unit is eligible for rehabilitation. If a home improvement is undertaken which affects all the units in the house (e.g., replacement of a roof), the HIP will only cover a prorated percentage of the cost. For example, in a two-family home with units of approximately equal size, only 50% of the cost of roof replacement will be covered. Where units differ by more than 10% in size, the proration should be based on percentage of square footage within each unit compared to the total interior square footage of all other units in the structure. Shared common areas should not be counted in the denominator for the pro rata calculation.

Scenario 3. The Program Administrator determines that the owner is not income eligible, but the renters are. In this case, the rental units are eligible for rehab, but the owner's is not. If a rehab activity is undertaken which affects all of the units in the house (e.g., replacement of roof), the HIP will only cover a prorated percentage of the cost. For example, in a four-family home, only 75% of the cost of roof replacement would be covered. Where units differ in size, the proration is based on percentage of square footage.

If any of the conditions above apply to a particular applicant's case, CGP&H sends a letter that explicitly identifies which of the units is eligible for rehabilitation, as well as specifies any applicable percentage of the hard costs of rehabilitation between the Program and the homeowner. The homeowner's monetary contribution is to be paid prior to the start of construction at the preconstruction conference in the form of a money order or certified check made payable to the contractor. The payment is held by the Program until the work is satisfactorily completed, at which time the Program will release the payment to the contractor.

L. Eligibility Certification

After the Program Administrator has determined that the household is income eligible and meets all other eligible requirements, the Program Manager will complete and sign the Eligibility Certification. This certification is valid for 180 days starting from date of eligibility certification. A Construction Agreement must be signed within this time period. If not, the Program Administrator must reevaluate the household's eligibility.

After the household is certified as income eligible, the Homeowner/Program Agreement will be executed between the owner and the program.

If an applicant is determined ineligible, for any reason, the Program will issue a Notice of Ineligibility explaining the reason for the ineligibility determination and case termination.

M. Housing Inspection/Substandard Certification/Work Write Up/Cost Estimate

The Program Inspector will perform a comprehensive inspection to determine what work items are necessary to bring the home up to code, as identified in section III C. Photos will be taken at the comprehensive inspection to document existing conditions. As a result of the comprehensive inspection, the Program Inspector will prepare a work write-up and cost estimate. All repairs needed to bring the home up to code will be identified. To the extent that the budget may permit, home weatherization will also be included. This work write-up will include a breakdown of each work item by category and by location in the house. The work write-up will contain information as to the scope of work and specifics on materials such as type, quantity and cost. A total cost estimate will be calculated for each housing unit. Improvements approved under the Program shall be based on the cost of mid-grade fixtures and materials. No upgrades from this standard shall be allowed. Only eligible rehab work will be funded by the Program. In the event that not all items can be accomplished due to program funding caps, the Program Inspector will establish a priority repair system which addresses the code violations before the non-code violations. The HIP's policy is to create Work Write-Ups and Cost Estimates that fall within the HIP funding caps. In unusual hardship cases and when the cost to correct all code violations exceeds the program funding limit, the HIP will seek the homeowner's monetary contribution. If the

homeowner is unable to contribute funds or obtain funds from another funding source, the HIP will request additional funds from Oakland.

For houses built prior to 1978, refer to Section VII Lead Base Paint (LBP).

N. Contractor Selection

The homeowner, with the approval of the Program Inspector, will select the contractor. The Housing Rehabilitation Specialist will provide the homeowner with a copy of the work write up and the Program Contractor List. The homeowner will complete the Work Write-Up Review Form indicating review and approval of the work write-up and advising of any contractors currently on the Program Contractor List that the homeowner does not wish to have notified of the availability of the bid package. If the homeowner wishes to solicit a bid from a contractor not currently on the Program Contractor List, the homeowner will provide the contractor's name, address and telephone number on the Work Write-Up Review Form. Any contractors that have not been previously qualified are eligible to participate but must submit their qualifications as well as their bid in the bid package.

The Housing Rehabilitation Specialist will notify at least three (3) currently active contractors that a bid package for the property is available. Each contractor must contact the Housing Rehabilitation Specialist to obtain a full bid package and the contractor must submit a bid to the Housing Rehabilitation Specialist by the submission deadline (usually within three (3) weeks of the date of the bid notification letter). All submitted bids will be opened and recorded by the Program Administrator at a meeting open to all interested parties.

The submitted bids will be reviewed by the homeowner and the Program Inspector. Generally, the lowest responsible bid from a qualified contractor will be chosen. If the homeowner selects a higher bid, he/she must pay the difference between the chosen and the lowest responsible bid.

The Housing Rehabilitation Specialist will email the following documentation to the Borough Administrator for review and approval:

- Bid Tabulation sheet of all bids received
- Awarded contractor's bid including completed Contractor Award Checklist
- Awarded contractor's Play to Pay form

For each contractor's first award in a calendar year, the Housing Rehabilitation Specialist will provide the municipal applicable staff with the awarded contractor Business Registration Certificate (BRC) and W-9 form.

O. Pre-Construction Conference/Contract Signing

The Program Inspector will conduct a pre-construction conference with the homeowner and contractor. Prior to the pre-construction conference the homeowner will be provided with copies of the loan documents and the Construction Agreement and the contractor will be provided with a copy of the Construction Agreement for review. At the time of the pre-construction conference, the scope of work will once again be reviewed. The homeowner and contractor responsibilities will also be reviewed, as well as the Program's construction procedures and program limitations. The homeowner and contractor will each sign the Construction Agreement and receive copies. The homeowner will sign and receive copies of the Mortgage and Mortgage Note in the amount of the HIP subsidy. For rental properties, the property owner will also sign the Deed Restriction (COAH form Appendix E-3).

If the homeowner is providing any funds for the rehabilitation of his/her home, those funds must be provided at the time of the pre-construction conference in the form of a certified check or money order made payable to the contractor. The check will be held by the Program and will be applied towards the contractor's first progress payment.

The contractor will be provided with information regarding the Lead-Based Paint Poisoning Prevention Act (4a.USC 483 1 (b)). The homeowner will be advised of the hazards of lead base paint in houses built prior to 1978 and provided with the EPA booklet Renovate Right. Both contractor and homeowner will each sign the respective Certifications. Additionally, for houses built prior to 1978, Section VII Lead Base Paint (LBP) applies.

Following the pre-construction conference, the Housing Rehabilitation Specialist will provide the Borough with a copy of the Construction Agreement which includes an itemized price list of the work.

It is the contractor's responsibility to ensure all required permits are applied for prior to the start of construction and, if applicable, at the time of any change orders.

The construction permitting process is handled by the municipality's Construction office.

P. Borough Purchase Order and Contractor Payment Voucher

Upon contractor award decision, the Borough will execute a blanket purchase order to commit the funds. The Borough will provide the "department" copy to the Housing Rehabilitation Specialist for case file retention. The Borough will provide the "vendor" copy to the contractor for the contractor records. The contractor does not sign the blanket purchase order.

The Borough payment voucher for each payment to the contractor will be signed by the contractor at time of payment request. The process for the municipal payment voucher is further explained below in Section V subsection T. *Payment Structure and Process*.

Q. Progress Inspections

The Program Inspector will make the necessary inspections of the progress of property improvements. Inspections are necessary to ensure that the ongoing improvements coincide with the scope of work outlined in the work write-up. It is the contractor's responsibility to notify the Program Inspector when a minimum of 40% of the total contract work is completed. The Program Inspector will schedule the inspection with the homeowner, at which time the Program Inspector will also obtain verbal confirmation from the homeowner that the work is ready for inspection.

If work passes the satisfactory progress inspection, the Housing Rehabilitation Specialist will follow the procedures spelled out in Section V subsection T *Payment Structure and Process* to process a contractor's progress payment request.

The Program Inspector will notify the contractor and the homeowner in writing of any work deficiencies discovered during the progress inspection. Work deficiencies must be corrected prior to the contractor's request for the next inspection.

For houses built prior to 1978, a work item marked EPA RRP Rule cannot be paid for until the contractor provides a post renovation report to the Program. Refer to Section VII Lead Base Paint (LBP) for the EPA regulation.

R. Change Orders

If it is determined during rehabilitation that a change from the original work write-up is required, a Program Change Order Authorization form must be completed and approved by the homeowner, the contractor and the Program. The Housing Rehabilitation Specialist will forward the executed change order to the Borough.

The contractor will be notified by the Housing Rehabilitation Specialist of the results, and no change order work should be undertaken by the contractor until he has received a copy of the fully executed Change Order Authorization or the contractor risks non-payment for the change order work.

S. Final Inspection

Prior to requesting a final inspection, it is the contractor's responsibility to:

- Properly close out all the permits and to provide proof of closed out permits to the Housing Rehabilitation Specialist via the municipal Certificate of Approval;

- Deliver to the homeowner a complete release of all liens arising out of the Construction Agreement, a receipt in full covering all labor, materials and equipment for which a lien could be filed or a bond satisfactory to the owner indemnifying owner against any lien; and;
- Provide the homeowner with all applicable warranties for items installed and work completed during the course of the rehabilitation.

Once the contractor has provided the Housing Rehabilitation Specialist with all required job closeout forms, the contractor will be responsible to request the Program's final inspection. The Program Inspector will schedule the final inspection with the homeowner, at which time the Program Inspector will also obtain verbal confirmation from the homeowner that the rehabilitation work has been completed and is ready for inspection. The Program Inspector will then conduct a final inspection to certify that the required property improvements are complete. The homeowner will be present during the final inspection and the contractor will be present if there are issues to resolve.

Construction progress on work line items will be inspected and considered for payment. If the work passes satisfactory final inspection, the Housing Rehabilitation Specialist will follow the procedures spelled out in Section V subsection T. *Payment Structure and Process* to process the contractor's final payment request.

For houses built prior to 1978, a work item marked EPA RRP Rule cannot be paid for until the contractor provides a post renovation report to the program. Refer to Section VII Lead Base Paint (LBP) for the EPA regulation.

If the Program Inspector identifies any work deficiencies during the final inspection, the Program Inspector will notify the contractor and the homeowner of the deficiencies in writing and the value of said deficiencies will be deducted from the final payment request. Work deficiencies discovered during the final inspection will require the Program Inspector to conduct a subsequent inspection upon contractor's correction of deficiencies. The Rehabilitation Program reserves the right to hold the contractor responsible to pay the cost of any additional inspections beyond the final inspection at a rate of \$350 per inspection for prematurely requesting the final inspection with the work not 100% completely done in a workman-like manner. Additional inspections are those in excess of the one progress inspection and the final inspection which are needed to inspect corrected deficiencies. The contractor must issue the failed final inspection penalty payment directly to CGP&H via a check prior to the Program Inspector scheduling and repeating the final inspection process. CGP&H will notify the municipality each time a penalty is levied.

The Program lien period will commence upon satisfactory completion of the final inspection. Photographs will be taken of the rehabilitated housing unit by the Program Inspector at the time of the satisfactory final inspection.

T. Payment Structure and Process

The Borough will issue all payments, which will be made according to the following schedule:

One progress payment (representing a minimum of 40% of total contract work completed) will be paid. Upon completion of one hundred percent (100%) of the rehabilitation work, the contractor is eligible for final payment of the contract price.

Upon a satisfactory program inspection, the Housing Rehabilitation Specialist will coordinate for the contractor to sign the Borough voucher to match the inspection approved payment. Upon receipt of the signed voucher and confirmation that all contractor's documents have been submitted according to program procedures, the Housing Rehabilitation Specialist will submit to the Borough:

- Program's Request for Payment form with Owner's and Program's written approval
- The Borough voucher signed by the contractor for the current payment amount
- Copy of change order, if one occurred

The Borough retains the right to make payments to the contractor without homeowner approval should the homeowner become unavailable to sign the Program contractor payment form due to illness or absence. In such instance, the Program shall make reasonable attempts to contact the homeowner. If such efforts are not successful within a two-week period from the final inspection date, the Program shall advise the Borough, provide documentation of efforts to obtain homeowner approval, and may authorize contractor payment without homeowner sign-off, to not hold up payment rightfully due to the contractor.

The Housing Rehabilitation Specialist is to submit the contractor payment request to the Municipal Housing Liaison at least one week in advance of the Council meeting, and, if acceptable, the payment request will be placed on the upcoming Bill List agenda. The Borough will forward to the Housing Rehabilitation Specialist a copy of the executed payment to the contractor for case file records.

Upon job completion, the combined Borough payments will total the Construction Agreement, including all applicable change order(s) if any, and minus owner contribution, if any. The combined Borough payments will also match the total amount of the Borough Vouchers. Progress and final payments will be made payable to the contractor.

U. Standard Certification

A Certificate of Approval issued by the municipal construction official at the time the contractor closes out the rehabilitation construction permits, will confirm the scope of rehabilitation work has been completed and that the housing unit is now up to code standard. The contractor is to provide the Certificate of Approval to the Housing Rehabilitation Specialist when requesting the final inspection. The Housing Rehabilitation Specialist will ensure that a copy of the Certificate of Approval is placed in the case file.

V. Record Mortgage Documentation

At construction completion, the Housing Rehabilitation Specialist will forward the executed mortgage to the Borough's Attorney for recording. The Borough will immediately file the mortgage with the County Clerk. For rental properties, the Deed Restriction will also be recorded.

W. File Closing

The Housing Rehabilitation Specialist will close the homeowner's file after the final payment is made and the mortgage, and when applicable, Deed Restriction is/are returned from the County with recorded date, book and page.

The Housing Rehabilitation Specialist will send the homeowner a case closeout letter explaining the warranty period, importance of program documents for personal record keeping, explaining the homeowner's responsibility to continue to maintain the home, providing the homeowner with a home maintenance checklist as guidance, thanking the owner for program participation, and encouraging him/her to recommend the program to other households in the community and, when applicable, reminding owner of the affordable housing rental requirements listed in the program lien documents and deed restriction.

X. Requests for Subordination or Program Loan Payoff

Oakland may agree to subordination of its lien if the mortgage company supplies an appraisal showing that the new loan plus the balance(s) on all unpaid loans (including the value of the rehabilitation assistance) does not exceed ninety-five (95%) of the appraised value of the unit. If the homeowner is simply refinancing their primary mortgage to a lower interest rate and not "cashing out" any equity, Oakland will subordinate up to 100% of the appraised value.

Subordination requests are to be directed to the Borough's Attorney. No processing fee to the homeowner.

VI. CONTRACTOR REQUIREMENTS AND RECRUITMENT

A. Marketing

The Program will coordinate with the Borough to advertise the availability of construction work on the Borough's website and display a contractor outreach poster and handouts in the municipal building, including the local construction office. Additionally, CGP&H will reach out to home improvement contractors registered with Consumer Affairs who are geographically near or in Oakland. If determined needed, additional outreach will be conducted in the local newspapers and through the posting of community notices. As necessary, the Program will advertise the availability of construction work by posting information at local building supply dealers. All interested contractors will have the opportunity to apply for inclusion on the Program Contractor List, which will be made available for the homeowner's use in selecting rehabilitation contractors. The contractor outreach material will also be posted on CGP&H's website.

B. Contractor Qualifications

To qualify, contractors must meet the following minimum requirements:

- Contractors must carry at least \$1,000,000 in general liability insurance. The Contractor shall carry full workmen's compensation coverage including Employer's Liability limits of at least \$500,000 and statutory state coverage for all his/her employees and those of his/her subcontractors engaged in program rehab work. The Contractor must provide the Housing Rehabilitation Specialist with a certificate of insurance naming the Program as Certificate Holder, and naming the Municipality and CGP&H as additional insureds at time of Program job award; and
- At least three favorable references on the successful completion of similar work; and
- The Contractor's State Business Registration Certificate; and
- Current Consumer Affairs Home Improvement Contractor license; and
- Applicable lead certifications for contractors working on houses built prior to 1978. As identified in the scope of work, the contractor must comply with the EPA Renovation, Repair and Painting (RRP) Rule regarding certification; and
- If claiming prior experience with local, state or federally funding housing rehabilitation programs, a record of satisfactory performance in a neighborhood rehabilitation program or other federal/state programs; and

- Appropriate licenses; e.g. plumbing, electrical.

Contractors must also complete a Contractor Qualification Form. The contractor's qualifications will be reviewed and the references cited will be checked by the Program Inspector before the contractor is awarded a job.

VII. Lead Based Paint (LBP):

For houses built prior to 1978, contractors must comply with the Environmental Protection Agency Renovation, Repair and Painting Rules (40 CFR Part 745) when any work item is marked with (EPA-RRP Rule) in the work specifications. The requirements are spelled out in the General Conditions of the work specifications.

The Program may refer homeowners of houses built prior to 1978 to the NJ Department of Community Development Lead-Safe Home Remediation Program and HUD Lead-Based Paint Hazard Reduction Program, both found at this link <https://www.nj.gov/dca/divisions/dhcr/offices/leadsafe.html> for lead-based paint hazards remediation needs.

VIII. Rental Procedures:

Rental units are subject to the Uniform Housing Affordability Controls (UHAC) at N.J.A.C.5-80:26.1 et. seq. once the rental units are rehabilitated. In addition to the mortgage and mortgage note, the controls on affordability shall be in the form of a deed restriction.

- If a unit is vacant, upon initial rental subsequent to rehabilitation, or if a renter-occupied unit is re-rented prior to the end of controls on affordability, the deed restriction shall require the unit be rented to an income eligible household at an affordable rent and affirmatively marketed pursuant to UHAC.
- If a unit is renter-occupied, upon completion of the rehabilitation, the maximum rate of rent shall be the lesser of the current rent or the maximum permitted rent pursuant to UHAC.
- Rental Increases: See section VIII C, below.

The municipality's Administrative Agent will administer the rental affordability controls during the 10-year affordability period for each rental property assisted. Landlords are responsible to pay income certification fees for re-rentals.

A. Determining Initial Affordable Rents

The initial maximum affordable rent for a rehabilitated unit is determined by the program staff based on several NJ rules and regulations. The Administrative Agent will make every attempt to price initial rents to average fifty-two percent (52%) of the median income for the household size appropriate to the sized unit within each individual project (N.J.A.C. 5:80-26.3 (d)). Thirty percent (30%) (N.J.A.C. 5:80-26-12 (a)) of that figure is considered the "maximum base rent." Subtracted from the maximum base rent is the cost of all tenant-paid utilities as defined and calculated by the HUD Utilities Allowance figures (updated annually). The remainder becomes the maximum initial rent for that unit. The Home Improvement Program staff can provide potential applicants/landlords with a reasonable estimate of what the maximum base rent will be on their rental unit if they elect to participate in the program.

B. Pricing by Household Size

Initial rents are based on the number of legal bedrooms in each unit. Initial rents must adhere to the following rules.

Table 4 Initial Rental Pricing by Housing Size

Size of Unit	Household Size Used to Determined Max Rent
Studio/Efficiency	1
1 Bedroom	1.5
2 Bedrooms	3
3 Bedrooms	4.5
4 Bedrooms	6

- A studio shall be affordable to a one-person household;
- A one-bedroom unit shall be affordable to a one- and one-half person household;
- A two-bedroom unit shall be affordable to a three-person household;
- A three-bedroom unit shall be affordable to a four- and one-half person household; and
- A four-bedroom unit shall be affordable to a six-person household.

The above rules are only to be used for setting initial rents.