

Appendix 4: 2020 Jersey City, NJ HUD Metro FMR Rents and HOME Rents

U.S. DEPARTMENT OF HUD
STATE: NEW JERSEY

----- 2020 HOME PROGRAM RENTS -----

PROGRAM	EFFICIENCY	1 BR	2 BR	3 BR	4 BR	5 BR	6 BR
Warren County, NJ HUD Metro FMR Area							
LOW HOME RENT LIMIT	845	963	1163	1344	1500	1655	1809
HIGH HOME RENT LIMIT	845	963	1171	1463	1641	1887	2133
For Information Only:							
FAIR MARKET RENT	845	963	1171	1463	1641	1887	2133
50% RENT LIMIT	905	970	1163	1344	1500	1655	1809
65% RENT LIMIT	1156	1241	1491	1714	1893	2069	2246
Atlantic City-Hammondon, NJ MSA							
LOW HOME RENT LIMIT	726	778	933	1079	1203	1328	1452
HIGH HOME RENT LIMIT	872	993	1193	1369	1508	1645	1782
For Information Only:							
FAIR MARKET RENT	872	1028	1305	1745	1980	2277	2574
50% RENT LIMIT	726	778	933	1079	1203	1328	1452
65% RENT LIMIT	925	993	1193	1369	1508	1645	1782
Bergen-Passaic, NJ HUD Metro FMR Area							
LOW HOME RENT LIMIT	933	1000	1200	1386	1546	1706	1865
HIGH HOME RENT LIMIT	1151	1280	1538	1768	1953	2136	2320
For Information Only:							
FAIR MARKET RENT	1151	1377	1623	2023	2481	2853	3225
50% RENT LIMIT	933	1000	1200	1386	1546	1706	1865
65% RENT LIMIT	1194	1280	1538	1768	1953	2136	2320
Jersey City, NJ HUD Metro FMR Area							
Remember to deduct from rent the utility allowance for tenant paid utilities!	863	925	1110	1281	1430	1578	1725
LOW HOME RENT LIMIT	1103	1183	1421	1633	1803	1970	2138
For Information Only:							
FAIR MARKET RENT	1292	1439	1691	2107	2291	2635	2978
50% RENT LIMIT	863	925	1110	1281	1430	1578	1725
65% RENT LIMIT	1103	1183	1421	1633	1803	1970	2138
Middlesex-Somerset-Hunterdon, NJ HUD Metro							
LOW HOME RENT LIMIT	1046	1120	1345	1553	1733	1912	2091
HIGH HOME RENT LIMIT	1193	1382	1727	1987	2196	2405	2614
For Information Only:							
FAIR MARKET RENT	1193	1382	1770	2228	2572	2958	3344
50% RENT LIMIT	1046	1120	1345	1553	1733	1912	2091
65% RENT LIMIT	1340	1438	1727	1987	2196	2405	2614
Monmouth-Ocean, NJ HUD Metro FMR Area							
LOW HOME RENT LIMIT	957	1026	1231	1422	1587	1751	1914
HIGH HOME RENT LIMIT	1088	1270	1578	1815	2005	2194	2383
For Information Only:							
FAIR MARKET RENT	1088	1270	1639	2251	2523	2901	3280
50% RENT LIMIT	957	1026	1231	1422	1587	1751	1914
65% RENT LIMIT	1225	1314	1578	1815	2005	2194	2383

For all HOME projects, the maximum allowable rent is the HUD calculated High HOME Rent Limit and/or Low HOME Rent Limit.

Effective Date: July 1, 2020

Appendix 5: HUD Utility Allowance Limits

6/22/2020

https://tools.huduser.gov/husm/allowance_schedule.html

Office of Policy Development and Research (PD&R)
U.S. Department of Housing and Urban Development
Secretary Ben Carson



Allowances for Tenant-Furnished Utilities and Other Services

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing

Locality ZIP07305 - Jersey City, NJ		Green Discount None		Unit Type Lowrise Apartment Building (2-4 units)			Date 06/22/2020
Utility/Service		Monthly Dollar Allowances					
Utility/Service	Utility/Service	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR
Space Heating	Natural Gas	\$39	\$44	\$47	\$50	\$52	\$55
	Bottle Gas	n/a	n/a	n/a	n/a	n/a	n/a
	Electric Resistance	\$48	\$56	\$71	\$86	\$100	\$115
	Electric Heat Pump	\$34	\$40	\$47	\$53	\$59	\$65
	Fuel Oil	n/a	n/a	n/a	n/a	n/a	n/a
Cooking	Natural Gas	\$2	\$3	\$4	\$5	\$7	\$8
	Bottle Gas	n/a	n/a	n/a	n/a	n/a	n/a
	Electric	\$8	\$10	\$14	\$19	\$23	\$28
	Other	n/a	n/a	n/a	n/a	n/a	n/a
Other Electric		\$39	\$46	\$63	\$81	\$99	\$117
Air Conditioning		\$11	\$13	\$19	\$25	\$31	\$36
Water Heating	Natural Gas	\$7	\$8	\$12	\$16	\$19	\$23
	Bottle Gas	n/a	n/a	n/a	n/a	n/a	n/a
	Electric	\$26	\$31	\$40	\$49	\$59	\$68
	Fuel Oil	n/a	n/a	n/a	n/a	n/a	n/a
Water		n/a	n/a	n/a	n/a	n/a	n/a
Sewer		n/a	n/a	n/a	n/a	n/a	n/a
Trash Collection		n/a	n/a	n/a	n/a	n/a	n/a
Range/Microwave		n/a	n/a	n/a	n/a	n/a	n/a
Refrigerator		n/a	n/a	n/a	n/a	n/a	n/a
Other – specify		n/a	n/a	n/a	n/a	n/a	n/a

* The schedule above has allocated any monthly fees from tariffs into the 1st instance where they are selected in the Actual Allowance section. Be sure to apply monthly fees correctly to allowances with a different utility profile!

6/22/2020

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Allowances for Tenant-Furnished Utilities and Other Services

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing

Locality ZIP07305 - Jersey City, NJ		Green Discount None		Unit Type Larger Apartment Building (5+ units)			Date 06/22/2020
Utility/Service		Monthly Dollar Allowances					
Utility/Service	Utility/Service	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR
Space Heating	Natural Gas	\$27	\$30	\$33	\$36	\$40	\$43
	Bottle Gas	n/a	n/a	n/a	n/a	n/a	n/a
	Electric Resistance	\$35	\$40	\$52	\$64	\$76	\$88
	Electric Heat Pump	\$26	\$31	\$37	\$42	\$46	\$51
	Fuel Oil	n/a	n/a	n/a	n/a	n/a	n/a
Cooking	Natural Gas	\$2	\$3	\$4	\$5	\$7	\$8
	Bottle Gas	n/a	n/a	n/a	n/a	n/a	n/a
	Electric	\$8	\$10	\$14	\$19	\$23	\$28
	Other	n/a	n/a	n/a	n/a	n/a	n/a
Other Electric		\$32	\$37	\$52	\$67	\$81	\$96
Air Conditioning		\$10	\$12	\$17	\$22	\$27	\$32
Water Heating	Natural Gas	\$6	\$7	\$9	\$12	\$15	\$18
	Bottle Gas	n/a	n/a	n/a	n/a	n/a	n/a
	Electric	\$21	\$25	\$32	\$39	\$47	\$55
	Fuel Oil	n/a	n/a	n/a	n/a	n/a	n/a
Water		n/a	n/a	n/a	n/a	n/a	n/a
Sewer		n/a	n/a	n/a	n/a	n/a	n/a
Trash Collection		n/a	n/a	n/a	n/a	n/a	n/a
Range/Microwave		n/a	n/a	n/a	n/a	n/a	n/a
Refrigerator		n/a	n/a	n/a	n/a	n/a	n/a
Other – specify		n/a	n/a	n/a	n/a	n/a	n/a

* The schedule above has allocated any monthly fees from tariffs into the 1st instance where they are selected in the Actual Allowance section. Be sure to apply monthly fees correctly to allowances with a different utility profile!

6/22/2020

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Allowances for Tenant-Furnished Utilities and Other Services

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing

Locality ZIP07305 - Jersey City, NJ		Green Discount None		Unit Type Single Family House			Date 06/22/2020
Utility/Service		Monthly Dollar Allowances					
Utility/Service	Utility/Service	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR
Space Heating	Natural Gas	n/a	n/a	n/a	n/a	n/a	n/a
	Bottle Gas	n/a	n/a	n/a	n/a	n/a	n/a
	Electric Resistance	n/a	n/a	n/a	n/a	n/a	n/a
	Electric Heat Pump	n/a	n/a	n/a	n/a	n/a	n/a
	Fuel Oil	n/a	n/a	n/a	n/a	n/a	n/a
Cooking	Natural Gas	n/a	n/a	n/a	n/a	n/a	n/a
	Bottle Gas	n/a	n/a	n/a	n/a	n/a	n/a
	Electric	n/a	n/a	n/a	n/a	n/a	n/a
	Other	n/a	n/a	n/a	n/a	n/a	n/a
Other Electric		n/a	n/a	n/a	n/a	n/a	n/a
Air Conditioning		n/a	n/a	n/a	n/a	n/a	n/a
Water Heating	Natural Gas	n/a	n/a	n/a	n/a	n/a	n/a
	Bottle Gas	n/a	n/a	n/a	n/a	n/a	n/a
	Electric	n/a	n/a	n/a	n/a	n/a	n/a
	Fuel Oil	n/a	n/a	n/a	n/a	n/a	n/a
Water		\$41	\$43	\$55	\$74	\$92	\$111
Sewer		\$15	\$15	\$15	\$15	\$15	\$15
Trash Collection		n/a	n/a	n/a	n/a	n/a	n/a
Range/Microwave		n/a	n/a	n/a	n/a	n/a	n/a
Refrigerator		n/a	n/a	n/a	n/a	n/a	n/a
Other – specify		n/a	n/a	n/a	n/a	n/a	n/a

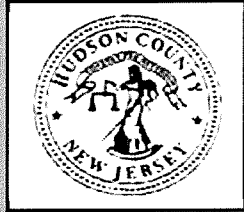
* The schedule above has allocated any monthly fees from tariffs into the 1st instance where they are selected in the Actual Allowance section. Be sure to apply monthly fees correctly to allowances with a different utility profile!

Appendix 6: Calculating Income Eligibility

<https://www.hudexchange.info/resource/786/technical-guide-for-determining-income-and-allowances-for-the-home-program/>

Appendix 7: Rental Compliance Monitoring Guide

Hudson County
Division of Housing and
Community Development



HOME Program
Rental Compliance Manual



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INTRODUCTION

This manual is a reference guide for the administration of the HOME Rental Program. It is intended to answer questions regarding procedures, rules and regulations that govern HOME properties. The manual should be used in conjunction with, and as a supplement to 24 CFR Part 92 and part 200 regulations. If a determination is made that any provision of this manual is in conflict with the regulations, 24 CFR, Part 92 and Part 200 will govern.

HOME funded rental projects are subject to a number of rules designed to ensure that rental housing produced with HOME funds is affordable to households earning below 60% Area Median Income, at the time that it is first developed, and for a determined affordability period. This manual is designed to guide owners and agents in establishing and maintaining compliance with the HOME and Regulatory requirements associated with the allocation of HOME funds.

This manual is not intended to be all-inclusive. Compliance is **always** the responsibility of the development owner. HOME regulations can be located at:
<https://www.hudexchange.info/home/home-laws-and-regulations>

Questions regarding HOME compliance issues may be directed to:

Randi Moore, Division Chief
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I. OWNER'S RESPONSIBILITIES

In accordance with HOME program regulations, a development owner receiving and accepting HOME funds is required to manage the development in accordance with the HOME Final Rule and regulatory agreement. Specifically, the owner must adhere to the following requirements:

1. Ensure all HOME units are rented to income eligible tenants (Addendum 3);
2. Annually recertify tenants' income and maintain source documentation supporting income eligibility;
3. Maintain the physical building to applicable HOME property standards;
4. Ensure that the property is being managed in accordance with all applicable federal, state and local fair housing laws;
5. Assume liability for all instances of noncompliance and the correction of such deficiencies;
6. Provide the Hudson County Division of Housing and Community Development (the "Division") with reasonable access to HOME records and the HOME assisted project for the purpose of review and inspection;
7. Provide annually updated Rental & Income Verification Report (Addendum 6), Tenant Selection Plan (Addendum 5), Affirmative Fair Housing Marketing Plan (upon request, Addendum 5), and Project Financial Statement (Addendum 7) to the Division;
8. Provide annually a completed and signed Owner Certification of Compliance (Addendum 8) form to the Division;
9. List all available units and waiting lists on the Hudson Housing Finder. The Housing Finder must be incorporated into the Tenant Selection Plan.

II. RECORD-KEEPING REQUIREMENTS

The agent/owner shall establish and maintain a comprehensive system of records, books, and development accounts as well as tenant files, in a manner satisfactory to the Division.

The owner/agent bears the responsibility of maintaining and safeguarding the management and operating records of the development, such as tenant files, maintenance records and supporting documents for receipts and disbursements.

General rental housing records must be kept for five years after project completion. Tenant income, rent and inspection information must be kept for the most recent five years, until five years after the affordability period expires.

Agent/Owner must keep the following records available for review at all times:

1. A listing of the total number of residential rental units and number of bedrooms in each unit of the development;

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2. The percentage of Low (50% AMI) and High (60% AMI) HOME rent units in the development;
3. The rent charged on each unit in the development, including the utility allowance;
4. The number of occupants in each unit;
5. Income certifications/recertifications for each income eligible tenant household and sufficient documentation to support the certification.

All tenant files must include the following documents:

1. Application - A rental application that discloses household composition and income.
2. Tenant Income Certification (TIC) - An original certificate, signed by the owner/management agent with the appropriate tenant and unit information demonstrating the tenant is qualified to live in the HOME assisted unit.
3. Third-Party Verification or Source Documents - The appropriate documents verifying the information provided by the tenant for each certification and recertification.
4. Lease: The lease between the owner/agent and tenant in a HOME assisted property should be for a term of at least one year (unless otherwise agreed upon by the tenant and owner/agent), and must contain signatures of all adult household members and the owner/agent. The lease may not contain any of the HOME prohibited items listed in §92.253 which are as follows:
 - a. Agreement to be sued. Agreement by the tenant to be sued, to admit guilt, or to a judgment in favor of the owner in a lawsuit brought in connection with the lease;
 - b. Treatment of property. Agreement by the tenant that the owner may take, hold, or sell personal property of household members without notice to the tenant and a court decision on the rights of the parties. This prohibition, however, does not apply to an agreement by the tenant concerning disposition of personal property remaining in the housing unit after the tenant has moved out of the unit. The owner may dispose of this personal property in accordance with State law;
 - c. Excusing owner from responsibility. Agreement by the tenant not to hold the owner or the owner's agents legally responsible for any action or failure to act, whether intentional or negligent;
 - d. Waiver of notice. Agreement of the tenant that the owner may institute a lawsuit without notice to the tenant;
 - e. Waiver of legal proceedings. Agreement by the tenant that the owner may evict the tenant or household members without instituting a civil court proceeding in which the tenant has the opportunity to present a defense, or before a court decision on the rights of the parties;

- f. Waiver of a jury trial. Agreement by the tenant to waive any right to a trial by jury;
- g. Waiver of right to appeal court decision. Agreement by the tenant to waive the tenant's right to appeal, or to otherwise challenge in court, a court decision in connection with the lease;
- h. Tenant chargeable with cost of legal actions regardless of outcome. Agreement by the tenant to pay attorney's fees or other legal costs even if the tenant wins in a court proceeding by the owner against the tenant. The tenant, however, may be obligated to pay costs if the tenant loses; and
- i. Mandatory supportive services. Agreement by the tenant (other than a tenant in transitional housing) to accept supportive services that are offered.

III. HOME RENTS

The Regulatory Agreement for each development will set the required rent levels. In some instances the Regulatory Agreement is more restrictive than overall HOME program requirements and will be the ruling standard. Every HOME-assisted unit is subject to rent controls based on the number of bedrooms in the unit. These maximum rents are referred to as HOME Rents.

There are two levels of HOME Rents established for developments: Low HOME Rent for households earning no greater than 50% Area Median Income (AMI) and High HOME Rent for households earning between 50% and 60% AMI. Both the Low and High HOME Rents represent the maximum that tenants can pay for rent and utilities combined.

Low HOME Rents (applies to developments with five or more HOME assisted units): 20% of HOME-assisted units in projects with 5 or more units must have rents (including any allowance for tenant-paid utilities) which are less than or equal to the lesser of:

- a. 30% of the gross monthly incomes for households with 50% of area median income; or
- b. The Section 8 Fair Market Rents (Metro FMRs) for the county in which the development is located.

If the Low HOME unit receives Federal or State project-based rental subsidy and the very low-income family pays as a contribution toward rent not more than 30 percent of the family's adjusted income, then the maximum rent (i.e., tenant contribution plus project-based rental subsidy) is the rent allowable under the Federal or State project-based rental subsidy program. Units in which the tenant receives tenant-based rental assistance may not charge more than the appropriate High or Low HOME rent.

High HOME Rents: the remaining HOME-assisted units must have rents (including any allowance for tenant-paid utilities) that are less than or equal to the lesser of:

- a. 30% of the gross monthly income for households with 65% of area median income; or
- b. The FMRs for the county in which the development is located.

If the FMR is lower than the HOME Rents based on 50% and 65% of area median income, the High HOME Rent and the Low HOME Rent will be identical.

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High HOME Rent units and units in which the tenant is using tenant-based rental assistance may not charge more than the appropriate HOME rent. Tenants with rental assistance are not to be denied based on their possession of a voucher. Units may be rented to these tenants and the voucher will pay the difference between the tenant's portion of rent and the total High HOME or Low HOME rent.

HUD calculates and publishes the Low and High HOME rents annually, generally around May or June. The current rent limits are included in Addendum 2 and the Division will provide updates as they become available.

Each individual project may have additional rent restrictions agreed between the county and the owner when funded. These restrictions will be detailed in the Regulatory Agreement.

Rent Increases

Annual rent increases are permitted provided the tenant is given at least thirty (30) days written notice before rent increases are implemented. A rent increase is also subject to the provisions of the lease agreement.

The maximum allowable annual rent increase will be based on the prior calendar year's Annual 12-Month Percent Change of the Consumer Price Index-All Urban Consumers Not Seasonally Adjusted measure as published by the Bureau of Labor Statistics in the United State Department of Labor. The rent increase when applied must not result in a rent exceeding the HOME Rent Limits in effect at the time of the rent increase. In the event that the Consumer Price Index is zero or negative, no rent increases are allowed. The 2018 Annual 12-Month Percent Change of the Consumer Price Index-All Urban Consumers Not Seasonally Adjusted is +2.4%.

It is important to note that HOME Rent Limits may stay level from one year to the next and occasionally decrease. In this case, the project owner is not required to decrease rent for existing tenants.

If a project is subject to local rent control ordinance, the most restrictive allowable rent increase would apply.

Utility Allowances

The HOME Rents provide an allowance for tenant-paid utilities. When calculating the maximum rent that could be charged for a HOME-assisted unit, the development owner must subtract from the applicable High or Low HOME Rent limit, the utility allowance for that unit.

The Division will annually calculate and distribute a utility allowance schedule for HOME assisted projects around May or June to go into effect alongside the annually updated HOME Rent Limits which are released by HUD in May or June (Addendum 4).

Only LIHTC projects may use the NJHMFA issued utility allowances and a copy of the utility allowance schedule must be provided during the annual monitoring process.

IV. TENANT ELIGIBILITY & MARKETING REQUIREMENTS

At initial occupancy, owner/agents must determine whether prospective tenants of HOME-assisted units are income eligible households, no greater than 50% AMI for Low HOME Rent units and between 50% and 60% AMI for High HOME Rent units (Addendum 3).

Tenant Selection Plan

All tenants must be selected in accordance with the program's approved Tenant Selection Plan (TSP) which is to be updated annually and submitted as part of the annual monitoring process. The Tenant Selection Plan details the project's application, tenant screening, and approval process (Addendum 5).

Affirmative Fair Housing Marketing Plan

All projects must complete an Affirmative Fair Housing Marketing Plan (AFHMP) prior to initial lease up and updated at least every 5 years during the affordability period (Addendum 5). These plans are intended to promote equal housing choices for all prospective tenants in the market area regardless of race, color, religion, sex, age, creed, national origin, familial status or handicap. Marketing efforts must be intentional, monitored, and adjusted if the desired mix of applicants does not apply for residency.

V. HOME INCOME TARGETING REQUIREMENTS

For developments including five or more HOME-assisted units, at least 20% of the HOME-assisted units must be occupied by households whose annual incomes, at the time of initial occupancy, are 50% or less of area median. These very low-income tenants must occupy the units with the Low HOME Rents.

The remaining HOME-assisted units must be occupied by families with annual incomes that are 60% or less of area median. These are considered High HOME units. Development owners may agree to additional income and rent restrictions depending on the goals of their development, the marketability of their units, and the requirements of other funding sources used to develop the development. The HOME regulatory agreement will establish actual requirements.

HOME units may be "fixed" or "floating" and are designated on a development by-development basis.

Fixed Units – A designation of specific units identified as HOME assisted units.

Floating Units – A certain number of units within the HOME development are not specified by unit number or letter. Floating HOME units must match both the number of units and the unit mix (# bedrooms) represented in the development's Regulatory Agreement during the period of affordability.

VI. PERIOD OF AFFORDABILITY

Both the rent limits and income targeting requirements must be maintained during the period of affordability. The period of affordability begins the day that the day that construction is completed, which will be evidenced by Certificate of Occupancy. A Temporary Certificate of Occupancy may be accepted at the discretion of the Division.

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The length of the affordability period for HOME-assisted units depends upon the amount of HOME funds invested per unit and the agreement between the Division and the project owner. The chart below defines the minimum affordability periods, but owners should review the Regulatory Agreement for specific timeframes for each project, as the period may be longer.

HOME Investment per Unit	Minimum Affordability Period
Less than \$15,000	5 years
\$15,000-\$40,000	10 years
More than \$40,000	15 years
New Construction or acquisition of newly constructed rental housing	20 years
Refinancing of rental housing	15 years

VII. ANNUAL INCOME ELIGIBILITY RECERTIFICATION

All tenants occupying a rental unit in a HOME-funded development must be recertified annually at the time of a tenant's lease renewal. Alternatively, with Division approval the project owner may choose to recertify all tenants at the same time each year. Interim recertifications are not required under the HOME Program, although a project owner may choose to process an interim recertification at its own discretion. An interim recertification is not a replacement for the annual recertification. Annual recertifications must be effective on or before the lease renewal date, but not more than 60 days before the lease renewal.

Increases in Tenant Household Income

Tenant's household income may increase over time. Project owners are required to take certain steps to maintain compliance if increases occur during the affordability period. A project is required to maintain the total number of HOME-assisted units as described in the regulatory agreement. The project must also maintain the appropriate number of High (60% AMI) and Low HOME (50% AMI) rent units. If a tenant's household income increases over 80% of AMI, rents must be adjusted to 30% of the household's adjusted income calculation (Note: this is not the same as IRS adjusted gross income!) and the unit may change affordability designations. The process is different for fixed and floating unit projects and described below:

Fixed Unit Projects

If the income of a tenant occupying a Low HOME rent unit increases over 50% of AMI, but does not exceed 80% of AMI, that unit remains a Low Rent unit until a HOME-assisted unit can be substituted.

- In this situation, the owner may not increase the tenant's rent above the Low HOME rent limit for as long as the unit retains the Low HOME unit designation and is occupied by the income eligible tenant household whose income exceeds 50% of AMI but is below 80% of AMI.

- When a High HOME Rent unit in the property vacates, that unit must be redesignated as a Low HOME rent unit. This unit must be rented to an income eligible tenant household earning at or below 50% AMI at no more than the maximum Low HOME rent.
- Once the new Low HOME rent unit has been designated, the previous Low HOME rent unit that is occupied by the tenant between 50% AMI and 80% AMI must be redesignated as the High HOME rent unit. At this time, the owner may increase the tenant's rent to the High HOME rent, subject to the terms of the lease.

If a tenant in a Low or High HOME rent unit increases above 80% of AMI the unit this tenant occupies is still considered to be a HOME-assisted unit but the tenant's rent must be adjusted.

- Over-income tenants with incomes over 80% of AMI in a fixed unit must pay 30% of their adjusted income for rent and utilities.
- If the tenant whose income went over 80% of AMI was in a Low HOME unit and they elect to vacate the property, the new tenant must be at or below 50% of AMI and rent cannot exceed the Low HOME Rent limit
- If the tenant whose income went over 80% of AMI was in a High HOME unit and they elect to vacate the property, the new tenant must be at or below 60% of AMI and rent cannot exceed the High HOME Rent limit

Floating Unit Projects

In properties with floating units, owners can generally draw on all of the units in the property to designate High or Low HOME rent units. This means that the owner is not restricted to those units initially designated as HOME-assisted units when looking to re-designate a comparable unit as the new Low or High unit. However, the owner is not required to designate more HOME-assisted units than initially required.

If the income of a tenant occupying a Low HOME rent unit increases over 50% of AMI, but does not exceed 80% of AMI, that unit remains a Low Rent unit until a comparable unit can be substituted.

- In this situation, the owner may not increase the tenant's rent above the Low HOME rent limit for as long as the unit retains the Low HOME unit designation and is occupied by the low-income household who income exceeds 50% of AMI but is below 80% of AMI.
- To replace the Low HOME rent unit, the next available High HOME rent unit must be rented to an income eligible tenant household earning at or below 50% AMI at no more than the Low HOME rent.
- Once the new Low HOME rent unit has been designated, the previous Low HOME rent unit that is occupied by the tenant between 50% AMI and 80% AMI must be re-designated as the High HOME rent unit. At this time, the owner can increase the tenant's rent to the High HOME rent, subject to the terms of the lease.
- Note that the owner is not required to re-designate a vacated market rate unit as a HOME-assisted unit unless one of the existing HOME-assisted units is occupied by a tenant whose income is over 80% of AMI

If a tenant's income increases above 80% of AMI, the unit this tenant occupies is still considered to be a HOME-assisted unit, but the following must occur:

- The tenant's income must be adjusted and the tenant must pay 30% of their adjusted income for rent and utilities not to exceed the HUD Small Area Fair Market Rent (FMR) applicable to the unit size.

- The next available market unit in the project of comparable size or larger must be rented to a HOME-eligible household. The unit occupied by the over-income tenant is no longer considered HOME-assisted and the rent of that unit can be adjusted.

Vacated HOME-Assisted Units

When households vacate HOME-assisted units, they must be reoccupied by an eligible household in the appropriate income category to satisfy the projects HOME occupancy requirements.

VIII. FAIR HOUSING AND EQUAL OPPORTUNITY LAWS

For HOME assisted developments with five or more assisted units, HOME requires affirmative marketing. Prior to closing, properties must prepare and submit for approval to the Division an Affirmative Fair Housing Marketing Plan (AFHMP). Any changes to the approved AFHMP must be submitted to the Division for approval. The AFHMP must be updated every five years or more frequently upon request. Affirmative marketing steps consist of actions to provide information and otherwise attract eligible persons in the housing market area to the available housing without regard to race, color, national origin, sex, religion, familial status or disability.

The affirmative marketing requirements and procedures adopted must include:

1. Methods for informing the public, owners, and potential tenants about Federal fair housing laws. (e.g., the use of the Equal Housing Opportunity logotype or slogan in press releases and solicitations for owners; and written communication to fair housing and other groups)
2. Requirements and practices each owner/agent must adhere to in order to carry out the affirmative marketing procedures and requirements (e.g., display of fair housing poster and Equal Housing Opportunity Logo and slogans).
3. Procedures to be used by owner/agents to inform and solicit applicants from persons in the housing market area that are not likely to apply for housing without special outreach. (e.g., use of community organizations, places of worship, employment centers, fair housing groups, or housing counseling centers).
4. Records that will be kept describing actions taken by the owner/agent to affirmatively market units and records to assess the results of these actions.
5. A description of how the owner/agent will annually assess the success of affirmative marketing actions and what corrective actions will be taken where requirements are not met.

IX. MONITORING PROCESS

The Division's Monitoring Role

In accordance with the HOME Program Rule the Division is responsible for monitoring HOME-assisted programs to ensure ongoing program compliance throughout the compliance period.

New Projects

Prior to closing out a project the Division staff will review all HOME-assisted tenants' income eligibility, rents, leases and affirmative marketing/tenant selection procedures. This review may be completed remotely/electronically for smaller projects.

Within Twelve (12) months of closing the project in IDIS, the Division will perform the initial on-site inspection of the property and HOME-assisted units for compliance with the Division's required property standards.

After initial review the Division will monitor each project according to the process set forth below.

Existing Projects

Annually, on or about June 1st, projects will be notified of updated HOME Rents, Income Limits, and Utility allowances. Please note that this will be dependent upon when HUD publishes updates.

Annual Desk Review of Rents, Incomes, Unit Mix, Lease Terms and Financial Status

During the project's affordability period the Division will annually conduct a desk review of all HOME-assisted units in existing HOME-assisted projects for compliance with HOME Program rules. The Division will annually monitor the financial status of all HOME projects, regardless of project size annually.

Division staff will electronically send owners/agents the compliance reports and documents to be completed for submission and review. The Division will evaluate compliance with HOME Rent & Income Limits, Utility Allowances, analyze the financial performance of the project, and review tenant lease agreements.

The monitoring process is expected to be completed within 90 days from notification of monitoring, submission and review of documentation, physical inspection of the project, notice of findings (if any), and notification of compliance.

On-Site Reviews

Schedule and Sample Size

The Division will perform on-site reviews of client files and physical condition of each project based on the number of HOME-assisted units in a project. The chart below outlines how many units will be inspected:

# of HOME Assisted Units	# of Units to be Inspected
1-4	100% of units
5-20 Units	4 Units
Over 20 units	20% of units

HOME Program rules require on site monitoring including physical inspection within 12 months of a project's initial occupancy date and every three years thereafter. The Division intends to conduct on site monitoring annually and whenever there is a concern of operational deficiencies. All projects are required to submit an annual Owner Certification of Compliance (COC) that all

Revised 09/2019

HOME assisted units meet habitability standards, are occupied by income eligible households, and the project is in compliance with HOME Program rules.

On-Site File Review

The Division will review files of HOME-assisted units to verify the following:

1. Appropriate income documentation is on file and that incomes were calculated correctly and in accordance with the Part 5 methodology;
2. Rents, including documentation of utility allowances, comply with required rent limits;
3. Leases are for one year, do not contain prohibited terms and the tenants have been appropriately notified of lease renewals and rent increases; and
4. Any vacancies have been filled in a manner consistent with the project's tenant selection plan.

Onsite Property Standards Inspection

Division staff will inspect a sample of units as outlined in the chart above utilizing Housing Quality Standard Checklist HUD-52580A (Addendum 9). In addition, Division staff will inspect the site, building exterior and common areas.

Owners must correct any reported deficiencies within one month from the inspection date with the exception that any health and safety related deficiencies (e.g. fire exits, infestation, smoke detectors, elevators etc.) must be corrected immediately. A follow up inspection will be conducted to determine if the deficiencies have been corrected; however, certain non-hazardous deficiencies may not be required to be physically re-inspected if satisfactory documentation, (e.g. paid invoice of work order accompanied by photographs, etc.) is provide to the Division within one month.

Any project in which a health or safety related deficiency was identified will be required to have a physical inspection the following year.

Program Noncompliance

Should the Division find instances of noncompliance with any provision of the HOME agreements during monitoring visit or otherwise, the development owner will be immediately notified of the violation(s), and the time period allowed for correcting the violation(s).

The owner shall immediately notify the Division, in writing, if they become aware of any situation, event or condition that would result in noncompliance. Such written notice shall include an outline of steps the owner intends to take toward remedy of the infraction.

Owners shall have thirty (30) days (or such greater time as deemed necessary by the Division in its sole discretion) to correct noncompliance matters.

ADDENDUM 1: DETERMINING HOUSEHOLD INCOME

The Division requires that the definition of income found at 24 CFR Part 5, or the “Part 5” definition be used in determining client income.

Owners/agents must follow appropriate steps in determining whether a tenant is an eligible low-income tenant prior to admittance. The steps are provided below:

1. Determine household size
2. Calculate annual income through the use of third-party verifications and source documents
3. Determine that annual income does not exceed income limits
4. Certify to Tenants Qualification

Income eligibility is based on *anticipated income*. When collecting income verification documentation, owner/agents must consider any likely changes in income. While there is no definitive way to guarantee an applicant’s future income, wage statements that reflect overtime earnings and tax returns should be reviewed carefully to identify trends over time.

An overview of how household income should be calculated and documented is included below and detailed instructions on calculating tenant income can be found in the Technical Guide for Determining Income and Exclusions for the HOME Program (the “Technical Guide”):

http://portal.hud.gov/hudportal/documents/huddoc?id=19754_1780.pdf

The following items are key to understanding Part 5 definition:

- **Gross amount.** For those types of income counted, gross amounts (before any deductions have been taken) are used;
- **Income of all adult household members.** The Part 5 definition of annual income contains income “inclusions” – types of income to be counted – and “exclusions” – types of income that are not considered (for example, income of minors); and
- **Anticipated to be received.** The Part 5 annual income is used to determine eligibility and the amount of Federal assistance a family can receive. A PJ must, therefore, use a household’s expected ability to pay, rather than past earnings, when estimating housing assistance needs.

Whose Income Should be Included

The income of all adult household members should be counted. Under the Part 5 definition of annual income, income from certain groups of people requires special consideration when calculating a household’s annual income. Detailed instructions on how to include the income of the following categories of people can be found in the Technical Guide.

- Minors (age 17 and under)
- Live-in aides
- Persons with disabilities
- Temporarily absent family members
- Permanently absent family members
- Adult students living away from home

What Income to Count

At its most basic level, the Part 5 definition of annual income includes actual income and income derived from assets. There are certain inclusions and exclusions to each. A list of the Part 5 income inclusions and exclusions is published in the Code of Federal Regulations at 24 CFR 5.609. This list is periodically updated by HUD when changes are made to the Part 5 definition of annual income by the United States Congress.

How to Treat Assets

In general terms, an asset is cash or non-cash item that can be converted to cash. Note that when assets are included in the calculation of Part 5 annual income, it is the income earned from the asset - not the value of the asset - that is counted.

This income is counted even if the household elects not to receive it. For example, though an applicant may elect to reinvest the interest or dividends from an asset, the interest or dividends are still counted as income.

As with other forms of income, the income from assets that is included when determining Part 5 annual income is the income that is anticipated to be received from the asset during the coming 12 months.

Detailed instructions on how to treat assets can be found in the Technical Guide.

Third-Party Verification

All sources of income must be declared by a household applying for occupancy in a HOME funded project. The owner and/or management agent must verify each and every source of income before a family is allowed to occupy a rental unit.

Owners or management must seek written third-party verification for all income, whenever possible. Tenant supplied verification, such as check stubs, W-2's and divorce degrees, should be used only when third-party verifications are impossible or impractical. Verifications are valid for 90 days prior to the move-in and recertification dates.

At least two months of source documents (i.e. paystubs, interest statements etc.) must be examined when determining income.

Appendix 8: HOME Program Checklist

Hudson County Division of Housing and Community Development HOME Program Checklist

Project Name:			
Developer:			
Address:			
Project Type:			
Total units:		Total HOME Units (High/Low)	
HOME funds		HOME funds per unit:	
Requested:			
Commitment Date:		Closeout Date:	
Changes to project?		Date: Notes:	
		IDIS #:	

Documents Required for Commitment of Funds				
<i>Application and Project Documents</i>	N/A	In File	Date	NOTES
Application and Proforma				
Organizational document/ ownership structure				
Audited corporate or partnership financial statements				
Relevant Staff Experience				
Documentation of Municipal Support				
Evidence of Site Control				
Commitments for non-HOME funds				
Appraisal/Market Analysis				
Land use approval (s)				
If any existing building was completed prior to 01-01-1978, additional submission requirements re: lead based paint				
Relocation Plan				
Preliminary plans and specifications				
Construction/Completion Schedule				
Environmental Assessment or other required reports				
Plan for Special Needs Services for residents (if applicable)				

	Compliance with Section 504 (ADA compliance)					
	Documentation of rental assistance/subsidy (if applicable)					
	CHDO Certification (if applicable)					
	Hudson County Participating Jurisdiction Requirements	N/A	In File	Date		NOTES
	Consistency with PJ's approved Consolidated Plan/Annual Action Plan					
	Environmental Review Record					
	Form 7015.16 Complete					
	6600-Complete and Archive Review					
	Subsidy Layering Analysis/Cost Reasonableness Review					
	Assessment of developer's capacity/financial capacity					
	Commitment Letter					
	Date all commitment requirements achieved/approved					

Documents Required Prior to Release of Funds

Project Documents-PJ		N/A	In File	Date	NOTES
	Regulatory Agreement a) # of HOME units identified and designated as Low (50%) or high (80%) by bedroom size b) Fixed/Floating designated				
	Recorded legal documents with affordability requirements (land use restriction covenants, mortgage & note)				
	IDIS Set-up				
Architectural/Construction Documents		N/A	In File	Date	NOTES
	Architect's Contract				
	Architectural Drawings a) CD b) Full size				
	Contractor Bid Documents (including bid tabulation)				
	Contractor Eligibility (Debarment Check, Sec.3, WMBE)				
	Contractor License and Insurance				

Construction Contract						
Notice to Proceed						
Building Permits						
Approved Change Orders						
Contractor Payment/Requisitions						
Payment Certifications						
Certified Payrolls- Davis Bacon (12 or more units)						
See Construction Checklist						
Documents Required for Project Close-out						
Construction Documents		N/A	In File	Date		NOTES
Final invoice from contractor						
Waiver of liens from general contractor, subcontractors, and suppliers						
Warranties (if applicable)						
Certificate of Occupancy						
Cost Certification						
Initial Occupancy Documents		N/A	In File	Date		NOTES
Documentation that the following were received by owner: 1. Utility allowances 2. Rent amounts 3. Income limits 4. Guide to calculating income 5. Sample Lease 6. Lead Based Paint pamphlet 7. Rental Monitoring Guide						
Income certification & verification (source documentation collected)						
Lead-Based Paint disclosures to tenants (if applicable)						
Initial Occupancy Compliance form						
Lease						
IDIS Project Completion Form						
Affirmative Fair Housing Marketing Plan						

Appendix 9: Affirmative Fair Housing Marketing Plan

Note to all applicants/respondents: This form was developed with Nuance, the official HUD software for the creation of HUD forms. HUD has made available instructions for downloading a free installation of a Nuance reader that allows the user to fill-in and save this form in Nuance. Please see <http://portal.hud.gov/hudportal/documents/huddoc?id=nuancereaderinstall.pdf> for the instructions. Using Nuance software is the only means of completing this form.

Affirmative Fair Housing Marketing Plan (AFHMP) - Multifamily Housing

U.S. Department of Housing
and Urban Development
Office of Fair Housing and Equal Opportunity

OMB Approval No. 2529-0013
(exp.12/31/2016)

1a. Project Name & Address (including City, County, State & Zip Code) <div style="border: 1px solid black; height: 150px; margin-top: 5px;"></div>	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; border-bottom: 1px solid black;">1b. Project Contract Number</td> <td style="width: 50%; border-bottom: 1px solid black;">1c. No. of Units</td> </tr> <tr> <td style="border: 1px solid black; height: 30px;"></td> <td style="border: 1px solid black; height: 30px;"></td> </tr> <tr> <td colspan="2" style="border-bottom: 1px solid black;">1d. Census Tract</td> </tr> <tr> <td colspan="2" style="border: 1px solid black; height: 20px;"></td> </tr> <tr> <td colspan="2" style="border-bottom: 1px solid black;">1e. Housing/Expanded Housing Market Area</td> </tr> <tr> <td colspan="2" style="border: 1px solid black; padding: 5px;"> Housing Market Area: Expanded Housing Market Area: </td> </tr> </table>	1b. Project Contract Number	1c. No. of Units			1d. Census Tract				1e. Housing/Expanded Housing Market Area		Housing Market Area: Expanded Housing Market Area:	
1b. Project Contract Number	1c. No. of Units												
1d. Census Tract													
1e. Housing/Expanded Housing Market Area													
Housing Market Area: Expanded Housing Market Area:													
1f. Managing Agent Name, Address (including City, County, State & Zip Code), Telephone Number & Email Address													
1g. Application/Owner/Developer Name, Address (including City, County, State & Zip Code), Telephone Number & Email Address													
1h. Entity Responsible for Marketing (check all that apply)													
<input type="checkbox"/> Owner <input type="checkbox"/> Agent <input type="checkbox"/> Other (specify) 													
Position, Name (if known), Address (including City, County, State & Zip Code), Telephone Number & Email Address													
1i. To whom should approval and other correspondence concerning this AFHMP be sent? Indicate Name, Address (including City, State & Zip Code), Telephone Number & E-Mail Address.													
2a. Affirmative Fair Housing Marketing Plan													
Plan Type Date of the First Approved AFHMP: 													
Reason(s) for current update: 													
2b. HUD-Approved Occupancy of the Project (check all that apply)													
<input type="checkbox"/> Elderly <input type="checkbox"/> Family <input type="checkbox"/> Mixed (Elderly/Disabled) <input type="checkbox"/> Disabled													
2c. Date of Initial Occupancy	2d. Advertising Start Date												
	Advertising must begin <i>at least</i> 90 days prior to initial or renewed occupancy for new construction and substantial rehabilitation projects. Date advertising began or will begin For existing projects, select below the reason advertising will be used:												
	To fill existing unit vacancies <input type="checkbox"/> To place applicants on a waiting list <input type="checkbox"/> (which currently has individuals) To reopen a closed waiting list <input type="checkbox"/> (which currently has individuals)												

3a. Demographics of Project and Housing Market Area

Complete and submit Worksheet 1.

3b. Targeted Marketing Activity

Based on your completed Worksheet 1, indicate which demographic group(s) in the housing market area is/are *least* likely to apply for the housing without special outreach efforts. (check all that apply)

- ☐ White
 ☐ American Indian or Alaska Native
 ☐ Asian
 ☐ Black or African American
☐ Native Hawaiian or Other Pacific Islander
 ☐ Hispanic or Latino
 ☐ Persons with Disabilities
☐ Families with Children
 ☐ Other ethnic group, religion, etc. (specify)

4a. Residency Preference

Is the owner requesting a residency preference? If yes, complete questions 1 through 5. Please Select Yes or No

If no, proceed to Block 4b.

(1) Type Please Select Type

(2) Is the residency preference area:

The same as the AFHMP housing/expanded housing market area as identified in Block 1e? Please Select Yes or No

The same as the residency preference area of the local PHA in whose jurisdiction the project is located? Please Select Yes or No

(3) What is the geographic area for the residency preference?

(4) What is the reason for having a residency preference?

(5) How do you plan to periodically evaluate your residency preference to ensure that it is in accordance with the non-discrimination and equal opportunity requirements in 24 CFR 5.105(a)?

Complete and submit Worksheet 2 when requesting a residency preference (see also 24 CFR 5.655(c)(1)) for residency preference requirements. The requirements in 24 CFR 5.655(c)(1) will be used by HUD as guidelines for evaluating residency preferences consistent with the applicable HUD program requirements. See also HUD Occupancy Handbook (4350.3) Chapter 4, Section 4.6 for additional guidance on preferences.

4b. Proposed Marketing Activities: Community Contacts

Complete and submit Worksheet 3 to describe your use of community contacts to market the project to those least likely to apply.

4c. Proposed Marketing Activities: Methods of Advertising

Complete and submit Worksheet 4 to describe your proposed methods of advertising that will be used to market to those least likely to apply. Attach copies of advertisements, radio and television scripts, Internet advertisements, websites, and brochures, etc.

5a. Fair Housing Poster

The Fair Housing Poster must be prominently displayed in all offices in which sale or rental activity takes place (24 CFR 200.620(e)). Check below all locations where the Poster will be displayed.

☐ Rental Office

☐ Real Estate Office

☐ Model Unit

☐ Other (specify)

5b. Affirmative Fair Housing Marketing Plan

The AFHMP must be available for public inspection at the sales or rental office (24 CFR 200.625). Check below all locations where the AFHMP will be made available.

☐ Rental Office

☐ Real Estate Office

☐ Model Unit

☐ Other (specify)

5c. Project Site Sign

Project Site Signs, if any, must display in a conspicuous position the HUD approved Equal Housing Opportunity logo, slogan, or statement (24 CFR 200.620(f)). Check below all locations where the Project Site Sign will be displayed. Please submit photos of Project signs.

☐ Rental Office

☐ Real Estate Office

☐ Model Unit

☐ Entrance to Project

☐ Other (specify)

The size of the Project Site Sign will be x

The Equal Housing Opportunity logo or slogan or statement will be x

6. Evaluation of Marketing Activities

Explain the evaluation process you will use to determine whether your marketing activities have been successful in attracting individuals least likely to apply, how often you will make this determination, and how you will make decisions about future marketing based on the evaluation process.

7a. Marketing Staff

What staff positions are/will be responsible for affirmative marketing?

7b. Staff Training and Assessment: AFHMP

- (1) Has staff been trained on the AFHMP?
- (2) Has staff been instructed in writing and orally on non-discrimination and fair housing policies as required by 24 CFR 200.620(c)?
- (3) If yes, who provides instruction on the AFHMP and Fair Housing Act, and how frequently?

- (4) Do you periodically assess staff skills on the use of the AFHMP and the application of the Fair Housing Act?
- (5) If yes, how and how often?

7c. Tenant Selection Training/Staff

- (1) Has staff been trained on tenant selection in accordance with the project's occupancy policy, including any residency preferences?
- (2) What staff positions are/will be responsible for tenant selection?

7d. Staff Instruction/Training:

Describe AFHM/Fair Housing Act staff training, already provided or to be provided, to whom it was/will be provided, content of training, and the dates of past and anticipated training. Please include copies of any AFHM/Fair Housing staff training materials.

8. Additional Considerations Is there anything else you would like to tell us about your AFHMP to help ensure that your program is marketed to those least likely to apply for housing in your project? Please attach additional sheets, as needed.

9. Review and Update

By signing this form, the applicant/respondent agrees to implement its AFHMP, and to review and update its AFHMP in accordance with the instructions to item 9 of this form in order to ensure continued compliance with HUD's Affirmative Fair Housing Marketing Regulations (see 24 CFR Part 200, Subpart M). I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate. Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (See 18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802).

Signature of person submitting this Plan & Date of Submission (mm/dd/yyyy)

Name (type or print)

Title & Name of Company

For HUD-Office of Housing Use Only

Reviewing Official:

For HUD-Office of Fair Housing and Equal Opportunity Use Only

☐ Approval

☐ Disapproval

Signature & Date (mm/dd/yyyy)

Signature & Date (mm/dd/yyyy)

Name
(type
or
print)

Title

Name
(type
or
print)

Title

Public reporting burden for this collection of information is estimated to average six (6) hours per initial response, and four (4) hours for updated plans, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid Office of Management and Budget (OMB) control number.

Purpose of Form: All applicants for participation in FHA subsidized and unsubsidized multifamily housing programs with five or more units (see 24 CFR 200.615) must complete this Affirmative Fair Housing Marketing Plan (AFHMP) form as specified in 24 CFR 200.625, and in accordance with the requirements in 24 CFR 200.620. The purpose of this AFHMP is to help applicants offer equal housing opportunities regardless of race, color, national origin, religion, sex, familial status, or disability. The AFHMP helps owners/agents (respondents) effectively market the availability of housing opportunities to individuals of both minority and non-minority groups that are least likely to apply for occupancy. Affirmative fair housing marketing and planning should be part of all new construction, substantial rehabilitation, and existing project marketing and advertising activities.

An AFHM program, as specified in this Plan, shall be in effect for each multifamily project throughout the life of the mortgage (24 CFR 200.620(a)). The AFHMP, once approved by HUD, must be made available for public inspection at the sales or rental offices of the respondent (24 CFR 200.625) and may not be revised without HUD approval. This form contains no questions of a confidential nature.

Applicability: The form and worksheets must be completed and submitted by all FHA subsidized and unsubsidized multifamily housing program applicants.

INSTRUCTIONS:

Send completed form and worksheets to your local HUD Office, Attention: Director, Office of Housing

Part 1: Applicant/Respondent and Project

Identification. Blocks 1a, 1b, 1c, 1g, 1h, and 1i are self-explanatory.

Block 1d- Respondents may obtain the Census tract number from the U.S. Census Bureau (<http://factfinder2.census.gov/main.html>) when completing Worksheet One.

Block 1e- Respondents should identify both the housing market area and the expanded housing market area for their multifamily housing projects. Use abbreviations if necessary. A **housing market area** is the area from which a multifamily housing project owner/agent may reasonably expect to draw a substantial number of its tenants. This could be a county or Metropolitan Division. The U.S. Census Bureau provides a range of levels to draw from.

An **expanded housing market area** is a larger geographic area, such as a Metropolitan Division or a Metropolitan Statistical Area, which may provide additional demographic diversity in terms of race, color, national origin, religion, sex, familial status, or disability.

Block 1f- The applicant should complete this block only if a Managing Agent (the agent cannot be the applicant) is implementing the AFHMP.

Part 2: Type of AFHMP

Block 2a- Respondents should indicate the status of the AFHMP, i.e., initial or updated, as well as the date of the first approved AFHMP. Respondents should also provide the reason (s) for the current update, whether the update is based on the five-year review or due to significant changes in project or local demographics (See instructions for Part 9).

Block 2b- Respondents should identify all groups HUD has approved for occupancy in the subject project, in accordance with the contract, grant, etc.

Block 2c- Respondents should specify the date the project was/will be first occupied.

Block 2d- For new construction and substantial rehabilitation projects, advertising must begin at least 90 days prior to initial occupancy. In the case of existing projects, respondents should indicate whether the advertising will be used to fill existing vacancies, to place individuals on the project's waiting list, or to re-open a closed waiting list. Please indicate how many people are on the waiting list when advertising begins.

Part 3 Demographics and Marketing Area.

"Least likely to apply" means that there is an identifiable presence of a specific demographic group in the housing market area, but members of that group are not likely to apply for the housing without targeted outreach, including marketing materials in other languages for limited English proficient individuals, and alternative formats for persons with disabilities. Reasons for not applying may include, but are not limited to, insufficient information about housing opportunities, language barriers, or transportation impediments.

Block 3a - Using Worksheet 1, the respondent should indicate the demographic composition of the project's residents, current project applicant data, census tract, housing market area, and expanded housing market area. The applicable housing market area and expanded housing market area should be indicated in Block 1e. Compare groups within rows/across columns on Worksheet 1 to identify any under-represented group(s) relative to the surrounding housing market area and expanded housing market area, i.e., those group(s) "least likely to apply" for the housing without targeted outreach and marketing. If there is a particular group or subgroup with members of a protected class that has an identifiable presence in the housing market area, but is not included in Worksheet 1, please specify under "Other."

Respondents should use the most current demographic data from the U.S. Census or another official source such as a local government planning office. Please indicate the source of your data in Part 8 of this form.

Block 3b - Using the information from the completed Worksheet 1, respondents should identify the demographic group(s) least likely to apply for the housing without special outreach efforts by checking all that apply.

Part 4 - Marketing Program and Residency Preference (if any).

Block 4a - A residency preference is a preference for admission of persons who reside or work in a specified geographic area (see 24 CFR 5.655(c)(1)(ii)). Respondents should indicate whether a residency preference is being utilized, and if so, respondents should specify if it is new, revised, or continuing. If a respondent wishes to utilize a residency preference, it must state the preference area (and provide a map delineating the precise area) and state the reason for having such a preference. The respondent must ensure that the preference is in accordance with the non-discrimination and equal opportunity requirements in 24 CFR 5.105(a) (see 24 CFR 5.655(c)(1)).

Respondents should use Worksheet 2 to show how the percentage of the eligible population living or working in the residency preference area compares to that of residents of the project, project applicant data, census tract, housing market area, and expanded housing market area. The percentages would be the same as shown on completed Worksheet 1.

Block 4b - Using Worksheet 3, respondents should describe their use of community contacts to help market the project to those least likely to apply. This table should include the name of a contact person, his/her address, telephone number, previous experience working with the target population(s), the approximate date contact was/will be initiated, and the specific role the community contact will play in assisting with affirmative fair housing marketing or outreach.

Block 4c - Using Worksheet 4, respondents should describe their proposed method(s) of advertising to market to those least likely to apply. This table should identify each media option, the reason for choosing this media, and the language of the advertisement. Alternative format(s) that will be used to reach persons with disabilities, and logo(s) that will appear on the various materials (as well as their size) should be described.

Please attach a copy of the advertising or marketing material.

Part 5 – Availability of the Fair Housing Poster, AFHMP, and Project Site Sign.

Block 5a - The Fair Housing Poster must be prominently displayed in all offices in which sale or rental activity takes place (24 CFR 200.620(e)). Respondents should indicate all locations where the Fair Housing Poster will be displayed.

Block 5b -The AFHMP must be available for public inspection at the sales or rental office (24 CFR 200.625). Check all of the locations where the AFHMP will be available.

Block 5c -The Project Site Sign must display in a conspicuous position the HUD-approved Equal Housing Opportunity logo, slogan, or statement (24 CFR 200.620(f)). Respondents should indicate where the Project Site Sign will be displayed, as well as the size of the Sign and the size of the logo, slogan, or statement. **Please submit photographs of project site signs.**

Part 6 - Evaluation of Marketing Activities.

Respondents should explain the evaluation process to be used to determine if they have been successful in attracting those individuals identified as least likely to apply. Respondents should also explain how they will make decisions about future marketing activities based on the evaluations.

Part 7- Marketing Staff and Training.

Block 7a - Respondents should identify staff positions that are/will be responsible for affirmative marketing.

Block 7b - Respondents should indicate whether staff has been trained on the AFHMP and Fair Housing Act. Please indicate who provides the training and how frequently. In addition, respondents should specify whether they periodically assess staff members' skills in using the AFHMP and in applying the Fair Housing Act. They should state how often they assess employee skills and how they conduct the assessment.

Block 7c - Respondents should indicate whether staff has been trained on tenant selection in accordance with the project's occupancy policy, including residency preferences (if any). Respondents should also identify those staff positions that are/will be responsible for tenant selection.

Block 7d - Respondents should include copies of any written materials related to staff training, and identify the dates of past and anticipated training.

Part 8 - Additional Considerations.

Respondents should describe their efforts not previously mentioned that were/are planned to attract those individuals least likely to apply for the subject housing.

Part 9 - Review and Update.

By signing the respondent assumes responsibility for implementing the AFHMP. Respondents must review their AFHMP every five years or when the local Community Development jurisdiction's Consolidated Plan is updated, or when there are significant changes in the demographics of the project or the local housing market area. When reviewing the plan, the respondent should consider the current demographics of the housing market area to determine if there have been demographic changes in the population in terms of race, color, national origin, religion, sex, familial status, or disability. The respondent will then determine if the population least likely to apply for the housing is still the population identified in the AFHMP, whether the advertising and publicity cited in the current AFHMP are still appropriate, or whether advertising sources should be modified or expanded. Even if the demographics of the housing market area have not changed, the respondent should determine if the outreach currently being performed is reaching those it is intended to reach as measured by project occupancy and applicant data. If not, the AFHMP should be updated. The revised AFHMP must be submitted to HUD for approval. HUD may review whether the affirmative marketing is actually being performed in accordance with the AFHMP. If based on their review, respondents determine the AFHMP does not need to be revised, they should maintain a file documenting what was reviewed, what was found as a result of the review, and why no changes were required. HUD may review this documentation.

Notification of Intent to Begin Marketing.

No later than 90 days prior to the initiation of rental marketing activities, the respondent must submit notification of intent to begin marketing. The notification is required by the AFHMP Compliance Regulations (24 CFR 108.15). The Notification is submitted to the Office of Housing in the HUD Office servicing the locality in which the proposed housing will be located. Upon receipt of the Notification of Intent to Begin Marketing from the applicant, the monitoring office will review any previously approved plan and may schedule a pre-occupancy conference. Such conference will be held prior to initiation of sales/rental marketing activities. At this conference, the previously approved AFHMP will be reviewed with the applicant to determine if the plan, and/or its proposed implementation, requires modification prior to initiation of marketing in order to achieve the objectives of the AFHM regulation and the plan.

OMB approval of the AFHMP includes approval of this notification procedure as part of the AFHMP. The burden hours for such notification are included in the total designated for this AFHMP form.

Worksheet 1: Determining Demographic Groups Least Likely to Apply for Housing Opportunities
(See AFHMP, Block 3b)

In the respective columns below, indicate the percentage of demographic groups among the project's residents, current project applicant data, census tract, housing market area, and expanded housing market area (See instructions to Block 1e). If you are a new construction or substantial rehabilitation project and do not have residents or project applicant data, only report information for census tract, housing market area, and expanded market area. The purpose of this information is to identify any under-representation of certain demographic groups in terms of race, color, national origin, religion, sex, familial status, or disability. If there is significant under-representation of any demographic group among project residents or current applicants in relation to the housing/expanded housing market area, then targeted outreach and marketing should be directed towards these individuals least likely to apply. Please indicate under-represented groups in Block 3b of the AFHMP. **Please attach maps showing both the housing market area and the expanded housing market area.**

Demographic Characteristics	Project's Residents	Project's Applicant Data	Census Tract	Housing Market Area	Expanded Housing Market Area
% White					
% Black or African American					
% Hispanic or Latino					
% Asian					
% American Indian or Alaskan Native					
% Native Hawaiian or Pacific Islander					
%Persons with Disabilities					
% Families with Children under the age of 18					
Other (specify)					

Worksheet 2: Establishing a Residency Preference Area (See AFHMP, Block 4a)

Complete this Worksheet if you wish to continue, revise, or add a residency preference, which is a preference for admission of persons who reside or work in a specified geographic area (see 24 CFR 5.655(c)(1)(ii)). If a residency preference is utilized, the preference must be in accordance with the non-discrimination and equal opportunity requirements contained in 24 CFR 5.105(a). This Worksheet will help show how the percentage of the population in the residency preference area compares to the demographics of the project's residents, applicant data, census tract, housing market area, and expanded housing market area. **Please attach a map clearly delineating the residency preference geographical area.**

Demographic Characteristics	Project's Residents (as determined in Worksheet 1)	Project's Applicant Data (as determined in Worksheet 1)	Census Tract (as determined in Worksheet 1)	Housing Market Area (as determined in Worksheet 1)	Expanded Housing Market Area (as determined in Worksheet 1)	Residency Preference Area (if applicable)
% White						
% Black or African American						
% Hispanic or Latino						
% Asian						
% American Indian or Alaskan Native						
% Native Hawaiian or Pacific Islander						
% Persons with Disabilities						
% Families with Children under the age of 18						
Other (specify)						

Worksheet 3: Proposed Marketing Activities –Community Contacts (See AFHMP, Block 4b)

For each targeted marketing population designated as least likely to apply in Block 3b, identify at least one community contact organization you will use to facilitate outreach to the particular population group. This could be a social service agency, religious body, advocacy group, community center, etc. State the names of contact persons, their addresses, their telephone numbers, their previous experience working with the target population, the approximate date contact was/will be initiated, and the specific role they will play in assisting with the affirmative fair housing marketing. Please attach additional pages if necessary.

Targeted Population(s)	Community Contact(s), including required information noted above.

Worksheet 4: Proposed Marketing Activities – Methods of Advertising (See AFHMP, Block 4c)

Complete the following table by identifying your targeted marketing population(s), as indicated in Block 3b, as well as the methods of advertising that will be used to market to that population. For each targeted population, state the means of advertising that you will use as applicable to that group and the reason for choosing this media. In each block, in addition to specifying the media that will be used (e.g., name of newspaper, television station, website, location of bulletin board, etc.) state any language(s) in which the material will be provided, identify any alternative format(s) to be used (e.g. Braille, large print, etc.), and specify the logo(s) (as well as size) that will appear on the various materials. Attach additional pages, if necessary, for further explanation. Please attach a copy of the advertising or marketing material.

Targeted Population(s)→ Methods of Advertising ↓	Targeted Population:	Targeted Population:	Targeted Population:
Newspaper(s)			
Radio Station(s)			
TV Station(s)			
Electronic Media			
Bulletin Boards			
Brochures, Notices, Flyers			
Other (specify)			

Affirmative Fair Housing Marketing (AFHM) Plan - Single Family Housing

U.S. Department of Housing
and Urban Development
Office of Fair Housing and Equal Opportunity

OMB Approval No. 2529-0013
(exp. 12/31/2016)

1a. Applicant's Name, Address (including City, State & Zip code) & Phone Number	1c. Development Number	1d. Number of Units
	1e. Price Range From \$ To \$	1f. Type of Housing <input type="checkbox"/> Development <input type="checkbox"/> Scattered Site
	1g. Approximate Starting Dates (mm/dd/yyyy) Advertising	
	Occupancy	

1b. Development's Name, Location (including City, State and Zip code)	1h. Housing Market Area	1i. Census Tract
	1j. Sales Agent's Name & Address (including City, State and Zip Code)	

2. Type of Affirmative Marketing Area (check all that apply) <input type="checkbox"/> White (non-minority) Area <input type="checkbox"/> Minority Area <input type="checkbox"/> Mixed Area (with _____ % minority residents)	3. Direction of Marketing Activity (Indicate which group(s) in the housing market area are least likely to apply for the housing because of its location and other factors without special outreach efforts) <input type="checkbox"/> White <input type="checkbox"/> American Indian or Alaskan Native <input type="checkbox"/> Asian <input type="checkbox"/> Black or African American <input type="checkbox"/> Native Hawaiian or Other Pacific Islander <input type="checkbox"/> Hispanic or Latino <input type="checkbox"/> Persons with Disabilities <input type="checkbox"/> Families with Children <input type="checkbox"/> Other _____ Specify _____ (e.g. specific ethnic group, religion, etc.)
--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

4a. Marketing Program: Commercial Media (Check the type of media to be used to advertise the availability of this housing)

☐ Newspapers/Publications ☐ Radio ☐ TV ☐ Billboards ☐ Other (specify)

Name of Newspaper, Radio or TV Station	Group Identification of Readers/Audience	Size/Duration of Advertising

4b. Marketing Program: Brochures, Signs, and HUD's Fair Housing Poster

(1) Will brochures, letters, or handouts be used to advertise? ☐ Yes ☐ No If "Yes", attach a copy or submit when available.

(2) For development site sign, indicate sign size _____ x _____; Logo type size _____ x _____. Attach a photograph of sign or submit when available.

(3) HUD's Fair Housing Poster must be conspicuously displayed wherever sales/rentals and showings take place. Fair Housing Posters will be displayed in the ☐ Sales Office ☐ Real Estate Office ☐ Model Unit ☐ Other (specify)

4c. Marketing Program: Community Contacts. To further inform the group(s) least likely to apply about the availability of the housing, the applicant agrees to establish and maintain contact with the groups/organizations listed below which are located in the housing market area. If more space is needed, attach an additional sheet. Notify HUD-Housing of any changes in this list. Attach a copy of correspondence to be mailed to these groups/organizations. (Provide all requested information.)

Name of Group/Organization	Group Identification	Approximate Date (mm/dd/yyyy)	Person Contacted (or to be Contacted)
Address & Phone Number	Method of Contact	Indicate the specific function the Group/Organization will undertake in implementing the marketing program	

5. **Reserved**

6. **Experience and Staff Instructions** (See instructions)

6a. Staff has affirmative marketing experience.

☐ No ☐ Yes

6b. On separate sheets, indicate training to be provided to staff on Federal, State and local fair housing laws and regulations, as well as this AFHM Plan. Attach a copy of the instructions to staff regarding fair housing.

7. **Additional Considerations** Attach additional sheets as needed.

8. **Compliance with AFHM Plan Regulations:** By signing this form, the applicant agrees to ensure compliance with HUD's Affirmative Fair Housing Marketing Regulations (24 CFR 200.620).

Signature of person submitting this Plan & Date of Submission (mm/dd/yyyy)

Name (type or print)

Title & Name of Company

For HUD-Office of Housing Use Only	For HUD-Office of Fair Housing and Equal Opportunity Use Only
Approved _____ Disapproved _____ (Check One)	
Signature & Date (mm/dd/yyyy)	Signature & Date (mm/dd/yyyy)
Name (type or print)	Name (type or print)
Title	Title

Public reporting burden for this collection of information is estimated to average 3 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid Office of Management and Budget (OMB) control number.

In General: The Affirmative Fair Housing Marketing (AFHM) Plan is used to ensure that Federal Housing Administration (FHA)-insured single family housing developers are taking necessary steps to eliminate discriminatory practices and to overcome the effects of past discrimination involving Federally insured housing. No application for any housing development insured under the Department of Housing and Urban Development's (HUD) housing programs, shall be funded without a HUD-approved AFHM Plan (See the "Applicability" section in the instructions below.) Single family housing developers complete the AFHM Plan only during the application process and the AFHM Plan is in effect until after initial occupancy. The responses are required to obtain or retain benefits under the Fair Housing Act, Section 808(e)(5) & (6) and 24 CFR Part 200, Subpart M. The form contains no questions of a confidential nature.

Applicability: Single family developers should answer the following two questions to determine if they need to complete an AFHM Plan or if they should complete block 11 on Form HUD-92541, Builder's Certification of Plans, Specifications, & Site. (See HUD Mortgagee Letter 1995-18 dated April 28, 1995 and 2001-09 dated April 2, 2001 for further instructions).

Question 1. (Check if applicable)

- ☐ a. Did you sell five (5) or more houses in the last twelve (12) months with HUD mortgage insurance?
- ☐ b. Do you intend to sell five (5) or more houses within the next twelve (12) months with HUD mortgage insurance?

If you did **not** check 1a or 1b, you do **not** have to complete an AFHM Plan. You should complete block 11 on the HUD-92541.

If you checked 1a and/or 1b, you must go to Question 2.

Question 2. (Check if applicable)

- ☐ a. I am a signatory in good standing to a Voluntary Affirmative Marketing Agreement (VAMA).
- ☐ b. I have an AFHM Plan that HUD approved.
- ☐ c. I have contracted with a company that has an AFHM Plan or who is a signatory to a VAMA to market my houses.
- ☐ d. I certify that I will comply with the following: (a) Carry out an affirmative marketing program to attract all minority and majority groups to the housing for initial sale. Such a program shall typically involve publicizing to minority persons the availability of housing opportunities regardless of race, color, religion, sex, disability, familial status or national origin, through the type of media customarily utilized by the applicants; (b) Maintain a nondiscriminatory hiring policy in recruiting from both minority and majority groups; (c) Instruct all employees and agents in writing and orally of the policy of nondiscrimination and fair housing; (d) Conspicuously display the Fair Housing Poster in all Sales Offices, include the Equal Housing Opportunity logo, slogan and statement in all printed material used in connection with sales, and post in a prominent position at the project site a sign that displays the Equal Opportunity logo, slogan or statement, as listed in 24 CFR 200.620 and appendix to subpart M to part 200. I understand that I am obliged to develop and maintain records on these activities, and make them available to HUD upon request.

If you checked "a, b, c, or d" in Question 2, you do **not** have to complete an AFHM Plan. You should complete block 11 on the HUD-92541.

If you did **not** check “a, b, c or d” in Question 2, you must complete an AFHM Plan.

Each applicant is required to carry out an affirmative program to attract prospective buyers of all minority and non-minority groups in the housing market area regardless of their race, color, religion, sex, national origin, disability or familial status (24 CFR 200.620). Racial groups include White, Black or African American, American Indian or Alaska Native, Asian, Native Hawaiian or Other Pacific Islander. Other groups in the housing market area who may be subject to housing discrimination include, but are not limited to, Hispanic or Latino, persons with disabilities, families with children, or persons of different religious affiliations. The applicant shall describe in the AFHM Plan the proposed activities to be carried out during advance marketing, where applicable, and the initial sales period. The affirmative marketing program also should ensure that any group(s) of persons ordinarily **not** likely to apply for this housing without special outreach (See Part 3), know about the housing, feel welcome to apply and have the opportunity to buy.

INSTRUCTIONS

Send completed form to: your local HUD Office
Attention: Director, Office of Housing

Part 1-Applicant and Project Identification.

Blocks 1a thru 1f-Self-Explanatory. Block 1g-the applicant should specify the approximate date for starting the marketing activities and the anticipated date of initial occupancy. Block 1h-the applicant should indicate the housing market area, in which the housing will be located. Block 1i - the applicant may obtain census tract location information from local planning agencies, public libraries and other sources of census data. Block 1j the applicant should complete only if a Sales Agent (the agent can not be the applicant) is implementing the AFHM Plan.

Part 2-Type of Affirmative Marketing Area:

The AFHM Plan should indicate the approximate racial composition of the housing market area in which the housing will be located by checking one of the three choices. Single family scattered site builder should submit an AFHM Plan that reflects the approximate racial composition of each housing market area in which the housing will be located. For example, if a builder plans to construct units in both minority and non-minority housing market areas, a separate AFHM Plan shall be submitted for each housing market area.

Part 3-Direction of Marketing Activity. Indicate which group(s) the applicant believes are least likely to apply for this housing without special outreach. Consider factors such as price or rental of

housing, sponsorship of housing, racial/ethnic characteristics of housing market area in which housing will be located, disability, familial status, or religious affiliation of eligible population, public transportation routes, etc.

Part 4-Marketing Program. The applicant shall describe the marketing program to be used to attract all segments of the eligible population, especially those groups designated in Part 3 of this AFHM Plan present in the housing marketing area that are least likely to apply. The applicant shall state: the type of media to be used, the names of newspaper/call letters of radio or TV stations; the identity of the circulation or audience of the media identified in the AFHM Plan (e.g., White, Black or African American, American Indian or Alaska Native, Asian, Native Hawaiian or Other Pacific Islander, Hispanic or Latino, persons with disabilities, families with children, and religious affiliation), and the size or duration of newspaper advertising or length and frequency of broadcast advertising. Community contacts include individuals or organizations that are well known in the housing market area or the locality that can influence persons within groups considered least likely to apply. Such contacts may include, but need not be limited to: neighborhood, minority and women’s organizations, grass roots faith-based or other community based organizations, labor unions, employers, public and private agencies, disability advocates, schools and individuals who are connected with these organizations and/or are well-known in the community. Applicants should notify their local HUD–Office of Housing of any changes to the list in Part 4c of this AFHM Plan.

Part 5-Reserved**Part 6-Experience and Staff Instructions.**

- 6a. The applicant should indicate whether he/she has had previous experience in marketing housing to group(s) identified as least likely to apply for the housing.
- 6b. Describe the instructions and training provided or to be provided to sales staff. This guidance to staff must include information regarding Federal, State and local fair housing laws and this AFHM Plan.

Copies of any written materials should be submitted with the AFHM Plan, if such materials are available.

Part 7-Additional Considerations. In this section describe other efforts not previously mentioned which are planned to attract persons least likely to apply for the housing.

Part 8-Compliance with AFHM Plan Regulation.

By signing, the applicant assumes full responsibility for implementing the AFHM Plan. HUD may monitor the implementation of this AFHM Plan at any time and request modification in its format or content, where deemed necessary.

Notice of Intent to Begin Marketing. No later than 90 days prior to the initiation of sales marketing activities, the applicant with an approved AFHM Plan shall submit notice of intent to begin marketing. The notification is required by the Affirmative Fair Housing Marketing Plan Compliance Regulations (24 CFR Part 108.15). It is submitted either orally or in writing to the Office of Housing in the appropriate HUD Office servicing the locality in which the proposed housing will be located.

OMB approval of the Affirmative Fair Housing Plan includes approval of this notification procedure as part of the AFHM Plan. The burden hours for such notification are included in the total designated for this AFHM Plan form.

Appendix 10: CHDO Application

Hudson County
Division of Housing and
Community Development



HOME Investment Partnerships
Program

Community Housing Development
Organization (CHDO)
Certification Application



I. INTRODUCTION

The National Affordable Housing Act of 1990 (the “Act”) created the HOME Investment Partnerships Program (HOME). The Act’s objectives include (1) promoting partnerships among states, local governments and nonprofit organizations; (2) increasing the capacity of nonprofit organizations to develop and manage affordable housing.

To help achieve these objectives the Act requires that Participating Jurisdictions (PJs) set aside at least 15% of their HOME funds for housing that is developed, owned or sponsored by Community Housing Development Organizations (CHDOs). An additional 5% of HOME funds, or maximum \$50,000 (or 50% of CHDO’s operating budget, whichever is lower) may be set aside for operating expenses.

The purpose for the 15% set-aside is to:

- Provide reasonable supplemental operating funds to CHDOs with the purpose of expanding their ability to produce housing units. This funding is not intended to serve as a primary source of funding for the organization. The CHDO should demonstrate the ability to leverage other sources of funds for future operations and to grow into self-sufficiency.
- Increase the organizational capacity of the recipient to allow the organization to develop HOME Program CHDO-eligible activities such as; transitional housing, permanent supportive housing, rental housing, and homebuyer activities, within 24 months of receiving the award.

A CHDO is a specific kind of not-for-profit organization, as defined at 24 CFR 92.2. The CHDO qualifying criteria refers to an organization’s legal status, organizational structure, capacity, and experience. The following application materials are to be used by entities that believe they meet the criteria for consideration as a CHDO, and by those that have previously been certified by the Division as a CHDO and are now seeking certification for a new project. Note that the 2013 HOME Final Rule amended the previous definition of a CHDO and the new requirements are incorporated in the application that follows.

Any nonprofit organization is eligible to apply for funding under the HOME Program. Only those nonprofit organizations that receive certification as a CHDO are eligible to apply for funds from the Division’s CHDO set-aside.

The Hudson County Division of Housing and Community Development (the “Division”) recognizes the important role CHDOs play in Hudson County. CHDOs provide safe, decent and affordable housing to low and moderate income families in Hudson County and have increased access to certain funding sources including Home Investments Partnerships (HOME) Program funds, provided by the U.S. Department of Housing and Urban Development (HUD).

II. CERTIFICATION/REVIEW PROCESS

- A. The Division will accept CHDO certification applications throughout the year. The Division will only review completed application packets and applicable documentation. Applicants will be notified by the Division, if their application has been approved, denied, or what additional information and documentation is necessary to make a determination.

The Division is required to certify an organization as a CHDO each time it commits funds to an organization. Therefore, organizations that have previously been certified by the Division must complete this application for each new project.

B. Each application will be reviewed by evaluating the following:

- Completeness - All required exhibits and attachments are included and the application was received on or before the due date.
- The application meets the required thresholds (serves the eligible populations, has requested funding for the appropriate uses, etc.).
- The organization has shown enhanced capabilities including, but not limited to; employees have specialized skills, the organization has long-term partnerships with for-profit entities, and has shown an advanced ability to leverage additional funding, etc.

III. DEFINITION OF A CHDO

The HOME Program definition of a CHDO can be found at 24 CFR 92.2 (See Attachment A of this Application)

The definition outlines the criteria that an organization must meet to qualify as a CHDO. The criteria focus on the:

- legal status of the organization;
- capacity and experience;
- organizational structure;
- and relationship of the CHDO to for-profit entities

The CHDO checklist outlines these criteria in detail. The following is a summary of some of the key criteria necessary to qualify as a CHDO.

A. Legal Status:

- 1) The CHDO must be organized under state law
- 2) One of the purposes of the organization must be the provision of decent housing that is affordable to low-income and moderate-income persons. This statement of purpose may be evidenced in the organization's charter, articles of incorporation, by-laws, or board resolutions.
- 3) The CHDO must be have nonprofit status under §501(c)(3) or(4) of the Internal Revenue Code of 1986.
- 4) The organization must have a clearly defined geographic area that is smaller than the entire state.

B. Capacity and Experience:

- 1) The CHDO must have at least one year of experience serving the community. This can be satisfied by a statement that documents at least one year of experience in serving the community, or for a newly created organization formed by local churches, service or community organizations, a statement that documents that its parent organization has at

least one year of experience in serving the community. This service can include developing new housing, rehabilitating housing, managing housing, or delivering non-housing services to the community such as counseling, food services, or child care facilities.

- 2) The organization must have paid employees with housing development experience who will work on projects assisted with HOME funds. (**for its first year of funding as a CHDO, an organization may satisfy this requirement through a contract with a consultant who has housing development experience to train appropriate key staff of the organization*).
- 3) The CHDO must have financial management systems that meet the federal standards outlined in 24 CFR 84.21. The most recent version of OMB Circulars A-110 (24 CFR 84) A-133 may be obtained at <http://www.whitehouse.gov/omb/circulars>

C. Organizational Structure

- 1) At least one-third of the organization's board of directors must be representatives of the low-income community served by the CHDO; no more than one-third may be representatives of the public sector, including employees of the PJ.
- 2) The CHDO must also provide a formal process for low-income HOME Program beneficiaries to advise the organization in all of its decisions regarding the design, development, and management of all HOME Program assisted affordable housing projects. This provision for accountability to the low-income community, entails, at a minimum, a written procedure adopted by the board for obtaining input from the community regarding the delivery of housing whenever HOME Program funds are used.

D. Relationship to For-Profit Entities

The CHDO cannot be controlled by for-profit organizations or individuals.

IV. ACCESSING CHDO HOME FUNDS

Once an organization has been approved and receives CHDO status from the Division, it may apply for CHDO funds. Certification as a CHDO does not guarantee that an organization will receive funding from the HOME Program. Whether a CHDO is successful in accessing funds will be a function of the merits of its proposed project, project feasibility, ability to proceed, and the strength of its partnership in and with the PJ. The strength of the partnership between the Division and the CHDO has a great deal to do with communication and compliance. Any organization seeking CHDO status may meet with the Division before proceeding down the CHDO path. The Division has the ability to provide and/or obtain free technical assistance for the CHDO. Accessing this technical assistance requires CHDO designation from the Division.

V. ELIGIBLE CHDO SET-ASIDE ACTIVITIES

A. Only certain types of activities count toward the 15% set-aside.

The eligible activities are:

- 1) Acquisition and/or rehabilitation of rental housing
- 2) Construction of new rental housing
- 3) Acquisition and/or rehabilitation of properties for home ownership
- 4) New construction for home ownership

The following activities are not eligible for CHDO set-aside:

- 1) Tenant-based rental assistance
- 2) Rehabilitation of owner-occupied properties
- 3) Direct home buyer assistance for existing housing (not developed, owned, or sponsored by a CHDO)

VI. CHDO ROLES

The 15% set-aside can only be used for projects in which a CHDO is the developer, owner or sponsor.

A. **CHDO as "Developer"** – A CHDO is a "developer" when it either owns property and develops a project.

- 1) **Rental Housing:** A CHDO that is a "developer" of rental housing is defined at §92.300(a)(3). The CHDO is the owner (in fee simple absolute or long-term ground lease) and developer of the project and must be in sole charge of all aspects of the development process, including obtaining zoning, securing non-HOME funds, selecting contractors, overseeing the progress of work, and determining reasonableness of costs. The CHDO must own the HOME-assisted housing during the development process and throughout the period of affordability.
- 2) **Home ownership:** For HOME-assisted homebuyer projects, the housing is "developed" by the CHDO if it is the owner (in fee simple absolute) and developer of new housing that will be constructed or existing substandard housing that is owned or will be acquired by the CHDO and rehabilitated for sale to low-income families, in accordance with §92.254. To be the "developer," the CHDO must arrange financing for the project and be in sole charge of construction. As part of its set-aside funds, the CHDO can provide direct down payment assistance to a buyer of the housing it has developed with HOME funds in an amount not to exceed 10 percent of the amount of HOME development funds.

B. CHDO as "Owner" – A CHDO that is an "owner" of rental housing is defined at §92.300(a)(2). The CHDO is required to own (in fee simple absolute or long-term ground lease) multifamily or single family housing that is rented to low-income families, in accordance with §92.252. The CHDO must own the HOME project during development and throughout the period of affordability, and is required to hire and oversee all aspects of the development process. At a minimum, the CHDO can own the property and hire a project manager or contract with a development contractor to oversee all aspects of the development – including, obtaining zoning, securing non-HOME financing, selecting a developer, or general contractor, overseeing the progress of the work and determining the reasonableness of costs.

C. CHDO as "Sponsor" – The Final HOME Rule provides two definitions of a "sponsor" of HOME-assisted rental housing:

1. §92.300(a)(4) clarifies the requirement for CHDOs to maintain effective project control when acting as "sponsor" of rental housing: A CHDO "sponsors" rental housing when the property is "owned" or "developed" by:
 - A subsidiary of the CHDO (in which case the subsidiary, which may be a for-profit or nonprofit organization, must be wholly owned by the CHDO);
 - A limited partnership (in which the CHDO or its wholly owned subsidiary must be the sole general partner); or
 - A limited liability company (in which the CHDO or its wholly owned subsidiary must be the sole managing member). If the limited partnership or limited liability company agreement permits the CHDO to be removed as sole general partner or sole managing member, respectively, the agreement must require that the removal be "for cause" and that the CHDO must be replaced by another CHDO. In addition, HOME funds must be provided to the entity that owns the project.
2. §92.300 (a)(5) codifies the pre-2013 Rule definition of "sponsor." It states that a CHDO "sponsors" HOME-assisted rental housing in situations in which the CHDO owns and develops the housing and agrees to convey the housing to a private nonprofit organization (that does not need to be a CHDO but cannot be created by a governmental entity) at a predetermined time after completion of the project development. Such arrangements typically occur when a CHDO has development expertise and the nonprofit organization has the capacity to own and operate the housing. The CHDO is required to own the property before the development phase of the project and is required to select the nonprofit organization before entering into an agreement with the PJ that commits HOME funds to the project. The nonprofit organization assumes the CHDO's HOME obligation (including any repayment of loans) for the project. If the property is not transferred to the nonprofit organization, the CHDO sponsor remains liable for the HOME assistance and the HOME project.

VII. APPLICATION

This application has been developed to assist the Division to certify CHDOs under HOME Program guidelines. Please complete the applicable sections of the application based on your current organizational status.

Completed applications may be submitted to:

Randi Moore
Division Chief
Division of Housing and Community Development
Hudson County Plaza
257 Cornelison Avenue, 2nd fl.
Jersey City, NJ 07302

Community Housing Development Organization (CHDO) Profile

Organization Name: _____

Contact Person: _____

Contact Phone: () - Contact E-mail: _____

Organizational Mailing Address: _____

Federal Tax ID #: _____

Date of most recent certification: _____

1. Legal Status (check applicable)

- a. The non-profit organization is organized under State or local laws as evidenced by;

_____ A Charter, OR
 _____ Articles of Incorporation

- b. No part of its net earnings inure to the benefit of any member, founder, contributor, or individual, as evidenced by:

_____ A Charter, OR
 _____ Articles of Incorporation

- c.
- ☐
- Has a tax exemption ruling from the Internal Revenue Service (IRS) under 501 (c) (3) or (4) of the Internal Revenue Code of 1986, (26 CFR 1.501 (c)(3)-1 or 1.501 (c)(4)-1)) as evidenced by:

_____ Letter from IRS

OR

- ☐
- Is classified as a subordinate of a central organization non-profit under section 905 of the Internal Revenue Code of 1986 as evidenced by:

_____ A group exemption letter from the IRS that includes the CHDO

OR

- ☐
- The private nonprofit organization is a wholly owned entity that is disregarded as an entity separate from its owner for tax purposes (e.g., a single member limited liability company that is wholly owned by an organization that qualifies as tax-exempt), the owner organization has a tax exemption ruling from the Internal Revenue Service under section 501 (c) (3) or (4) of the Internal Revenue Code of 1986 and meets the definition of "community housing development organization" as evidenced by:

_____ Letter from the IRS

- d. Has among its purposes the provision of decent housing that is affordable to low- and moderate-income people, as evidenced by a statement in the organization's:

_____ Charter	_____ By-Laws
_____ Resolutions	_____ Articles of Incorporation

2. Capacity (check applicable)

- a. Conforms to financial accountability standards of 24 CFR 84.21, "Standards for Financial Management Systems", as evidenced by:

_____ A notarized statement by the president or chief financial officer of the organization;
 _____ A certification from a certified Public Accountant, OR
 _____ A HUD approved audit summary

- b. Has a demonstrated capacity for carrying out activities assisted with HOME Program funds, as evidenced by:

_____ Resumes and/or statements that describe the experience of key staff members who have successfully completed projects similar to those to be assisted with HOME funds, OR

If this is the first year of funding as a CHDO, an organization may satisfy this requirement through a contract with a consultant who has housing development experience to train appropriate key staff of the organization.

_____ Contract(s) with consultant firms or individuals who have housing experience similar to projects to be assisted with HOME funds, to train appropriate key staff of the organization

An organization that will own housing must demonstrate capacity to act as **owner** of a project and meet the requirements of 24 CFR 92.300(a)(2) as evidenced by:

_____ Resumes and/or statements that describe the experience of key staff members who have successfully completed projects similar to those to be assisted with HOME funds, OR

- c. Has a history of serving the community within which housing to be assisted with HOME Program funds is to be assisted with HOME funds is to be located, as evidenced by:

_____ A statement that documents at least one year of experience in serving the community*, OR

_____ For newly created organizations formed by local churches, service or community organizations, a statement that documents that its parent organization has at least one year of experience in serving the community*.

** The CHDO or its parent organization must be able to show one year of serving the community prior to the date the participating jurisdiction provides HOME Program funds to the organization. In the statement, the organization must describe its history (or its parent organization's history) of serving the community by describing activities which it provided (or its parent organization provided), such as, developing new housing, rehabilitating existing stock and managing housing stock, or delivering non-housing services that have had lasting benefits for the community, such as counseling, food relief, or childcare facilities. The statement must be signed by the president or other official of the organization and notarized. Statements should be written on a separate sheet of paper and attached to the application as an addendum labeled, (3.C Statement).*

3. Organizational Structure (check applicable)

- a. Maintains at least one-third of its governing board's membership for residents of low-income community residents, or elected representatives of low-income neighborhood organizations as evidenced by the organization's:

_____ By-laws,
 _____ Charter, OR
 _____ Articles of Incorporation

NOTE: Under the HOME Program, for urban areas, the term "community" is defined as one or several neighborhoods, a city, county, or metropolitan area.

- B. Provides a formal process for low-income, program beneficiaries to advise the organization in all of its decisions regarding the design, siting, development, and management of affordable housing projects, as evidenced by:

_____ The organization's By-laws
 _____ Resolutions, OR
 _____ A written statement of operating procedures approved by the governing body

- C. A CHDO may be chartered by a State or local government, but the following restrictions apply: (1) the State or local government may not appoint more than one-third of the membership of the organization's governing body; (2) the board members appointed by the State or local government may not, in turn, appoint the remaining two-thirds of the board members; (3) no more than one-third of the governing board members are public officials (including any employees of the PJ); and (4) the officers or employees of a governmental entity may not be officers or employees of a CHDO, as evidenced by the organizations:

_____ By-laws,
 _____ Charter, OR
 _____ Articles of Incorporation

- D. If the CHDO is sponsored or created by a for-profit entity the following restrictions apply: (1) the for-profit entity may not appoint more than one-third of the membership of the CHDO's governing body, (2) the board members appointed by the for-profit entity may not, in turn, appoint the remaining two-thirds of the board members and (3) (4) the officers or employees of the for-profit entity may not be officers or employees of a CHDO as evidenced by:

_____ By-laws,
 _____ Charter, OR
 _____ Articles of Incorporation

4. Relationship with For-Profit Entities (check applicable)

- A. The CHDO is not controlled, nor receives directions from individuals, or entities seeking profit from the organization, as evidenced by:

_____ the organization's By-laws, OR
 _____ a Memorandum of Understanding (MOU).

- B. A Community Housing Development Organization may be sponsored by a for-profit entity, however;

- (1) the for-profit entity's primary purpose does not include the development or management of housing, such as a builder, developer, or real-estate firm, as evidenced:

_____ in the for-profit organization's By-laws;

- (2) the CHDO is free to contract for goods and services from vendor(s) of its own choosing, as evidenced in the CHDO's:

_____ By-laws,

_____ Charter, OR

_____ Articles of Incorporation

- (3) The for-profit entity may not have the right to appoint more than one-third of the membership of the organization's governing board. Board members appointed by the for-profit entity may not appoint the remaining two-thirds of the board members, as evidenced for-profit entity's

_____ By-Laws

- (4) The officers and employees of the for-profit entity may not be officers or employees of the CHDO, as evidenced by the CHDO's and the for-profit entity's

_____ written list of officers and employees.

5. Current CHDO Board Members – Attachment B

A CHDO must be accountable to the low-income residents of its service area by maintaining at least one-third of its governing body members as low-income community representatives. A governing body member can be qualified as a low-income community representative in any one of the following three ways:

1. Being a member of a low-income household;
2. Residing in a low-income census tract or block group;
3. Appointment to the governing body through election by members of another organization consisting exclusively of residents of a low-income neighborhood.

_____ Complete the Chart in Attachment B for the entire CHDO Board

_____ Complete Certification in Attachment B for each CHDO Board Member qualified as a low-income community representative.

6. Organizational Changes

This section only to be completed by organizations that were previously certified for prior projects

Have there been any major changes in organizational capacity affecting HOME Program assisted housing that have occurred since the last CHDO certification (change in key staff, board, organizational structure, etc.)

OFFICERS'S WARRANTY:

By my signature below, I warrant that I am a duly qualified officer of _____, that the formation provided on all current board members of _____ is true and correct to the best of my knowledge, and I have reviewed written documentation in the organization's files that support the information provided.

Signature

Date

Name

Title

Required Backup Documentation

Requirement:	Evidenced by:	Submitted (check)
Non-Profit Organization	Charter, or	
	Articles of Incorporation	
Tax Exemption Ruling	501(c)(3) or (4) certification from the state, or	
	Group exemption letter under Section 905 from the IRS that include the CHDO	
CHDO has as a purpose, the provision of housing to low and moderate income persons	Charter, or	
	Articles of Incorporation, or	
	By-laws, or	
	Resolutions	
Certificate of Good Standing	Certificate of Good Standing from the Secretary of State	
	Other documents from the Secretary of State	
CHDO Service Area	Map of Service Area Consistent with activities	
Strategic Plan	Copy of Strategic Plan specifying plan for housing development.	
Board Members	Completed table provided in application and completed certifications	
Board Skills	Provide resumes of Board Members with professional skills	
Control of CHDO; does not receive directions from individuals or entities seeking profit from the organization	Organizational By-laws, or	
	A Memorandum of Understanding	
If sponsored/created by a for-profit entity, the CHDO is free to contract for goods and services from vendors of its choosing, the for-profit entity is not a builder, does not have the right to appoint more than a certain percentage of the organization's governing body, and may not serve as officers or employees of the CHDO.	By-Laws, or	
	Charter, or	
	Articles of Incorporation	
If sponsored/created by a religious organization, the CHDO is a separate secular entity.	By-Laws, or	
	Charter, or	
	Articles of Incorporation	
Organization has a history of serving the community where HOME funded housing will be located.	Documentation of one year experience serving the community.	
	Documentation that its parent organization has been serving the community for at least one year.	
Organization provides a formal process for low-income, program beneficiaries to provide input into organizational decision making.	By-Laws, or	
	Charter, or	
	Articles of Incorporation	
Organization conforms with financial accountability standards of 24 CFR 84.21, "Standards for Financial Management Systems.	Notarized Statement by the president or CFO	
	A certification from a CPA, or	
	A HUD approved audit summary	
Does the organization have an annual audit?	Copy of most recent audit, or	
	Copy of most recent tax filing	

Attachment A CHDO Definition

24 C.F.R. § 92.2
§ 92.2 Definitions.

Effective: August 23, 2013

Community housing development organization means a private nonprofit organization that:

- (1) Is organized under State or local laws;
- (2) Has no part of its net earnings inuring to the benefit of any member, founder, contributor, or individual;
- (3) Is neither controlled by, nor under the direction of, individuals or entities seeking to derive profit or gain from the organization. A community housing development organization may be sponsored or created by a for-profit entity, but:
 - (i) The for-profit entity may not be an entity whose primary purpose is the development or management of housing, such as a builder, developer, or real estate management firm.
 - (ii) The for-profit entity may not have the right to appoint more than one-third of the membership of the organization's governing body. Board members appointed by the for-profit entity may not appoint the remaining two-thirds of the board members;
 - (iii) The community housing development organization must be free to contract for goods and services from vendors of its own choosing; and
 - (iv) The officers and employees of the for-profit entity may not be officers or employees of the community housing development organization.
- (4) Has a tax exemption ruling from the Internal Revenue Service under section 501(c)(3) or (4) of the Internal Revenue Code of 1986 (26 CFR 1.501(c)(3)-1 or 1.501(c)(4)-1), is classified as a subordinate of a central organization non-profit under section 905 of the Internal Revenue Code of 1986, or if the private nonprofit organization is an wholly owned entity that is disregarded as an entity separate from its owner for tax purposes (e.g., a single member limited liability company that is wholly owned by an organization that qualifies as tax-exempt), the owner organization has a tax exemption ruling from the Internal Revenue Service under section 501(c)(3) or (4) of the Internal Revenue Code of 1986 and meets the definition of "community housing development organization;"
- (5) Is not a governmental entity (including the participating jurisdiction, other jurisdiction, Indian tribe, public housing authority, Indian housing authority, housing finance agency, or redevelopment authority) and is not controlled by a governmental entity. An organization that is created by a governmental entity may qualify as a community housing development organization; however, the governmental entity may not have the right to appoint more than one-third of the membership of the organization's governing body and no more than one-third of the board members may be public officials or employees of governmental entity. Board members appointed by a governmental entity may not appoint the remaining two-thirds of the board members. The officers or employees of a governmental entity may not be officers or employees of a community housing development organization;
- (6) Has standards of financial accountability that conform to 24 CFR 84.21, "Standards for Financial Management Systems;"
- (7) Has among its purposes the provision of decent housing that is affordable to low-income and moderate-income persons, as evidenced in its charter, articles of incorporation, resolutions or by-laws;
- (8) Maintains accountability to low-income community residents by:
 - (i) Maintaining at least one-third of its governing board's membership for residents of low-income neighborhoods, other low-income community residents, or elected representative of low-income neighborhood organizations. For urban areas, "community" may be a neighborhood or neighborhoods, city, county or metropolitan area; for rural areas, it may be a neighborhood or neighborhoods, town, village, county, or multi-county area (but not the entire State); and

(ii) Providing a formal process for low-income program beneficiaries to advise the organization in its decisions regarding the design, siting, development, and management of affordable housing;

(9) Has a demonstrated capacity for carrying out housing projects assisted with HOME funds. A designated organization undertaking development activities as a developer or sponsor must satisfy this requirement by having paid employees with housing development experience who will work on projects assisted with HOME funds. For its first year of funding as a community housing development organization, an organization may satisfy this requirement through a contract with a consultant who has housing development experience to train appropriate key staff of the organization. An organization that will own housing must demonstrate capacity to act as owner of a project and meet the requirements of § 92.300(a)(2). A nonprofit organization does not meet the test of demonstrated capacity based on any person who is a volunteer or whose services are donated by another organization; and

(10) Has a history of serving the community within which housing to be assisted with HOME funds is to be located. In general, an organization must be able to show one year of serving the community before HOME funds are reserved for the organization. However, a newly created organization formed by local churches, service organizations or neighborhood organizations may meet this requirement by demonstrating that its parent organization has at least a year of serving the community.

Attachment B CHDO Board Documents

	Board Member Name	County of Residence	Most Recent Appointment (date)	Public Official (Y/N)	Member of Low-Income Household (Y/N)	Representative of Low-Income Area (Y/N)
1.						
2.						
3.						
4.						
5.						
6.						
7.						
8.						
9.						
10.						
11.						
12.						
13.						
14.						
15.						
	TOTAL					

[Attach additional sheets if necessary]

- Public representatives **cannot** be qualified as low-income representatives, even if they meet the qualifying criteria.
- Public representatives include individuals elected, appointed, or employed by the State or an instrumentality of the State.
- No more than 1/3 of the Board Members may be Public Officials (including employees of the PJ)

**COMMUNITY HOUSING DEVELOPMENT ORGANIZATION (CHDO)
BOARD MEMBER CERTIFICATION OF LOW-INCOME REPRESENTATION**

Each board member representing the interests of low-income families in the Applicant's target community must complete this certification. Please maintain a copy of this certification in your files and send in a copy to the Division.

Select Only One

☐ Member of Low-Income Household

I am a member of a household that has a combined total expected income, which is less than 80% of the area median income for a household of this size.

☐ Resident of Low Income Area

I reside in census tract/block group number, which has at least 51% of its households with incomes less than 80% of the area median income.

The census tract/block: _____

☐ Elected Representative of Low-Income Group

I am elected by the membership of an organization whose membership is open to all residents of a defined neighborhood which shows that more than 50% of the households have incomes less than 80% of the area median income, and my position on our governing body is primarily as a representative of that neighborhood group.

The name of the group is: _____

Census Tract/Blk Group numbers served by the neighborhood group are: _____

☐ Not a Low Income Representative

Select only one:

☐ Public Official or Employee

I currently hold a publicly elected office; am employed by a state or an instrumentality of the state; or serve on any commission, board or other regulatory body by appointment of an elected official or other political body.

☐ Not a Public Official or Employee

Signature: _____ Date: _____

Printed Name: _____

Title: _____

APPENDIX G

2025 Resolution Contract with CGP&H

**Kearny Town Council**402 Kearny Avenue
Kearny, NJ 07032**ADOPTED
RESOLUTION 2025-13**

DOC ID: 15439

Resolution Approving a Professional Services Agreement with Community Grants, Planning and Housing for Affordable Housing Services for the Calendar Year 2025, Pursuant to a Fair and Open Process

WHEREAS, the Town's obligations relating to its Fair Share Housing Plan includes, among other things, the establishment of a program to rehabilitate affordable housing units in the Town; and

WHEREAS, there exists a need for professional planning services to implement the Town's affordable housing obligations in calendar year 2025, including the those related to the rehabilitation program and appointment of an Administrative Agent for the Town's affordable housing programs; and

WHEREAS, the Town has requested proposals for these services pursuant to a fair and open process under N.J.S.A. 19:44A-20.5, *et seq.* and Community Grants, Planning and Housing was the only firm to submit a proposal for this service; and

WHEREAS, the amount payable to Community Grants Planning and Housing in 2025 under this agreement shall not exceed \$110,000 unless increased by further Resolution, and the Chief Financial Officer has certified that this amount has been appropriated and is available to pay for these services; and

WHEREAS, public bidding is not required because this is a contract for professional services being performed by persons or an entity whose practice is licensed and regulated by law; now, therefore,

BE IT RESOLVED by the Mayor and Council for the Town of Kearny, Hudson County, New Jersey that:

1. Community Grants, Planning and Housing, having an address of 1249 South River Road, Suite 301, Cranbury, New Jersey 08512, is hereby appointed as Administrative Agent for the Town's affordable housing programs and to implement its affordable housing rehabilitation program for a one (1) year term. This agreement is entered into pursuant to a fair and open process under N.J.S.A. 19:44A-20.5, *et seq.*
2. The Town Administrator and Town Clerk are authorized to execute the attached Professional Services Agreement and any required documents and to take any and all actions necessary to complete and realize the purpose of this Resolution.
3. The Town Clerk shall publish notice of this action as required by law.
4. The Resolution shall be effective immediately.

Resolution 2025-13

Meeting of January 6, 2025


I certify that funds are available for this purpose in line item T-24-302-000 of the Town Budget.


Shuaib Firozvi, CFO

James Bruno

ADOPTED: January 6, 2025

I hereby certify that the foregoing resolution was adopted by the Council on **January 6, 2025**.


PATRICIA CARPENTER
TOWN CLERK

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Gerald Ficeto, Council Member
SECONDER:	Marytrine DeCastro, Council Member
AYES:	Doyle, Eckel, DeCastro, Ficeto, Zapata, Theodoropoulos, Solano, Esteves
ABSENT:	Richard Konopka

JAN 16, 2025
Community Grants
S. Firozvi, CFO
James Bruno Esq.
Page 2

PROFESSIONAL SERVICES AGREEMENT

THIS AGREEMENT by and between the Town of Kearny (hereinafter referred to as "Town"), a Municipal Corporation of the State of New Jersey and Community Grants, Planning and Housing LLC, 1249 South River Road, Suite 301, Cranbury, NJ 08512 (hereinafter referred to as "CGP&H"); and

WHEREAS, both the Town and CGP&H desire to set forth the various duties, terms and responsibilities of the parties hereto;

WHEREAS, the Town Council hereby desires to approve of this Contract that was presented for the provision of said services.

WITNESSETH, that the parties hereto, for and in consideration of the mutual agreements herein contained, promise and agree as follows:

1. The term of the Agreement shall become effective as of the 1st day of January 2025 for a period of twelve (12) months terminating at the close of business on the 31st day of December 2025. The Agreement may be terminated by either party, by giving one (1) month advanced written notice to the other.
2. CGP&H shall furnish all services and materials and shall perform the services set forth in Schedule A, Scope of Services and Compensation. Compensation will be provided as in this Agreement and as awarded in accordance with Compensation Schedule in strict accordance with the contract as the word "contract" is hereinafter defined and in accordance with all other terms and provisions.
3. The "contract" shall consist of the following:
 - a. This Agreement and all Schedules annexed thereto.
 - b. Resolution of appointment made by the Mayor and Town Council.
 - c. All other terms required by law to be inserted in this contract, whether actually inserted or not.
 - d. The Affirmative Action Requirements annexed hereto, applicable to this contract.
4. CGP&H hereby represents to the Town that CGP&H is qualified to fulfill the position set forth herein with applicable requirements. CGP&H further represents that CGP&H is familiar with all applicable statutes, laws, regulations, procedures and requirements in connection with this appointment.
5. CGP&H hereby agrees to perform the services set forth under the Scope of Services and Compensation, Schedule A, for the Town of Kearny during the period set forth herein above at a cost not to exceed \$110,000 unless increased by Resolution of the Mayor and Council.

6. CGP&H shall not assign this contract or any of its rights or monies due hereunder without the previous written consent of the Town of Kearny as evidenced by a duly adopted Resolution.

7. CGP&H represents that they currently have professional liability insurance in a minimum amount of \$1,000,000 per occurrence and \$2,000,000 aggregate, and that they shall supply a certificate to the Town showing said coverage. CGP&H further covenants and agrees to protect, keep and hold the Town of Kearny harmless against any and all actions, claims or demands for damages, which may be caused by the negligent error, act or omission of CGP&H or by the improper performance of the contract.

8. Payment to CGP&H shall be made in accordance with the terms of this contract. It is understood and agreed that in the event CGP&H is required to perform services that are not contemplated and are not within the subject matter of this contract and are extraordinary and are of a kind which would not ordinarily be performed in the normal course of providing services, that CGP&H shall be paid additional sums of money based upon change orders duly approved by Resolution of the Town of Kearny Council.

AND IT IS FURTHER UNDERSTOOD AND AGREED that the covenants, conditions and agreements herein contained are binding of the parties hereto, their successors, assigns and legal representatives.

THE ATTACHED CONTRACT ADDENDUM IS INCORPORATED HEREIN.

IN WITNESS WHEREOF, the parties hereto have caused their presents to be signed by the respective authorized officers and the proper corporate and/or municipal seals affixed hereto, the date and year first written above.

WITNESS:

BY:

NAME: PATRICIA CARPENTER

TITLE: Town Clerk

TOWN OF KEARNY

BY:

NAME: Joseph J. Angeli

TITLE: Mayor 1/9/25

WITNESS:

NAME: STEPHANIE RUBIN

PP

TITLE: CONTRACTS & PROPOSALS ADMIN.

DATE: 3/14/2025

CGP&H, LLC

NAME: RANDALL GOTTESMAN,
JOHN BURTON, MPA

TITLE: PRESIDENT CEO

DATE: 3/14/2025

CONTRACT ADDENDUM

1. CGP&H ("Contractor") and the Town hereby incorporate into this contract the mandatory language of N.J.A.C. 17:27-3.4(a) and the mandatory language of N.J.A.C. 17:27-5.3 promulgated pursuant to N.J.S.A. 10:5-31 to 38 (P.L. 1975, c. 127, as amended and supplemented from time to time), including the provisions set forth on the attached Exhibit A.
2. Contractor and the Town hereby incorporate into this contract the provisions of Title 11 of the Americans with Disabilities Act of 1990 (the "Act"), which prohibits discrimination on the basis of disability by public entities in all services, programs and activities provided or made available by public entities, and the rules and regulations promulgated thereunder.
3. The Contractor acknowledges its obligation to comply with the Town of Kearny Ordinance No. 2007-(0)-41, as amended, with regard to the payment of Living Wages and the provision of Health Benefits to its employees.
4. Contractor confirms that it has not engaged in investment activities in Iran, Russia or Belarus. Contractor shall, up execution of this Agreement, complete, sign and file with the Town Clerk, the Certifications attached hereto.

Schedule A

Process for Affordable Housing Administrative Agent and Housing Periodic Inspection Program Management

CGP&H is currently responsible for thousands of affordable housing units throughout dozens of New Jersey municipalities. Our staff are experts with state affordable housing regulations in the areas of income qualifications, affordable rents and sales prices, affirmative marketing plans, and much more to comply with the State's Uniform Housing Affordability Controls (UHAC). Over the past three decades, CGP&H has designed and successfully implemented every allowable approach to affordable housing in New Jersey and our staff of licensed planners has an excellent understanding of all State affordable housing rules and regulations. We ensure that each affordable housing project complies with State rules as well as each municipality's Housing Element and Fair Share Plan.

CGP&H is an industry leader in technological innovation to better serve our applicants and our clients. CGP&H's Affordable Homes New Jersey website and profile is now so widely recognized that we receive inquiries from affordable homeowners in municipalities not administered by CGP&H requesting that we list their home and administer the sale!

Applicants are able to log onto their own Affordable Homes New Jersey Profile to update their contact information and see exactly where they are on our affordable housing waiting lists. No other firm in the state has capabilities that even begin to approach the efficacy, speed, responsiveness to applicant inquiries, and user-friendliness. AffordableHomesNewJersey.com has transformed the way we provide Administrative Agent services and improved the applicant experience tremendously. This is why our firm has nearly doubled its affordable housing admin portfolio in a very short time. Furthermore, these online tools and database enable us to administer affordable units in small inclusionary developments effectively and efficiently as well as large projects.

Detailed applicant information is stored in our secure database on the Salesforce platform enabling us to monitor the program and provide valuable insights into our client municipality's portfolio and its applicants. For example, we can report on how long it takes to sell a unit, how long it takes to rent a unit, how many are currently for rent, how many applicants have special needs, and so much more. No other firm has these reporting and analytic capabilities that we include in our portfolio of services.



We are also leaders in implementing Affordability Assistance Programs and Accessory Apartment Programs that work. From the challenges of rehabilitating an owner-occupied home to acquiring market rate homes and reselling them under a Market to Affordable Program, CGP&H is the most comprehensive, experienced and capable affordable housing implementation team operating in New Jersey today.



Process for Affordable Housing Administrative Agreement and Housing Rehabilitation Program Management

We have overseen the rehabilitation of more than 3,500 homes in municipalities through New Jersey and Pennsylvania, currently providing housing rehabilitation services to over 55 of our municipal clients and 2 county clients. CGP&H always ensures that every housing rehabilitation program is seamless and rooted in the principles of maximizing efficiencies while imparting a visible, long-term positive impact for communities. From program creation to full-case processing through completion of construction and issuance of warranties to homeowners, CGP&H offers a full-service housing rehabilitation solution second to none. Always compliant with regulatory requirements, our professionals ensure an optimal outcome every time.

Our housing rehabilitation program website, www.hip.cgh.net provides useful information for both homeowners and contractors interested in participating in our clients' Home Improvement programs. It also makes it easy for homeowners to submit a one-page electronic preliminary application and for contractors to obtain a contractor application at their convenience. Please visit www.hip.cgh.net to see how our specialized website serves residents. Our municipal clients choose CGP&H, and fellow planners and attorneys consistently recommend us to their clients because our programs are carefully designed to comply with all state and federal regulations, produce the most units per dollar, and result in quality construction with satisfied homeowners and renters. Other areas where CGP&H continues to shine include:

- Creation of new or updating existing Policies and Procedures Manuals to be thorough and in full compliance of applicable federal and/or state regulations
- Comprehensive and extensively documented case files which municipal clients; HUD consultants, and state and federal auditors consistently praise
- Detailed work write-up specifications and bid documents that are second to none
- Progress inspections during the construction phase that increase contractor compliance
- Innovative, customized multi-media marketing to homeowners and contractors alike
- Local contractor outreach, encouraging participation from the best local contractors
- Successfully manage difficult contractors that prove to be sub-standard
- Friendly, always accessible, and bilingual staff
- Extensive phone support, and in person assistance whenever required

The satisfaction rate among our applicants and quality of our case files have set the benchmark on which other rehabilitation programs are judged. In fact, on many occasions, our firm has been brought in after municipal programs were severely mismanaged by either other consultants or in-house staff, such as Bound Brook, Freehold Borough, Fairfield (Salem), New Brunswick and the City of Passaic. In every case, CGP&H turned those programs into successes, lauded by the very state and federal agencies that previously had problems with those municipal programs. Whether working with a problem situation, or in a municipality that is brand new to housing rehabilitation, or even taking over administration of a currently successful program, our approach is consistent to achieve the desired results. These reasons, coupled with our highly-experienced management and case team members are the primary reasons for the successes for each of the housing rehabilitation programs we administer throughout New Jersey for our municipal clients, as well as the housing rehabilitation programs we administer in Pennsylvania.



Affordable Housing Relocation Program Manager

COMPENSATION PROPOSAL

CGP&H will provide municipality with professional services for the purposes described in this proposal. CGP&H will only bill for services performed, and therefore, the actual amount billed may be considerably less than the budgets presented below depending on the breadth of services requested by municipality.

ADMINISTRATIVE AGENT GENERAL SERVICES paid by Municipality	
1. Municipal Services	Not-to-exceed \$10,000 billed hourly at a rate of \$165 per hour for senior staff which include planners and department supervisors
2. Administrative Agent Resale Fee	\$2,000 flat fee payable by Municipality for each sale unit when home gets listed for sale. <i>A fee of 3% of the resale price will be paid from the seller at the closing to CGP&H.</i>
3. Subordination Requests	\$175 flat fee to process refinancing requests. This fee is paid by the homeowner.
4. Direct Costs	Reimbursement for expenses. Not to exceed \$300 per contract year.
TOTAL PAID BY MUNICIPALITY	Not-to-exceed \$10,300 assuming no units are listed for sale.

1. **Municipal Services:** This may include, but is not limited to:
- Implementing Affirmative Marketing Plan postings and other compliance requirements
 - Creation/Updates to the Administrative Agent Operating Manual and Affirmative Marketing Plan, when required
 - Distressed Properties follow up activities
 - Responding to initial private developer inquiries
 - Advising Municipality on affordable housing requirements for new developments
 - Foreclosure prevention activities
 - Enforcing affordability controls, including annual mailings to homeowners
 - Program setup for Accessory Apartment program
 - Program setup for Affordability Assistance Programs
 - Unit Monitoring
 - Entry of unit information into state database
 - Assisting with Spending Plan revisions
 - Extension of Controls
 - Releasing controls at end of control period
 - Calculating annual tax assessments for affordable homeowners
 - Midpoint Review
 - Group home research to document creditworthiness

Affordable Housing Assistance Program Budget

If the municipality requires additional services above this line item's budgetary cap, CGP&H will request permission to proceed before invoicing further.

CGP&H will strive to comply with all aspects of S2527 affirmative marketing legislation. However, CGP&H cannot ensure that other administrative agents administering affordable housing units in the Municipality are meeting the regulations until further direction is provided by the State of New Jersey.

2. **Administrative Agent Resale Fee:** This includes but is not limited to:
 - Facilitation of the resale of any affordable sales unit that is put up for sale by current owner
 - Certifying a buying household(s) as eligible
 - Sending potential purchasers to the unit
 - Facilitating an agreement between buyer and seller
 - Preparing and filing closing documents.

The flat fee that is paid by the Municipality will be billed once a notice of intent to sell is signed by the seller. In the event that the seller cancels the sale during the sale process, and the unit does not go to closing, this flat fee is still applicable and will not be returned or cancelled.

3. **Subordination Requests:** includes the cost of processing mortgage Subordination Requests during the affordability control period.
4. **Direct Costs:** this includes, but is not limited to:
 - Reimbursement for direct costs for large scale printing jobs; postage; affirmative marketing mailing, mailings to affordable housing homeowners; poster production; expedited mailings or messenger services, etc.

Affordable Housing Rehabilitation Program Manager

AFFORDABILITY ASSISTANCE PROGRAM SERVICES**Affordability Assistance Program Services**

CGP&H will charge a flat fee of \$425 for each first month's rent program application.

CGP&H will charge a flat fee of \$525 for each down payment assistance program application.

For all other services related to affordability assistance implementation, CGP&H will bill hourly at \$165 per hour for senior staff, and \$105 per hour.

Affordability Assistance Program Services: Once programs are selected and manuals written are and approved, administration of these affordability assistance programs includes, but is not limited to:

- Soliciting applications
- Distributing and processing applications
- Income certifying applicants, when required.
- Reviewing and approving applications.
- Tracking the disbursement of funds for required reporting.
- Keeping records of all affordability assistance provided.

Attachment: Housing Rehabilitation Program Administration

Housing Rehabilitation Program Administration Services	
1. Ongoing Day-to-Day Program Administration	Monthly flat fee of \$900 per month for a total of \$10,800 per contract year. <i>Please note, this line item combines two monthly flat fee line items from last year's contract into a single line item. The total cost to the Municipality has not increased.</i>
2. Direct Costs	\$300 not to exceed per year.
Additional services as requested	Billed hourly at the blended rate of \$132 per hour. <i>Budget for these services will depend on scope of additional services requested by the municipality. CGP&H will not bill any time towards this line item without written authorization from the municipality.</i>

1. Ongoing Day-to-Day Program Administration: includes but is not limited to:

- Maintaining a waiting list of interested residents;
- Ongoing owner outreach efforts
- Reviewing homeowner pre-applications to determine initial eligibility
- Reporting
- Doing updates to program manual and forms as needed
- Contractor outreach
- Intake of new interested contractor applications
- Qualifying new contractors
- Maintaining contractor database and individual records
- Updates to rehab work specifications templates and compliance research
- All other Housing Rehabilitation administrative tasks.

The following services are not included within the monthly flat fee and will require additional authorization to proceed: preparation for and presentation to community as a whole or community sub-groups at request of municipality.

- 2. Direct Costs:** this includes, but is not limited to, reimbursement for direct costs for large scale printing jobs, postage, mailings, poster production, expedited mailings or messenger services, county filing/recording fees, etc. This does not include paid advertising.

Alameda Housing Rehabilitation Program Overview

Lead Risk Assessment and Testing Services if requested by municipality	
1. Lead Risk Assessment and Report	Flat fee of \$650 per unit (includes dust wipes and soil sample as needed)
2. Lead Clearance Testing	Flat fee of \$330 per unit.

- 1. Lead Risk Assessment and Report:** Only applicable to houses built prior to 1978.
- 2. Lead Clearance Testing:** Only necessary if lead risk assessment findings have actionable lead level.

Charges to be paid by the Housing Rehabilitation Contractor to CGP&H

CIRCUMSTANCE	CONTRACTOR PENALTY
1. Failed Final Inspection	\$375 per failed inspection paid by the contractor directly to CGP&H. \$300 for repeat lead clearance if needed.
2. Unjustified Construction Delays	\$50 per day paid by the contractor directly to CGP&H.

- 1. Failed Final Inspection:** If a contractor requests a final inspection, and fails to meet the specifications of the Work Write-Up, the contractor will be charged a flat fee to partially cover the cost of having to conduct a second inspection and preparing the accompanying inspection reports. Charges for each failed final inspection will be issued directly from the contractor to CGP&H, as specified in the construction agreement. CGP&H will notify the Municipality if this penalty is ever levied against a contractor.
- 2. Unjustified Construction Delays:** If the contractor delays construction without appropriate justification which requires CGP&H's additional follow-up with contractor, a weekly penalty will be charged to the contractor during the delay period. This will be specified in the construction agreement as a weekly penalty to the contractor paid directly to CGP&H if the penalty is imposed. CGP&H will notify the Municipality if this penalty is ever levied against a contractor.

Additional Housing Rehabilitation Program Charges

The following fees may apply to the Municipality only if the need arises:

Additional Housing Rehabilitation Services, as Needed	Fee
Services related to any cases that are terminated due to circumstances outside the control of CGP&H, including determination of either participant or property ineligibility, voluntary withdrawal by the program participant, or a participant failure to follow other program rules, including violations of local ordinances, falsification of eligibility documents, etc.	\$850 flat fee per termination.
For services related to the program inspector's discovery during the initial property inspection of non-compliant occupancy or recently completed or ongoing home improvements without required municipal permits, the CGP&H will work to get the program participant to rectify the situation and become municipally compliant before the case can continue in the program with the standard case processing procedures. *Municipality has the option to pass on this additional cost to the owner.	\$400 flat fee per case for compliance items*
If the program participant delays the preconstruction process for any reason, including rectifying non-compliance discovery (see above section), which then makes the state mandated certificate of eligibility period expire prior to the signing of the construction agreement, CGP&H will be required to reverify household income. *Municipality has the option to pass on this additional cost to the owner.	\$750 per re-verification of income*
On occasion, there are secondary or supplemental funding sources available to assist a unit get fully up to code in cases where the program's funding limits and the program participant's ability to provide their own funding is insufficient. To avoid abandoning the case since it cannot be brought up to code with available funding, we can partner with other funding sources in some cases to make the project work. CGP&H will r initial research to determine if partnering source is an option for the particular case, and if so, then coordinate with secondary funding source.	\$400 flat fee per case for initial research and coordination of partnering funds
If during or after the completion of a housing rehabilitation case there are contract disputes, warranty claims or other kinds of disputes causing the Municipality to request mediation or intervention, CGP&H will only proceed upon written authorization from the municipality. When a program participant or contractor contacts CGP&H directly, CGP&H will attempt to resolve it expediently, prior to seeking written authorization from the municipality.	\$400 flat fee per case for warranty claims or \$750 flat fee per case for contract disputes.
Cases that require more than one bid opening (due to non-receipt of a qualified bid, contractor replacement or specialty contractor need on portion of rehab work) and/or more than one loan closing and related documents preparation; CGP&H will proceed with a re-bid process which includes re-sending updated bid notice and bid packages, additional bid opening, and review of bids received and/or each additional set of loan closing documents and/or additional loan closing	\$525 per case for re-bid process and \$525 per case for each additional needed loan closing and/or additional loan closing documents.



Widdows - Housing Rehabilitation Program - 7/1/2025

Exclusions:

The following services are specifically excluded from the scope of services to be provided under this agreement:

1. All engineering and architectural services related to the rehabilitation of residential structures, and the coordination thereof. In the rare cases where such funding is needed, the homeowner is responsible for those costs.
2. All legal services as may be required to administer the program or resolve a dispute between a program participant and a contractor.
3. Direct costs such as advertising, reproduction, and expedited mail or messenger services more than amount identified above in this proposal.
4. Relocation assistance, in the extremely rare event that a household must be relocated during the construction phase.
5. CGP&H is not responsible for serving as the property manager of any rental units.
6. Lead based paint testing services.

CONTRACT ADDENDUM

1. CGP&H ("Contractor") and the Town hereby incorporate into this contract the mandatory language of N.J.A.C. 17:27-3.4(a) and the mandatory language of N.J.A.C. 17:27-5.3 promulgated pursuant to N.J.S.A. 10:5-31 to 38 (P.L. 1975, c. 127, as amended and supplemented from time to time), including the provisions set forth on the attached Exhibit A.
2. Contractor and the Town hereby incorporate into this contract the provisions of Title 11 of the Americans with Disabilities Act of 1990 (the "Act"), which prohibits discrimination on the basis of disability by public entities in all services, programs and activities provided or made available by public entities, and the rules and regulations promulgated thereunder.
3. The Contractor acknowledges its obligation to comply with the Town of Kearny Ordinance No. 2007-(0)-41, as amended, with regard to the payment of Living Wages and the provision of Health Benefits to its employees.
4. Contractor confirms that it has not engaged in investment activities in Iran, Russia or Belarus. Contractor shall, up execution of this Agreement, complete, sign and file with the Town Clerk, the Certifications attached hereto.

Exhibit A

MANDATORY EQUAL EMPLOYMENT OPPORTUNITY LANGUAGE
 N.J.S.A. 10:5-31 et seq. (P.L. 1975, C. 127)
 N.J.A.C. 17:27

GOODS, PROFESSIONAL SERVICE AND GENERAL SERVICE CONTRACTS

During the performance of this contract, the contractor agrees as follows:

The contractor or subcontractor, where applicable, will not discriminate against any employee or applicant for employment because of age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex. Except with respect to affectional or sexual orientation and gender identity or expression, the contractor will take affirmative action to ensure that such applicants are recruited and employed, and that employees are treated during employment, without regard to their age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex. Such action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Public Agency Compliance Officer setting forth provisions of this nondiscrimination clause.

The contractor or subcontractor, where applicable will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex.

The contractor or subcontractor, where applicable, will send to each labor union or representative or workers with which it has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the agency contracting officer advising the labor union or workers' representative of the contractor's commitments under this act and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

The contractor or subcontractor, where applicable, agrees to comply with any regulations promulgated by the Treasurer pursuant to N.J.S.A. 10:5-31 et seq., as amended and supplemented from time to time and the Americans with Disabilities Act.

The contractor or subcontractor agrees to make good faith efforts to employ minority and women workers consistent with the applicable county employment goals established in accordance with N.J.A.C. 17:27-5.2, or a binding determination of the applicable county employment goals determined by the Division, pursuant to N.J.A.C. 17:27-5.2.

The contractor or subcontractor agrees to inform in writing its appropriate recruitment agencies including, but not limited to, employment agencies, placement bureaus, colleges, universities, labor unions, that it does not discriminate on the basis of age, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex, and that it will discontinue the use of any recruitment agency which engages in direct or indirect discriminatory practices.

The contractor or subcontractor agrees to revise any of its testing procedures, if necessary, to assure that all personnel testing conforms with the principles of job-related testing, as established by the statutes and court decisions of the State of New Jersey and as established by applicable Federal law and applicable Federal court decisions.

In conforming with the applicable employment goals, the contractor or subcontractor agrees to review all procedures relating to transfer, upgrading, downgrading and layoff to ensure that all such actions are taken without regard to age, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex, consistent with the statutes and court decisions of the State of New Jersey, and applicable Federal law and applicable Federal court decisions.

The contractor shall submit to the public agency, after notification of award but prior to execution of a goods and services contract, one of the following three documents:

Letter of Federal Affirmative Action Plan Approval

Certificate of Employee Information Report

Employee Information Report Form AA302

The contractor and its subcontractors shall furnish such reports or other documents to the Div. of Contract Compliance & EEO as may be requested by the office from time to time in order to carry out the purposes of these regulations, and public agencies shall furnish such information as may be requested by the Div. of Contract Compliance & EEO for conducting a compliance investigation pursuant to Subchapter 10 of the Administrative Code at N.J.A.C. 17:27.

(REVISED 4/10)

EXHIBIT A
MANDATORY EQUAL EMPLOYMENT OPPORTUNITY LANGUAGE
N.J.S.A. 10:5-31 ET SEQ. (P.L.1975, c.127)

GOODS, GENERAL SERVICES, AND PROFESSIONAL SERVICES CONTRACTS.

During the performance of this contract, the contractor agrees as follows:

The contractor or subcontractor, where applicable, will not discriminate against any employee or applicant for employment because of age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex. Except with respect to affectional or sexual orientation and gender identity or expression, the contractor will ensure that equal employment opportunity is afforded to such applicants in recruitment and employment, and that employees are treated during employment, without regard to their age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex. Such equal employment opportunity shall include, but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Public Agency Compliance Officer setting forth provisions of this nondiscrimination clause.

The contractor or subcontractor, where applicable will, in all solicitations or advertisements for employees place by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex.

The contractor or subcontractor will send to each labor union, with which it has a collective bargaining agreement, a notice, to be provided by the agency contracting officer, advising the labor union of the contractor's commitments under this chapter and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

The contractor or subcontractor, where applicable, agrees to comply with any regulations promulgated by the Treasurer pursuant to N.J.S.A. 10:5-31 et seq., as amended and supplemented from time to time and the Americans with Disabilities Act.

The contractor or subcontractor agrees to make good faith efforts to meet targeted county employment goals established in accordance with N.J.A.C. 17:27-5.2.

EXHIBIT A (Cont)

The contractor or subcontractor agrees to inform in writing its appropriate recruitment agencies including, but not limited to, employment agencies, placement bureaus, colleges, universities, and labor unions, that it does not discriminate on the basis of age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex, and that it will discontinue the use of any recruitment agency which engages in direct or indirect discriminatory practices.

The contractor or subcontractor agrees to revise any of its testing procedures, if necessary, to assure that all personnel testing conforms with the principles of job related testing, as established by the statutes and court decisions of the State of New Jersey and as established by applicable Federal law and applicable Federal court decisions.

In conforming with the targeted employment goals, the contractor or subcontractor agrees to review all procedures relating to transfer, upgrading, downgrading and layoff to endure that all such actions are taken without regard to age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex, consistent with the statutes and court decisions of the State of New Jersey, and applicable Federal law and applicable Federal court decisions.

The contractor shall submit to the public agency, after notification of award but prior to execution of a goods and services contract, one of the following three documents:

Letter of Federal Affirmative Action Plan Approval;

Certificate of Employee Information Report; or

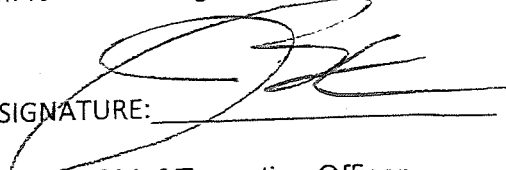
Employee Information Report Form AA-302 (electronically provided by the Division and distributed to the public agency through the Division's website at <http://www.state.nj.us/treasury/contractcompliance>.

The contractor and its subcontractors shall furnish such reports or other documents to the Division of Purchase & Property, CCAU, EEO Monitoring Program as may be requested by the office from time to time in order to carry out the purposes of these regulations, and public agencies shall furnish such information as may be requested by the Division of Purchase & Property, CCAU, EEO Monitoring Program for conducting a compliance investigation pursuant to N.J.A.C. 17:27-1.1 et seq.

COMPANY: CGP&H, LLC

PRINT NAME: John Burton, MPA

DATE: 3/14/2025

SIGNATURE: 

TITLE: Chief Executive Officer

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CERTIFICATION OF NON-INVOLVEMENT IN PROHIBITED ACTIVITIES IN RUSSIA OR BELARUS

Pursuant to N.J.S.A. 52:32-60.1, et seq. (L. 2022, c. 3) any person or entity (hereinafter "Vendor"¹) that seeks to enter into or renew a contract with a State agency for the provision of goods or services, or the purchase of bonds or other obligations, must complete the certification below indicating whether or not the Vendor is identified on the Office of Foreign Assets Control (OFAC) Specially Designated Nationals and Blocked Persons list, available here: <https://sanctionssearch.ofac.treas.gov/>. If the Department of the Treasury finds that a Vendor has made a certification in violation of the law, it shall take any action as may be appropriate and provided by law, rule or contract, including but not limited to, imposing sanctions, seeking compliance, recovering damages, declaring the party in default and seeking debarment or suspension of the party.

I, the undersigned, certify that I have read the definition of "Vendor" below, and have reviewed the Office of Foreign Assets Control (OFAC) Specially Designated Nationals and Blocked Persons list, and having done so certify:

(Check the Appropriate Box)

- ☒ A. That the Vendor is not identified on the OFAC Specially Designated Nationals and Blocked Persons list on account of activity related to Russia and/or Belarus.

OR

- ☐ B. That I am unable to certify as to "A" above, because the Vendor is identified on the OFAC Specially Designated Nationals and Blocked Persons list on account of activity related to Russia and/or Belarus.

OR

- ☐ C. That I am unable to certify as to "A" above, because the Vendor is identified on the OFAC Specially Designated Nationals and Blocked Persons list. However, the Vendor is engaged in activity related to Russia and/or Belarus consistent with federal law, regulation, license or exemption. A detailed description of how the Vendor's activity related to Russia and/or Belarus is consistent with federal law is set forth below.

(Attach Additional Sheets If Necessary.)

Signature of Vendor's Authorized Representative

John Burton, Chief Executive Officer

Print Name and Title of Vendor's Authorized Representative

CGP&H, LLC

Vendor's Name

1249 South River Road, Suite 301

Vendor's Address (Street Address)

Cranbury, NJ 08512

Vendor's Address (City/State/Zip Code)

3/14/2025

Date

26-1266747

Vendor's FEIN

609-664-2769

Vendor's Phone Number

609-664-2786

Vendor's Fax Number

john@cgph.net

Vendor's Email Address

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¹ Vendor means: (1) A natural person, corporation, company, limited partnership, limited liability partnership, limited liability company, business association, sole proprietorship, joint venture, partnership, society, trust, or any other nongovernmental entity, organization, or group; (2) Any governmental entity or instrumentality of a government, including a multilateral development institution, as defined in Section 1701(c)(3) of the International Financial Institutions Act, 22 U.S.C. 262r(c)(3); or (3) Any parent, successor, subunit, direct or indirect subsidiary, or any entity under common ownership or control with, any entity described in paragraph (1) or (2).

APPENDIX H

Completed Rehabilitation Projects Through CGP&H

Kearny HR Program Status

As of 2025-06-15 12:10:44 Eastern Standard Time/EST • Generated by Beth McCann •

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Show: All municipalities

Municipality Name does not contain text

Municipality Name equals Kearny

Municipality Name ↑

HR Case File Name	Street Address/Property Address	Case Phase Manual	Est. of Eligibility	Eligibility Calculated	Contractor Bill Name/Account Name	Non-Contract Date	Contract Amount	Program Funds	HRF Funds	Final Inspection	Type of Work
KEAR-2102	313A Hickory Street	Case Complete	2/18/2021	Moderate Income	A-Plus Construction, Inc.	7/9/2021	\$23,300.00	\$23,300.00	\$0.00	1/22/2022	Electrical work, window & rear entry door replacement
KEAR-2211	353 Hickory St	Case Complete	3/17/2022	Moderate Income	NJMF Investments, LLC	6/27/2022	\$22,795.72	\$22,795.72	\$0.00	1/18/2022	Electrical work, window replacement & boiler replacement
KEAR-2216-1-O	693 Devon Street First Floor	Case Complete	5/18/2022	Low Income	A-Plus Construction, Inc.	10/7/2022	\$11,300.00	\$11,300.00	\$0.00	5/15/2023	Electrical service replacement & electrical repairs
KEAR-2320	600 Forest Street	Case Complete	9/14/2023	Moderate Income	Jared Construction LLC	11/7/2023	\$18,600.00	\$18,600.00	\$0.00	1/23/2024	Roofing & window replacement, electrical, plumbing & drywall repairs
KEAR-2324	297 Maple St	Case Complete	12/7/2023	Low Income	Alvaret Contracting	1/3/2024	\$22,173.90	\$22,173.90	\$0.00	3/21/2024	Windows & gutter system replacement, chimney repair
KEAR-2326	731-1/2 Devon Street	Case Complete	2/8/2024	Moderate Income	Severe Structures, LLC	5/1/2024	\$14,999.00	\$18,000.00	\$0.00	6/27/2024	Windows & gutter system replacement, electrical s/c replacement, toilet, floor & vanity
KEAR-2328	49 Livingston Ave.	Case Complete	5/20/2024	Moderate Income	A-Plus Construction, Inc.	8/13/2024	\$25,700.00	\$25,700.00	\$0.00	1/21/2025	Electrical service replacement, boiler replacement, basement drainage system, asbestos removal and carbon monoxide alarms
KEAR-2330	28 John Street	Case Complete	3/25/2024	Moderate Income	NJMF Investments, LLC	7/2/2024	\$27,924.00	\$27,924.00	\$0.00	10/25/2024	Boiler and water heater replacement
KEAR-2331-1-O	77 Devon Terrace	Case Complete	7/24/2024	Moderate Income	A-Plus Construction, Inc.	3/15/2024	\$13,400.00	\$13,400.00	\$0.00	7/31/2024	Roofing & window replacement, electrical, plumbing & drywall repairs
KEAR-2334	231 Apple Place	Case Complete	7/15/2024	Moderate Income	Severe Structures, LLC	7/7/2024	\$18,900.00	\$18,900.00	\$0.00	5/7/2024	Boiler & water heater replacement, electrical, plumbing & drywall repairs
KEAR-2344-1-O	811 Devon Street	Case Complete	7/15/2024	Moderate Income	Severe Structures, LLC	10/1/2024	\$20,200.00	\$20,200.00	\$0.00	7/1/2025	Boiler replacement, Windows and entry door replacement
KEAR-2448	87 WOODLAND AVE	Case Complete	8/14/2024	Moderate Income	B.S. Construction LLC	10/16/2024	\$20,200.00	\$20,200.00	\$0.00	7/1/2025	Roofing replacement, Masonry steps and landing replacement, electrical repairs and smoke alarms
KEAR-2451	83 Devon Terrace	Case Complete	6/13/2024	Moderate Income	A-Plus Construction, Inc.	8/20/2024	\$24,100.00	\$22,400.00	\$1,700.00	1/12/2024	Window and entry door replacement and toilet replacement
KEAR-2454	20 South Midland Ave Unit C2	Case Complete	8/9/2024	Moderate Income	A-Plus Construction, Inc.	10/2/2024	\$12,200.00	\$12,200.00	\$0.00	7/18/2025	Electrical service replacement & repairs, water heater replacement, windows, front entry steps & ceiling smoke & carbon monoxide alarms
KEAR-2461-1-O-R	717-1/2 Devon St.	Case Complete	8/7/2024	Moderate Income	Severe Structures, LLC	10/28/2024	\$25,000.00	\$20,000.00	\$5,000.00	7/10/2025	

APPENDIX I

DRAFT 2025 Town of Kearny Spending Plan

DRAFT
AMENDED AFFORDABLE HOUSING TRUST FUND
SPENDING PLAN

Town of Kearny
Hudson County, New Jersey

May 22, 2025

Prepared By:

H|G|A

Heyer, Gruel & Associates
Community Planning Consultants
236 Broad Street, Red Bank, NJ 07701
(732) 741-2900

Town of Kearny, Hudson County
Amended Affordable Housing Trust Fund Spending Plan

CS@ES May 22, 2025

DRAFT

**AMENDED AFFORDABLE HOUSING TRUST FUND
SPENDING PLAN**

Town of Kearny
Hudson County, New Jersey

May 22, 2025

Prepared By:

Heyer, Gruel & Associates
Community Planning Consultants
236 Broad Street, Red Bank, NJ 07701
(732) 741-2900

The original of this report was signed and
sealed in accordance with N.J.S.A. 45:14A-12

McKinley Mertz, AICP, P.P. #6368

With contributing content by Brooke Schwartzman, Associate Planner

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INTRODUCTION

The Town of Kearny, Hudson County has prepared and adopted a Housing Element and Fair Share plan that addresses its regional fair share of the affordable housing need in accordance with the Municipal Land Use Law (N.J.S.A. 40:55D-1 et seq.) and the Fair Housing Act (N.J.S.A. 52:27D-301).

Kearny adopted its Development Fee ordinance in 2008 via Resolution 2008-734. The ordinance has since been replaced with a new version, Ordinance 2020-36 which was passed on October 20, 2020 as a component of the Town's Third Round compliance process. This revised Development Fee Ordinance brings the ordinance up to current standards.

Kearny's first Spending Plan was created as part of its 2008 Housing Element and Fair Share Plan. As part of the Town's efforts to address their Third Round obligation, another Spending Plan was prepared and adopted by the Township on November 10, 2020 via Resolution 2020-531. Pursuant to the settlement agreement with Fair Share Housing Center (FSHC) executed on December 11, 2018, annual monitoring reports were submitted to the New Jersey Department of Community Affairs and FSHC. This 2025 Spending Plan supersedes all prior Spending Plans.

Since the Town began collecting fees in 2001, Kearny had accrued more than \$7.03 million in development fees, payments in lieu of construction, interest, and other income. Kearny has spent a total of \$725,000 on administrative costs, housing activity, and affordability assistance. In accordance with the Budget Detail Inquiry for the trust fund account (as provided to HGA by the Town), the balance as of December 31, 2024 was \$6,309,576.

All development fees, payments in lieu of constructing affordable units on site, interest generated by the fees as well as any other source of income are deposited into this separate, interest-bearing affordable housing trust fund for the purposes of affordable housing. These funds shall be spent in accordance with N.J.A.C. 5:93, or applicable regulations, as described in the sections that follow.

This Fourth Round Spending Plan is submitted for approval to expend all current and future affordable housing trust fund monies, as necessary, that will contribute to the development of new affordable housing units.

REVENUES FOR CERTIFICATION PERIOD

To calculate a projection of revenue anticipated during the period of Fourth Round "Substantive Certification," the Town of Kearny considered the following:

Development fees

1. Nonresidential projects which have had development fees imposed upon them at the time of preliminary or final development approvals;
2. All projects currently before the planning and zoning boards for development approvals that may apply for building permits and certificates of occupancy; and
3. Future development that is likely to occur based on historical rates of development.

Payment in lieu (PIL)

Actual and committed payments in lieu (PIL) of construction from developers.

Other funding sources

Funds from other sources, including, but not limited to, the sale of units with extinguished controls, repayment of affordable housing program loans, rental income, proceeds from the sale of affordable units.

Projected Interest

Interest on the projected revenue in the municipal affordable housing trust fund at the current average interest rate.

Projected Revenues

Projected Revenues – Housing Trust Fund – 2025 through 2035				
	Current Balance	(a) Projected Development Fees:	(d) Interest	TOTAL
Trust Fund Balance as of 12/31/2024*	\$6,309,576	-	-	\$6,309,576
2025	-	\$187,747	\$563	\$188,310
2026	-	\$375,493	\$1,126	\$376,620
2027	-	\$375,493	\$1,126	\$376,620
2028	-	\$375,493	\$1,126	\$376,620
2029	-	\$375,493	\$1,126	\$376,620
2030	-	\$375,493	\$1,126	\$376,620
2031	-	\$375,493	\$1,126	\$376,620
2032	-	\$375,493	\$1,126	\$376,620
2033	-	\$375,493	\$1,126	\$376,620
2034	-	\$375,493	\$1,126	\$376,620
2035	-	\$187,747	\$563	\$188,310
TOTAL	\$6,309,576	\$3,754,935	\$11,265	\$10,075,775

*Balance pursuant to Budget Detail Inquiry received from the Town on 5/15/2025

To calculate the projection of revenue anticipated from the general development fees, 10 years (2014 through 2023) of construction data (for both residential and non-residential construction) for the Town, acquired from the New Jersey Department of Community Affairs, was examined. The historic activities of Town's existing affordable housing trust fund were also analyzed.

Kearny projects a total of \$3,754,935 will be collected between June 2025 and June 30, 2035. An additional \$11,265 in interest is projected to be earned through 2035. Interest calculations are based on a historic average of the interest earned in the Town's trust fund. All interest earned on the account shall accrue to the account to be used only for the purposes of affordable housing. Including the existing trust fund balance, the Township projects a total of \$10,075,775 through June 30, 2035.

ADMINISTRATIVE MECHANISM TO COLLECT AND DISTRIBUTE FUNDS

The following procedural sequence for the collection and distribution of development fee revenues shall be followed by the Town of Kearny:

Collection of development fee revenues:

Collection of development fee revenues shall be consistent with Kearny's development fee ordinance for non-residential developments.

Distribution of development fee revenues:

The Administrative Agent and the Municipal Housing Liaison will manage the projects outlined in this Spending Plan and the Housing Element and Fair Share Plan.

The release of funds requires the adoption of a resolution by the governing body. Once a request is approved by resolution, the Chief Financial Officer releases the requested revenue from the trust fund for the specific use approved in the governing body's resolution.

Collection and distribution of barrier free funds:

Collection and distribution of barrier free funds shall be consistent with the Town's Affordable Housing Ordinance and in accordance with applicable regulations. A process describing the collection and distribution procedures for barrier free escrow is detailed within the Town's Affordable Housing Ordinance.

DESCRIPTION OF ANTICIPATED USE OF AFFORDABLE HOUSING FUNDS

The following sections represent the anticipated affordable housing expenditures within the Township of Harding, that will utilize trust fund monies.

New Construction Programs and Projects

The Town intends to utilize Affordable Housing Funds in support of any 100% affordable housing developments during the Fourth Round. Kearny seeks to build a 100% affordable housing development for veterans on Block 169, Lots 3-5. The Town intends to select a qualified developer for this project and will coordinate a realistic development program for the site at that time. Kearny anticipates that funding from the trust fund may be appropriate to facilitate in the construction of this 100% affordable development.

Town Rehabilitation Program

The Town actively uses Affordable Housing Funds in support of housing rehabilitation projects and will continue to do so during the Fourth Round. Since the Town Rehabilitation Program began in 2020, the monies dedicated each year to such projects have increased significantly as interest in the program has expanded.

Affordability Assistance (N.J.A.C. 5:93-8.16)

Per the requirements regarding the use of funds for affordability assistance laid out in N.J.A.C. 5:93- 8.16, the Town is required to dedicate at least 30% of all development fees collected and interest earned to

provide affordability assistance to low-, and moderate-income households. In addition, at least one-third of the affordability assistance shall be used to provide affordability assistance to very low-income households.

The calculation of available affordability assistance funds is performed by considering the lifetime of the trust fund. To project the funding amount that is dedicated to affordability assistance, all actual expenditures spent on new construction activities as well as any rehabilitation activities from the inception of the fund are subtracted from the sum of the actual and projected development fees and interest. That total is multiplied by 30% to determine the 30% requirement. The actual affordability assistance expenditures from inception of the fund are then subtracted from the overall 30% requirement. This final outcome is the total remaining funds that must be dedicated to affordability assistance for the period moving forward.

Kearny has collected \$7,034,968.38 in development fees and interest through December 31, 2024. The Town projects an additional \$3,754,935 in development fees and \$11,265 in interest through 2035. The Township has spent \$528,718 on housing activities.

Affordability Assistance Projection

Affordability Assistance		
Actual development fees collected, and interest earned through 12/31/2024		\$7,034,968
Projected Development Fees June 2025-2035	+	\$3,754,935
Projected Interest June 2025-2035	+	\$11,265
Less Housing Activity Through 12/31/2024	-	\$528,718
Total	=	\$11,329,886
30 percent requirement	x 0.30 =	\$3,398,966
Minimum Affordability Assistance	=	\$3,398,966
Less Affordability Assistance Expenditures through 12/31/2024	-	\$0
Remaining Affordability Assistance Requirement		\$3,398,966
Minimum Very Low-Income Requirement	÷ 3 =	\$1,132,989

Housing Activity History

Since the Town began collecting fees in 2001, Kearny has spent \$528,718 on housing activity. This includes approximately \$147,427 in rehabilitation projects completed between 2001 and 2004 plus an additional \$346,593 in rehabilitation projects conducted since 2020 under the Town's Rehabilitation Program, administered by Community Grants Planning & Housing (CGP&H).

Administrative Expenses (N.J.A.C. 5:93-8.16)

No more than 20% of revenues collected from development fees may be expended on administration, including, but not limited to, salaries and benefits for municipal employees or consultant fees necessary to develop and implement: a new construction program; a housing element; and an affirmative marketing program. Administrative funds may be used for: income qualification of households; monitoring the turnover of sale and rental units; and compliance with monitoring requirements.

The calculation of allowable administrative expenses is performed by considering the lifetime of the trust fund. To project the funding amount that will be available for administrative costs, the sum of all development fees actually collected, and all interest earned since the inception of the account will be added to the sum of all projected development fees and interest projected to be collected through the remainder of this round. From this amount, any Regional Contribution Agreement (RCA) expenditures made or contractually obligated from the inception of the account are subtracted. This final amount is multiplied by 20% and then actual administrative expenditures made from inception are subtracted out. The final outcome of this calculation, as depicted in the following table, is the total remaining funds that will be available for administrative expenses through the end of this Round.

The Town has collected \$7,034,968 in development fees and interest from inception through December 31, 2024. Kearny projects an additional \$3,754,935 in development fees and \$11,265 in interest through 2035. Kearny has never taken part in an RCA. The Town has spent \$196,675 on administrative expenses through December 31, 2024.

Administrative Expenses		
Actual development fees collected, and interest earned through 12/31/2024		\$7,034,968
Projected Development Fees June 2025-2035	+	\$3,754,935
Projected Interest June 2025-2035	+	\$11,265
RCA expenditures	-	\$0
Total	=	\$10,801,168
20 percent maximum permitted on administrative expenses based on total projection	x 0.20 =	\$2,160,234
Less Administrative Expenditures through 12/31/2024	-	\$196,675
<i>Projected Allowed Admin. Expenditures</i>	=	\$2,356,909

Moving forward, the Township projects that \$2,356,909 will be available from the affordable housing trust fund for administrative expenses for the time period of June 1, 2025 through June 30, 2035. Because the actual administrative expense maximum is calculated on an ongoing basis based on actual revenues,

Kearny shall be permitted to spend 20% of the actual balance at any given time on administrative fees. Money becomes available for administrative expenses as additional income is collected.

Projected administrative expenditures, subject to the 20 percent cap, include but are not limited to:

- Administration and expenses associated with the Township's affordable housing units;
- Expenses associated with the preparation and implementation of the Housing and Fair Share Plan and monitoring of the current and future housing programs for the Town of Kearny;
- Affirmative Marketing;
- Income qualification; and
- Administration of the Township's affordable housing units.

Legal or other fees related to litigation opposing affordable housing sites are not eligible uses of the affordable housing trust fund.

EXPENDITURE SCHEDULE

Projected Expenditure Schedule – 2025 through 2035				
	New Affordable Construction and Town Rehabilitation Projects	Affordability Assistance	Administration	TOTAL
2025	\$215,995	\$169,948	\$117,845	\$503,789
2026	\$431,990	\$339,897	\$235,691	\$1,007,578
2027	\$431,990	\$339,897	\$235,691	\$1,007,578
2028	\$431,990	\$339,897	\$235,691	\$1,007,578
2029	\$431,990	\$339,897	\$235,691	\$1,007,578
2030	\$431,990	\$339,897	\$235,691	\$1,007,578
2031	\$431,990	\$339,897	\$235,691	\$1,007,578
2032	\$431,990	\$339,897	\$235,691	\$1,007,578
2033	\$431,990	\$339,897	\$235,691	\$1,007,578
2034	\$431,990	\$339,897	\$235,691	\$1,007,578
2035	\$215,995	\$169,948	\$117,845	\$503,789
TOTAL	\$4,319,901	\$3,398,966	\$2,356,909	\$10,075,775

EXCESS OR SHORTFALL OF FUNDS

In the event funding sources as identified within this Spending Plan for the projects detailed in the Housing Element and Fair Share Plan prove inadequate to complete the affordable housing programs, the Town shall provide sufficient funding to address any shortfalls through bonding.

In the event that more funds than anticipated are collected or projected funds exceed the amount necessary to implement the Town's affordable housing projects, these excess funds will be used to fund eligible affordable housing activity pursuant to applicable rules and regulations.

SUMMARY

The Town of Kearny intends to spend affordable housing trust fund revenues pursuant to N.J.A.C. 5:93 and consistent with the housing programs outlined in its adopted Housing Element and Fair Share Plan.

In accordance with the Budget Inquiry Statement, the Town's trust fund has a balance of \$6,309,576 as of December 31, 2024. Kearny anticipates an additional \$3,766,200 in revenues and interest by June 30, 2035.

The Town will expend:

- New Affordable Construction and Town Rehabilitation Program: \$4,319,901
- Affordability Assistance: \$3,398,966, which includes \$1,132,989 for the very low-income requirement
- Administration: \$2,356,909

SPENDING PLAN SUMMARY	
Balance as of December 31, 2024	\$6,309,576
Projected REVENUE June 1, 2025 to December 31, 2035	
Development fees	+ \$3,754,935
Payments in lieu of construction	+ \$0
Other funds	+ \$0
Interest	+ \$11,265
TOTAL REVENUE + CURRENT BALANCE	= \$10,075,775
EXPENDITURES	
Funds used for New Construction/Rehabilitation	- \$4,319,901
Affordability Assistance	- \$3,398,966
Administration	- \$2,356,909
Excess Funds for Additional Housing Activity	= \$0
TOTAL PROJECTED EXPENDITURES	= \$10,075,775
REMAINING BALANCE	= \$0