

**Borough of South Plainfield**

**Resolution No. 26-132**

**APPROVING THE AFFORDABLE HOUSING SPENDING PLAN WITH COMMITMENT TO FUND SHORTFALL AND ADOPTING THE AFFORDABILITY ASSISTANCE MANUAL, THE HOME IMPROVEMENT OPERATING MANUAL, AND THE OPERATING MANUALS FOR THE ADMINISTRATION OF FOR-SALE AND RENTAL OF AFFORDABLE HOUSING UNITS**

**WHEREAS**, on March 20, 2024, Governor Murphy signed into law P.L. 2024, c.2 which amended various provisions of the New Jersey Fair Housing Act (N.J.S.A. 52:27D-301 et seq. ("Amended FHA"); and

**WHEREAS**, the Amended FHA sets forth that the Fourth Round period of affordable housing obligations shall run from July 1, 2025 through June 30, 2035 ("Fourth Round" or "Round Four"); and

**WHEREAS**, a municipality may not spend or commit to spend any affordable housing development fees, without first obtaining the approval of the expenditure as part of its compliance certification or by the New Jersey Department of Community Affairs (DCA); and

**WHEREAS**, the Borough's Development Fee Ordinance establishes standards for collection, maintenance, and expenditure of development fees to be used for providing very low, low- and moderate-income housing in the Borough; and

**WHEREAS**, the Development Fee Ordinance established an affordable housing trust fund that includes but is not limited to development fees, payments from developers in lieu of construction of affordable housing units on-site, barrier free escrow funds, repayments from affordable housing program loans, recapture funds, and proceeds from the sale of affordable units; and

**WHEREAS**, prior to spending, or committing to spend any affordable housing trust funds, N.J.A.C. 5:99-2.1(f) requires municipalities within the jurisdiction of the Program or a court of competent jurisdiction to receive approval of a Spending Plan from the Division of Planning Services ("Division") within the NJ Department of Community Affairs; and

**WHEREAS**, the Borough has prepared an Affordable Housing Trust Spending Plan consistent with N.J.A.C. 5:99-3.1 et. seq., N.J.A.C. 5:97-8.1 et. seq., and P.L. 2008, c.46 allocating expenditures of the affordable housing trust fund to the Borough's Affordability Assistance Program, Home Improvement Program (a/k/a Rehabilitation Program), administrative expenses, and new construction programs; and

**WHEREAS**, in the event funding sources as identified in the proposed Spending Plan prove inadequate to complete the affordable housing programs included in the Borough's Housing Element and Fair Share Plan and any future amendments thereof, and to the extent permitted by law, the Borough shall provide sufficient funding to address any shortfalls; and

**WHEREAS**, in accordance with the Amended FHA, N.J.A.C. 5:99-1.1 et. seq., and N.J.A.C. 5:97-1.1 et. seq., the Borough is required to adopt a number of operating manuals that include descriptions of program procedures and administration for the housing programs identified in the Borough's Housing Element and Fair Share Plan and its Affordable Housing Trust Fund Spending Plan; and

**WHEREAS**, the Borough's professionals have prepared an Affordability Assistance Manual, a Home Improvement Program (a/k/a Rehabilitation Program) Manual, a New Sales Operating Manual, and a Rental Operating Manual in accordance with the revised regulations and pursuant to the Borough's Housing Element and Fair Share Plan and the Affordable Housing Trust Fund Spending Plan.

**NOW THEREFORE BE IT RESOLVED**, that the Mayor and Council of the Borough of South Plainfield, New Jersey as follows:

1. The Borough adopts the Spending Plan that is attached hereto as Exhibit A, and requests that the Division review and approve the Borough of South Plainfield's Spending Plan.
2. The Borough adopts the Affordability Assistance Manual that is attached hereto as Exhibit B.
3. The Borough adopts the Home Improvement Program Manual that is attached hereto as Exhibit C.
4. The Borough adopts the Operating Manuals for the Sales & Resales Program and the Rental Program that are attached hereto as Exhibit D.
5. The Borough, to the extent permitted by law, hereby agrees to appropriate funds or authorize the issuance of debt to fund any shortfall in its affordable housing program that may arise whether due to inadequate funding from other sources or for any other reason and the Township may repay debt through future collections of development fees, as such funds become available.

| COUNCIL                       | MOTION | 2 <sup>ND</sup> | AYES | NAYS | ABSTAIN | ABSENT | RECUSE |
|-------------------------------|--------|-----------------|------|------|---------|--------|--------|
| Councilman Bengivenga         |        | X               | X    |      |         |        |        |
| Councilman McConville         |        |                 | X    |      |         |        |        |
| Councilman Smith              |        |                 | X    |      |         |        |        |
| Councilman White              | X      |                 | X    |      |         |        |        |
| Councilman Wolak              |        |                 | X    |      |         |        |        |
| Council President Faustini    |        |                 |      |      |         | X      |        |
|                               |        |                 | 5    | 0    |         |        |        |
| <b>Mayor Alesh – TIE ONLY</b> |        |                 |      |      |         |        |        |

I do hereby certify that the foregoing is a true and exact copy of a Resolution adopted by the Mayor and Borough Council of South Plainfield Borough on March 16, 2026

*Amy Antonides*

Amy Antonides, RMC/CMC/CMR  
Municipal Clerk – South Plainfield Borough

**APPENDIX A – SPENDING PLAN**

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**AFFORDABLE HOUSING TRUST FUND SPENDING PLAN**  
**BOROUGH OF SOUTH PLAINFIELD, MIDDLESEX COUNTY, NEW JERSEY**

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MARCH 10, 2026

APPROVED BY THE BOROUGH COUNCIL:

\_\_\_\_\_

Prepared By:

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**MJ PLANNING, LLP**  
Atlantic Highlands, NJ





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## INTRODUCTION

The Borough of South Plainfield (the “Borough” or “South Plainfield”) adopted a Fourth Round Housing Element and Fair Share Plan (“HEFSP”) on June 24, 2025 and subsequently filed it with the Affordable Housing Dispute Resolution Program (the “Program”) pursuant to the provisions of the amended Fair Housing Act (“FHA”) (N.J.S.A. 52:27D-301 et seq.). The HEFSP was prepared in accordance with the Municipal Land Use Law (“MLUL”) (N.J.S.A. 40:55D-1 et seq.) and the FHA to address the Borough’s constitutional obligation to provide its fair share of the region’s affordable housing needs.

South Plainfield adopted its first Development Fee Ordinance on April 17, 2006, at which point the Borough’s Affordable Housing Trust Fund was established. An amendment to the Development Fee Ordinance was adopted on November 9, 2009. As a component of its Third Round compliance, the Borough adopted a Spending Plan on September 5, 2017 by Resolution #17-328. Pursuant to the settlement agreement with Fair Share Housing Center (“FSHC”) which was executed on March 23, 2017, annual monitoring reports were submitted to the New Jersey Department of Community Affairs, FSHC, and posted to the Borough website. These reports provided updates on the Borough’s Affordable Housing Trust Fund. The 2026 Spending Plan supersedes all prior Spending Plans.

New rules regulating Spending Plans and municipal development fee ordinances were enacted by the DCA on December 15, 2025. An amendment to the Borough’s development fee ordinance that will bring it into consistency with the new rules (N.J.A.C. 5:99-1 et seq.) will be adopted by the statutory deadline of March 15, 2026. This Spending Plan provides an outline for the use of the Borough’s Affordable Housing Trust Fund (“AHTF” or “Trust Fund”) for the Fourth Round (2025-2035) in a manner consistent with the FHA and amended rules at N.J.A.C. 5:99-1 et seq.



## AFFORDABLE HOUSING TRUST FUND REVENUE AND BALANCE

The Borough's AHTF is an interest-bearing account into which funds from several potential revenue sources are deposited and kept. The Trust Fund has a balance that accrues interest and has consistently been used for permitted affordable housing purposes.

### Revenue Sources

#### *Development Fees (N.J.A.C. 5:99-3.1 – 5:99-3.3)*

The Borough has been collecting non-residential and residential development fees since the trust fund was established. The current balance in the fund largely comprises development fees collected from non-residential projects pursuant to the Statewide Non-Residential Development Fee Act (N.J.S.A. 40:55D-8.1 through 40:55D-8.7) and fees collected from residential developments in accordance with the Borough's Development Fee ordinance. Anticipated development fees for the Fourth Round are estimated based on:

- Anticipated residential and non-residential development projects, which have development fees imposed upon them at the time of preliminary or final development approvals.
- Fees from all development projects that are currently before the Borough's Planning Board and Zoning Board of Adjustment seeking approvals that may apply for building permits and certificates of occupancy.
- An estimate of future development that is likely to occur based on historic trends within the Borough.

The projected collection of development fees accounts for most of the anticipated revenue for the Trust Fund during the Fourth Round.

#### *Barrier Free Escrow (N.J.A.C. 5:99-2.6)*

The Borough may collect fees to adapt affordable unit entrances to be accessible in accordance with the FHA and the Barrier Free Subcode (N.J.A.C. 5:23-7.) Funds collected for barrier-free escrow shall be identifiable from other funds.

#### *Payments in Lieu of Constructing Affordable Units (N.J.A.C. 5:99-2.7)*

Any and all committed payments in lieu of constructing units from developers shall be deposited in the Trust Fund and shall be accounted for separately from any other fees collected by the Borough. Any such funds collected shall be identified on the Borough's monitoring report and a plan for the use of the funds shall be included in an updated Spending Plan.

South Plainfield has not made a practice of collecting payments in lieu of constructing units. Therefore, there is no anticipated revenue from this founding source for the Fourth Round.

#### *Other Funding Sources (N.J.A.C. 5:99-2.8)*

Other potential funding sources include: recaptured funds, proceeds from the sale of affordable units, rental income, repayments from affordable housing program loans, enforcement fines and application fees, and any other funds collected by the Borough in connection with its affordable housing programs.

There is no anticipated revenue from these funding sources for the Fourth Round. However, if any funds from sources outlined above are collected during the Fourth Round, they shall be identified on the Borough's



monitoring report and used for affordable housing activities identified in the Spending Plan or in an updated Spending Plan.

*Projected Interest*

The Borough's AHTF is an interest-bearing account. All interest that accrues that will be kept in the account and used for affordable housing activities as outlined in the Spending Plan.

Projected Revenue

Table 1 identifies the projected revenue for South Plainfield for the Fourth Round.

| <b>Table 1 – Projected Fourth Round AHTF Revenues</b> |                        |                                   |                           |                    |
|---|------------------------|-----------------------------------|---------------------------|--------------------|
|   | <b>Current Balance</b> | <b>Projected Development Fees</b> | <b>Projected Interest</b> | <b>TOTAL</b>       |
| <b>Trust Fund Balance as of 12/31/2025</b>            | <b>\$4,036,022</b>     | -                                 | -                         |                    |
| <b>2026</b>   | -                      | \$300,000                         | \$71,489                  | \$371,489          |
| <b>2027</b>   | -                      | \$300,000                         | \$63,687                  | \$363,687          |
| <b>2028</b>   | -                      | \$300,000                         | \$55,729                  | \$355,729          |
| <b>2029</b>   | -                      | \$300,000                         | \$47,612                  | \$347,612          |
| <b>2030</b>   | -                      | \$300,000                         | \$39,333                  | \$339,333          |
| <b>2031</b>   | -                      | \$300,000                         | \$30,888                  | \$330,888          |
| <b>2032</b>   | -                      | \$300,000                         | \$22,274                  | \$322,274          |
| <b>2033</b>   | -                      | \$300,000                         | \$13,488                  | \$313,488          |
| <b>2034</b>   | -                      | \$300,000                         | \$4,526                   | \$304,526          |
| <b>2035</b><br>(through June 30)                      | -                      | \$150,000                         | \$1                       | \$150,001          |
| <b>TOTAL</b>  | <b>\$4,036,022</b>     | <b>\$2,850,000</b>                | <b>\$349,028</b>          | <b>\$7,235,050</b> |

To estimate the overall potential revenue in the Fourth Round, the historic activities of the Borough's AHTF were analyzed. Additional information regarding expected upcoming projects within the Borough was reviewed and taken into consideration. Based on the projections, the Borough estimates that approximately \$2,850,000 will be collected during the remainder of the Fourth Round with an additional \$349,028 in interest earned on the account. Current interest rates on the Borough's account are approximately four percent, but for estimation purposes a rate of two percent was applied to conservatively account for potential fluctuations. All interest earned shall be only for the purposes of affordable housing. Including the existing trust fund balance, the Borough projects a total of \$7,235,050 for affordable housing activities through June 30, 2035.



## **ADMINISTRATIVE MECHANISM TO COLLECT AND DISTRIBUTE FUNDS**

### Collection of Development Fee Revenues:

The process by which development fees are collected is outlined in the Borough's Affordable Housing ordinance in the Development Fee section, which is consistent with the rules at 5:99-1 et seq. as amended.

### Distribution of Affordable Housing Trust Funds:

Affordable housing funds will be utilized for approved housing purposes and administrative expenses as outlined in the Spending Plan. Funds for infrastructure and construction purposes will be distributed when needed for the projects identified in the HEFSP and in the Spending Plan. The Administrative Agent and the Municipal Housing Liaison will manage the projects and inform the Borough Council when funds are needed.

Upon adoption of a resolution by the Borough Council, the Borough's Chief Financial Officer is authorized to release the funds for the project specified in the resolution.

### Collection and Distribution of Barrier-Free Funds:

Collection and distribution of barrier free funds shall be consistent with the Borough's Affordable Housing Ordinance and in accordance with applicable regulations.



## DESCRIPTION OF THE ANTICIPATED USE OF AFFORDABLE HOUSING FUNDS

Municipal affordable housing trust funds may be used for a variety of purposes as outlined in N.J.A.C. 5:99-2.3. The Borough anticipates allocating funds for the following affordable housing purposes during the Fourth Round, consistent with the Act, rules, and adopted HEFSP.

### Rehabilitation (N.J.A.C. 5:99-2.3(a)1)

The Borough has a 54-unit Present Need (Rehabilitation) obligation. The Borough will dedicate up to \$50,000 per unit throughout the Fourth Round for the rehabilitation of deficient housing units that are occupied by low- and moderate-income households. The Borough will engage with a rehabilitation program operator to establish a program manual and oversee the management of the program in conjunction with the Borough Administrative Agent and Municipal Housing Liaison.

### New Construction of Affordable Units and Related Development Costs (N.J.A.C. 5:99-2.3(a)2)

The Borough intends to utilize Affordable Housing Funds in support of any 100% affordable housing projects that may be contemplated during the Fourth Round. At present, there are no pending or potential projects; however, there may be appropriate sites within several of the affordable housing overlay zones for municipally sponsored housing projects.

### Affordability Assistance (N.J.A.C. 5:99-2.5)

The Borough will allocate a portion of its Trust Fund for the purpose of providing affordability assistance to very low-, low-, and moderate-income households in affordable units included in the municipality's HEFSP. The Borough has contracted with Piazza & Associates for their Administrative Agent work for several years and will continue to do so during the Fourth Round.

As defined in N.J.A.C. 5:99-1.2, "Affordability Assistance" means:

"The use of funds to render housing units more affordable to low- and moderate-income households and includes, but is not limited to, down payment assistance, security deposit assistance, low interest loans, rental assistance, assistance with homeowner's association or condominium fees and special assessments, common maintenance expenses, and assistance with emergency repairs and rehabilitation to bring deed-restricted units up to code."

Affordability assistance for very low-income households may also include offering a subsidy to developers of inclusionary or 100 percent affordable housing developments or buying down the cost of low- or moderate-income units in the Borough's HEFSP to make them affordable to very low-income households, including special needs and supportive housing opportunities.

The Borough's Administrative Agent, Piazza & Associates Inc., has prepared an affordability assistance program manual that will be adopted by the Borough Council prior to the March 15, 2026 deadline.



#### Administrative Expenses (5:99-2.4)

No more than 20 percent of all affordable housing trust funds, exclusive of those collected prior to July 17, 2008, to fund an RCA, shall be expended on administration.

Eligible administrative expenses include costs related to the determination of a fair share obligation and development of a housing element and fair share plan, development of affordable housing programs, affirmative marketing programs, expenses related to compliance with the processes of the Program, and costs associated with the functions carried out in compliance with UHAC. UHAC compliance functions include marketing and waitlist management, administering the placement of households in units, income qualification, monitoring the sale and rental of units, preserving existing affordable housing, and complying with administrative requirements. Administrative expenses may also include the proportion of a municipal employee's salary related to the municipal housing liaison functions and fees for required educational programs.

The calculation of permissible administrative expenses is based on the lifetime of the Borough's Trust Fund. The total allowable administrative expenditure is 20 percent of the sum of collected development fees and interest earned, minus funds collected prior to July 17, 2008 to fund an RCA. The actual administrative expenditures are subtracted from the calculated figure to determine the amount of funding that may be used for administrative expenditures moving forward. In addition, up to 20 percent of the anticipated development fees and interest to be collected during the Fourth Round may be used for administrative purposes.

| <b>Administrative Expenses</b>   |          |                    |
|--|----------|--------------------|
| Actual development fees collected, and interest earned through 12/31/2025      |          | \$4,036,022        |
| RCA expenditures   | -        | \$0.00             |
| <b>Total</b>   | <b>=</b> | <b>\$4,036,022</b> |
| 20 percent maximum permitted on administrative expenses based on fund to-date  | x 0.20 = | \$807,204          |
| Less Administrative Expenditures through 2/10/2026                             | -        | \$357,246          |
| Funds Available for Administrative Expenses based on status through 12/31/2025 |          | \$449,958          |
|  |          |                    |
| Projected Development Fees 2026-2035   | +        | \$2,850,000        |
| Projected Interest through 6/30/2035   | +        | \$349,028          |
| Allowable Admin. Expenditures based on Fourth Round Projections (20 percent)   |          | \$639,806          |
|  |          |                    |
| Total Allowable Admin. Expenditures Anticipated through 6/30/2035              |          | \$1,089,764        |
| <b>Budgeted Administrative Expenditures</b>                                    |          | <b>\$1,000,000</b> |

After accounting for historic administrative expenditures, up to \$449,958 is permitted for new administrative expenditures based on the funds actually collected to date. An additional \$639,806 is projected to be permitted for administrative expenditures based on collected fees and interest between January 1, 2026 and



June 30, 2035. South Plainfield will budget \$1,000,000, or approximately \$105,000 per year for the remainder of the Fourth Round for Administrative Expenses.

Because the actual administrative expense maximum is calculated on an ongoing basis based on actual revenues, the Borough 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.

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

Expenditure Schedule

The following expenditure schedule spreads the budgeted amount for each eligible affordable housing activity across the ten-year period of the Fourth Round. For budgeting purposes, the expenses are split evenly between each year

| Projected Expenditure Schedule – Housing Trust Fund – January 2026 through June 2035 |                                   |                          |                    |                    |
|--|-----------------------------------|--------------------------|--------------------|--------------------|
|  | New Construction / Rehabilitation | Affordability Assistance | Administration     | TOTAL              |
| 2026   | \$403,684                         | \$252,632                | \$105,263          | \$761,579          |
| 2027   | \$403,684                         | \$252,632                | \$105,263          | \$761,579          |
| 2028   | \$403,684                         | \$252,632                | \$105,263          | \$761,579          |
| 2029   | \$403,684                         | \$252,632                | \$105,263          | \$761,579          |
| 2030   | \$403,684                         | \$252,632                | \$105,263          | \$761,579          |
| 2031   | \$403,684                         | \$252,632                | \$105,263          | \$761,579          |
| 2032   | \$403,684                         | \$252,632                | \$105,263          | \$761,579          |
| 2033   | \$403,684                         | \$252,632                | \$105,263          | \$761,579          |
| 2034   | \$403,684                         | \$252,632                | \$105,263          | \$761,579          |
| 2035   | \$201,842                         | \$126,316                | \$52,632           | \$380,789          |
| <b>TOTAL</b>   | <b>\$3,835,000</b>                | <b>\$2,400,000</b>       | <b>\$1,000,000</b> | <b>\$7,235,000</b> |

**EXCESS OR SHORTFALL OF FUNDS**

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

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



## SUMMARY

South Plainfield intends to spend affordable housing trust fund revenues pursuant to N.J.A.C. 5:99 and consistent with the housing programs outlined in its adopted Housing Element and Fair Share Plan.

The Borough's trust fund has a balance of \$4,036,022 as of January 1, 2026. South Plainfield anticipates an additional \$3,199,028 in revenues and interest by June 30, 2035. The Borough will expend:

- Rehabilitation and New construction: \$3,835,000
- Affordability Assistance: \$2,400,000, of which a substantial amount will be allocated to assist very low-income households
- Administration: \$1,000,000

| <b>SPENDING PLAN SUMMARY</b>                            |                      |
|---|----------------------|
| Balance as of January 1, 2026                           | \$4,036,022          |
| <b>Projected REVENUE February 2026 to June 30, 2035</b> |                      |
| Development fees  | + \$2,850,000        |
| Payments in lieu of construction                        | + 0                  |
| Other funds   | + 0                  |
| Interest  | + \$349,028          |
| <b>TOTAL REVENUE + CURRENT BALANCE</b>                  | <b>= \$7,235,050</b> |
| <b>EXPENDITURES</b>                                     |                      |
| Rehabilitation and New Construction                     | - \$3,835,000        |
| Affordability Assistance                                | - \$2,400,000        |
| Administration  | - \$1,000,000        |
| <b>TOTAL PROJECTED EXPENDITURES</b>                     | <b>= \$7,235,000</b> |
| <b>REMAINING BALANCE</b>                                | <b>= \$50</b>        |

**APPENDIX B – AFFORDABILITY ASSISTANCE MANUAL**

**Borough of South Plainfield – Middlesex County**

**AFFORDABILITY ASSISTANCE:**  
**RENTAL GRANT PROGRAM**

**OPERATING MANUAL**

**March 12, 2026**

**SOUTH PLAINFIELD BOROUGH – MONMOUTH COUNTY  
AFFORDABILITY ASSISTANCE: RENTAL GRANT PROGRAM**

**I. PREFACE**

N.J.A.C. 5:97 – 8.8 (a) states that “...at least 30 percent of all development fees collected and interest earned shall be used to provide affordability assistance to low and moderate income households in affordable units included in the municipality’s Fair Share Plan. One-third of the affordability assistance portion shall be used to provide affordability assistance to very low income households. Affordability assistance programs may include down payment assistance, security deposit assistance, low interest loans, rental assistance, assistance with homeowners association or condominium fees and special assessments, and assistance with emergency repairs.”

It is important to note that the expenditure of Affordable Housing Trust Fund monies by the Borough of South Plainfield (the “Borough”) to provide required affordability assistance for units identified in the Borough’s Fair Share Plan does not generate additional affordable housing credits for the Borough.

The Borough has entered into an agreement with its Administrative Agent, Piazza & Associates, Inc. (“P&A”), to assist in implementing the Rental Grant Program (“RGP”). The program will be funded through the Borough’s Affordable Housing Trust Fund, consistent with the adopted 2026 Affordable Housing Trust Fund Spending Plan..

**II. INTRODUCTION**

This Rental Grant Program Operating Manual has been prepared to assist in the administration of the South Plainfield Borough Rental Grant Program. It will serve as a guide to the program administrators and applicants.

This manual describes the purpose, eligibility requirements, administrative procedures, and funding conditions of the RGP. It has been prepared with a flexible format allowing for periodic updates of its sections, when required, due to revisions in regulations and/or procedures.

This manual explains the steps in the Rental Grant Program process. It describes the eligibility requirements for participation in the program, program criteria, funding terms and conditions, contract payments and overall program administration.

P&A will be engaged to provide support services necessary to administer the program on behalf of the Borough.

The program requirements are subject to change and grant funding is subject to availability.

The following represents the procedures developed to offer an applicant the opportunity to apply for the program.

### **III. PROGRAM DESCRIPTION**

South Plainfield will allocate \$500,000 for rental assistance. Assistance will be provided on a first-come, first-served basis to income-eligible renters in good standing with their landlord, including tenants who are current on rent obligations. The grant amount shall not exceed one month of the contract rent as stated in the tenant's current lease agreement. This will be a one-time only payment made payable to the landlord/management company as specified in the tenant's lease. Each household may receive only one grant during their tenancy in the affordable unit. If a household vacates the unit, a subsequent eligible household occupying the unit may apply for assistance. A change in occupancy therefore allows a new tenant in a unit to take advantage of the program.

This program will be available to all tenants of very low-, low- and moderate- income rental units.

### **IV. PROGRAM REQUIREMENTS**

At the time the tenant in the Affordable Unit (hereinafter, "the Tenant") is applying for the grant, the Tenant residing in the affordable home, and the household (including everyone living in the affordable home) must be self-certified as having a gross annual income that is less than 80% of the Regional Median Income for Region I, (AKA "Moderate Income"), pursuant to N.J.A.C. 5:80-26.1 et seq. (Tenants who were income-certified for initial occupancy within the prior six months do not need to be re-certified).

Please note that these limits are subject to change.

Maximum Household Income Limits (2025)

| 2025     | 1 Person | 2 Persons | 3 Persons | 4 Persons | 5 Persons | 6 Persons |
|----------|----------|-----------|-----------|-----------|-----------|-----------|
| Moderate | \$85,920 | \$98,240  | \$110,480 | \$122,720 | \$132,560 | \$142,400 |

The determination of income by the Borough or P&A during the recertification process will have no impact on the eligibility of the Tenant to remain in the Affordable Unit, since there is no limit on income after the initial occupancy of each Tenant. However, the Tenant must be in compliance with the affordable housing restrictions in order to take

advantage of the grants provided under this program.

P&A shall have Tenants self-certify using the same process and under the same terms and conditions that it uses to self-certify applicants to rent affordable units in the Borough, as set forth by N.J.A.C. 5:80-26.1 et seq. and the procedures set forth in the Operating Manual for that purpose.

The Tenant must be in compliance with the residency requirements of Uniform Housing Affordability Controls (N.J.A.C. 5:80-26.1 et seq.), including the requirement that the Affordable Unit be the principal residence of the Tenant.

## V. APPLICATION PROCESS

- A. P&A will prepare and mail a letter to the Landlords and Tenants, announcing this program and its parameters. The letter to the Tenants will be accompanied by an application form for the program. The letter to the Landlord shall request an acknowledgement of their willingness to participate in the program.
- B. Income-eligibility for the RGP is based on the self-certification form and accompanying documentation, sufficient for the AA to certify the gross annual income of the applicant pursuant to N.J.A.C. 5:80-26.1 et seq., and as set forth in the applicable Operating Manual of the Borough.
- C. Verification of residency will be based on the submission by the Tenant of the RGP application form and review by the AA of the following documents.
  1. A Municipal Residency Form, which requires each head of household to provide the name and age of every resident of the Unit, and so to certify as to its accuracy.
  2. A copy of the current lease for the Affordable Unit.
- D. The AA shall inform the Borough and the Tenant as to the status of each application within 20 days from receipt of complete application.
- E. In the event that a Tenant is not approved for the program, an appeal can be made to the Borough through the Municipal Housing Liaison.
- F. Once approved and certified for eligibility, the Landlord will be contacted to sign a memorandum of understanding that the landlord will apply the check from the Borough towards the applicant's rent.
- G. If the memorandum of understanding is not signed, the Borough will not issue the check.
- H. In the event that there are no longer funds in the Housing Trust Fund for the program, the Tenant will be notified by the AA.
- I. Once the memorandum of understanding is signed and returned, a check for one months' rent will be processed and sent directly to the Landlord.

- J. The Landlord will credit the accounts of the income-qualified Tenants in an amount that is equal to the funding provided to the Landlord by the Borough.
- K. The Administrative Agent will audit the program by contacting a random number of Tenants to ensure that the funding has been properly distributed.

**VI. PROGRAM LIMITATIONS**

The RGP will continue, contingent upon the availability of funds. The reduction or elimination of available funds will result in a corresponding reduction or elimination of RGP grants.

**APPENDIX C – HOME IMPROVEMENT PROGRAM MANUAL**

# **Home Improvement Program**

## **For Owner-Occupied and Rental Units**

*Policies and Procedures Manual*

**South Plainfield Borough**

*New Jersey*

*March 13, 2026*

Prepared by:  
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# Home Improvement Program

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# Home Improvement Program Policies & Procedures Manual

## I. INTRODUCTION

The purpose of this document is to establish policies, guidelines and procedures which will govern the Home Improvement Program (HIP). The HIP was created by South Plainfield (“The Municipality”) to assist properties occupied by very low, low and moderate-income households to correct all existing interior and exterior health, safety and code violations in conformity with the standards of the New Jersey State Housing Code, N.J.A.C. 5:28 and the Rehabilitation Subcode, N.J.A.C. 5:23-6. The HIP is guided by Uniform Housing Affordability Controls (UHAC) promulgated by the New Jersey Housing and Mortgage Finance Agency at N.J.A.C.5:80-26 et seq., the amended Fair Housing Act at N.J.S.A. 52:27D-301 et seq., the Fair Housing Act Regulations promulgated by the Department of Community Affairs, Division of Local Planning Services (“LPS”) at N.J.A.C. 5:99 *et seq.*, and statutorily upheld existing regulations of the former Council on Affordable Housing (“COAH”) at N.J.A.C. 5:93 and 5:97. The HIP is subject to all laws, regulations, ordinances, and codes of the New Jersey Department of Community Affairs (DCA) and the Municipality. The Municipality contracted with Community Grants, Planning & Housing LLC (CGP&H), a private consulting firm specializing in the implementation of publicly-funded housing rehabilitation programs, to manage and administer the HIP.

This manual reflects changes to UHAC that went into effect in December 2025. These UHAC changes impact every aspect of the Administration of affordable units from income qualification to deed restrictions and there are many outstanding questions about the applicability of the rules and how to implement the regulations. Future changes to the manual will be required after the Department of Community Affairs (DCA) launches its educational program for Administrative Agents. In addition, the New Jersey Housing and Mortgage Finance Agency (NJHMFA) has indicated that they will be publishing and an updated “Understanding UHAC” manual that will provide additional clarification to Administrative Agents on the updated regulations. This manual does not include all provisions of UHAC, and UHAC is a companion document to this manual.

### I-A. Fair Housing and Equal Housing Opportunities

It is unlawful to discriminate against any person making application to participate in the housing rehabilitation/home improvement programs or rent a unit with regard to race, creed, color, national origin, ancestry, age, marital status, affectional or sexual orientation, familial status, disability, nationality, sex, gender identity or expression or source of lawful income used for mortgage or rental payments. For more information on discrimination or if anyone feels they are a victim of discrimination, please contact the New Jersey Division on Civil Rights by phone at 1-866-405-3050 or via their website at <https://www.njoag.gov/about/divisions-and-offices/division-on-civil-rights-home>. Fair Housing and Equal Housing Opportunities apply to both owner and tenant applications.



### I-B. Program Funding Source

The Program’s funding source will be affordable housing trust funds.

## II. ELIGIBLE PARTICIPANTS

### II-A. Program Area

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

### II-B. Categories of Participants

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

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

- An owner of a previously rehabbed unit may apply for current rehab assistance if the unit was rehabbed in a prior Round and the affordability period has expired.
- An owner of an existing affordable deed restricted ownership unit with an active deed restriction that is currently meeting a Round 1, Round 2 or Round 3 credit may apply for current rehab assistance for the municipality to obtain a Round 4 present need credit, unless the affordable housing deed restriction receives a new affordable housing credit during Round 4 due to extended controls.
- Housing units which the municipality receives an affordable housing credit in Round 4 in any category are not eligible for additional assistance from the municipality's housing rehabilitation program during Round 4.
- Essentially, a municipality cannot double credits on a unit within the same affordable housing Round.

### II-C. Income Limits

Household income is defined as the combined annual income of all family members over 18 years of age including wages, Social Security, disability insurance, unemployment insurance, pensions, dividend/interest income, alimony, etc. Each unit's total household gross income must fall within the State's moderate-income limits based on family size. Maximum income limits are provided annually by NJHMFA for each of the six Affordable Housing regions. The income limits used for this program are the applicable regional income limits for the region in which the Municipality is located. Current income limits are available at <https://nj.gov/dca/hmfa/about/uhac>.

### II-D. Application Selection

At program start-up, and if the homeowner intake demand exceeds the number of openings, applications may be prioritized based on the reported income of the household as a percentage of the maximum allowable income for households of that size. This can give priority to the lowest income applicants and assist the municipality in reaching its goal of providing assistance to a minimum of 50%

of the properties comprising of low income households. Otherwise, the Program will process new applicants added to the wait list/applicant pool on a first-come, first served basis, to qualified applicants. If there is a waiting list, priority will be given to homeowners with less than \$300,000 in liquid assets. Assets in federally recognized retirement accounts do not apply to the liquid asset limit. The HIP will establish the wait list/applicant pool from the program marketing efforts identified in Section IX of this manual.

### ***Emergency Processing Order***

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

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

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

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

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

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

### **III. ELIGIBLE ACTIVITIES**

#### **III-A. Eligible Improvements**

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

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

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

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

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

#### **III-B. Ineligible Improvements**

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

#### **III-C. Rehabilitation Standards**

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

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

#### **III-D. Certifications of Substandard/Standard**

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

## IV. PROGRAM FUNDING TERMS

### IV-A. Terms and Conditions for Owner Occupied Units

| <b>Table 1: Owner-Occupied Single Family Home Terms &amp; Conditions</b> |  |
|--|--|
| <b>Minimum Loan Amount</b>   | The municipality may rehabilitate substandard units that require less than \$10,000 of work, provided the municipal rehabilitation activity averages at least \$10,000 per unit.   |
| <b>Maximum Loan Amount</b>   | \$50,000 per unit  |
| <b>Interest Rate</b>   | 0% (No monthly payments)   |
| <b>Payment Terms:</b>  | 100% forgivable if homeowner maintains occupancy and title during the 10-year period. Original Principal is due if house is sold and/or title/occupancy changes years 1 through 10 except for <i>Exceptions to Loan Repayment Terms</i> section below. |
| <b>Mechanism for Securing Loan</b>                                       | Mortgage and Mortgage Note recorded against property   |

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

Exceptions to Loan Repayment Terms above during the lien period:

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

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

**IV-B. Terms and Conditions for Owner-Occupied Multi-Family Rental Units**

| <b>Table 2: Owner-Occupied Multi-Family Home Terms &amp; Conditions</b> |   |
|---|---|
| <b>Minimum Loan Amount</b>  | The municipality may rehabilitate substandard units that require less than \$10,000 of work, provided the municipal rehabilitation activity averages at least \$10,000 per unit.  |
| <b>Maximum Loan Amount</b>  | \$30,000 per unit   |
| <b>Interest Rate</b>  | 0% (No monthly payments)  |
| <b>Payment Terms</b>  | 100% forgivable if homeowner maintains occupancy and title during the 10-year period. Original Principal is due if not in compliance with affordability controls. Rental restrictions transfer with property. See Restrictions below. |
| <b>Mechanism for Securing Loan</b>                                      | Mortgage, Mortgage Note and Deed Restriction recorded on property   |

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

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

Moreover, if Program funds were expended on the owner-occupied unit, and the homeowner sells, transfers title, dies or is not in compliance during the ten-year deed restricted affordability period, unless ownership is transferred to another low or moderate-income homeowner, any Program funds expended on work done on the owner's individual unit along with a pro-rata portion of the shared improvements must be fully repaid to the Municipality and used to rehabilitate another housing unit.

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

For tenant units, the maximum permitted rent is pursuant to UHAC and subject to annual adjustment. If a unit is vacant upon initial rental subsequent to rehabilitation, or if a renter-occupied unit is re-rented prior to the end of controls on affordability, the Deed Restriction shall require the unit to be rented to a low- or moderate- income household at an affordable rental price and will be affirmatively marketed by the Municipality's designated Administrative Agent, in accordance with the Municipality's Affordable Housing Affirmative Marketing Plan. Landlords are responsible to pay income certification fees and affirmative marketing cost for re-rentals. For information regarding future rental increases, please refer to Section VIII of this manual. When a trustee of a trust deed ownership of a multi-family property is the applicant occupant of the property, the multi-family category terms apply.

**IV-C. Terms and Conditions for Investor-Owned Rental Units**

| <b>Table 3 Investor-Owned Terms &amp; Conditions</b> |   |
|--|---|
| <b>Minimum Loan Amount</b>                           | The municipality may rehabilitate substandard units that require less than \$10,000 of work, provided the municipal rehabilitation activity averages at least \$10,000 per unit.  |
| <b>Maximum Loan Amount</b>                           | \$30,000 per rental unit  |
| <b>Interest Rate</b>                                 | 0% (No monthly payments)  |
| <b>Payment Terms</b>                                 | Owner pays 25% of rehab cost at construction agreement signing. 75% balance forgiven if in compliance with rental restrictions. The 20% rehab cost is waived for non-profit corporation rentals*, if any. Rental restrictions transfer with property. See restrictions below. |
| <b>Mechanism for Securing Loan</b>                   | Mortgage, Mortgage Note and Deed Restriction recorded against property  |

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

The assisted housing unit(s) must be occupied by and affordable to a household that is certified as an income eligible household as per either the latest Income Limits by Region, or in compliance with the municipality's Settlement Agreement and Court Order, whichever is applicable and as designated by unit in the Deed Restriction. The maximum permitted rent is determined by the Municipality's Administrative Agent and is pursuant to UHAC and subject to annual adjustment.

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

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

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

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

\* Group Homes are ineligible because they are not separate units.

#### **IV-D. Special Needs Waivers for Higher Cost Rehabilitation Projects**

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

- The Program will attempt to negotiate with lowest qualified bidding contractor to lower bid price.
- The Program will review scope of work to omit work items without jeopardizing code status.
- The Program will confirm whether or not the homeowner can contribute personal funds. It will be mandatory for households with more than \$40,000 in liquid assets to contribute personal funds for the difference rather than obtain a special needs waiver.
- If needed, the Program will attempt to partner with other possible funding sources such as the Low Income Home Energy Assistance Program (LIHEAP).
- The Program reserves the right to make an exception and allow the expenditure of up to an additional **\$5,000 per unit** to address code violations. The Municipality will consider other situations for special needs waivers. Individual case files will be considered on a case-by-case basis. Upon Program and Municipal approval, a **Special Needs Funding Limit Waiver** may be issued.
- If no viable options exist, the case will have to be terminated.
- Investor properties are not eligible for special need waivers.

#### **IV-E. Use of Recaptured Program Funds**

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

*Continued on next page.*

## V. IMPLEMENTATION PROCESS

### V-A. Application/Interview

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

### V-B. Eligibility Certification

To be eligible for assistance, households in each unit to be assisted must be determined to be income eligible.

The Program staff shall determine household income in accordance with the procedure for calculating annual income at the time of household application, stipulated at 24 CFR 5.609, as it was in effect on December 20, 2024, and described in Chapter 5 of HUD [page=2782] Handbook 4350.3: Occupancy Requirements of Subsidized Multifamily Housing Programs, which is available at:

[https://www.hud.gov/program\\_offices/administration/hudclips/handbooks/hsg/4350.3](https://www.hud.gov/program_offices/administration/hudclips/handbooks/hsg/4350.3).

In the future, the Program Staff shall accept household income determinations made within the previous 180 days by another administrative agent that has successfully completed DCA's Education Program. This is not applicable at this time because the Education Program has not been made available and therefore no Administrative Agents have successfully completed the program.

### V-C. Other Eligibility Requirements

Applicant to submit the following in the application package:

- Copy of current Homeowner's insurance declarations page (not the policy or receipt);
- Proof of flood insurance, if property is located in a flood zone;
- Copy of recorded deed to the property to be assisted;
- If deed co-holder resides at another location, provide proof of same (driver's license, etc);
- If widow or widower, copy of spouse's Death Certificate;
- Proof that all mortgage payments and, when applicable, Homeowner Association (HOA) Fees are paid current;

- Copy of any and all other liens recorded against the property;
- Personal identification (a copy of any of the following: Driver's License, Passport, Birth Certificate, Social Security Card, Adoption Papers, Alien Registration Card, etc.); and
- Original of signed Eligibility Release form.

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

#### **V-D. Requirements of Property Taxes Paid Current**

All applicants' property tax and municipal utility accounts must be paid current. Individual files will be reviewed on a case-by-case basis.

#### **V-E. Sufficient Equity and Carrying Cost**

Additionally, to be determined eligible, there must be sufficient equity in the home to cover the program lien. In other words, the market value of the house must be greater than the total of the existing liens and anticipated program lien combined. For the sake of this rule, the market value of the home will be calculated using the Municipality's assessed value divided by the equalization ratio. All existing property liens (mortgage, home equity loan, etc.) are then deducted from the calculated house value to determine the current property equity. Additionally, the applicant's income shall be sufficient to meet the carrying costs of the unit or the homeowner is to demonstrate how the unit's carrying costs are funded. The Municipality may consider a Special Needs Waiver approved by the municipality on a case-by-case basis for carrying cost as well as for limited equity, but not for negative equity.

#### **V-F. House Conditions:**

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

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

#### **V-G. Eligibility Scenarios of Multi-Family Structures**

Several possibilities exist concerning the determination of eligibility in an owner-occupied multi-family structure.

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

**Scenario 2:** The Program Administrator determines that the owner is income eligible, but the renters are not. In this case, only the landlord's unit is eligible for rehabilitation. If a home improvement is undertaken which affects all the units in the house (e.g., replacement of a roof), the HIP will only cover a prorated percentage of the cost. For example, in a two-family home with units of approximately equal

size, only 50% of the cost of roof replacement will be covered. Where units differ by more than 10% in size, the proration should be based on percentage of square footage within each unit compared to the total interior square footage of all other units in the structure. Shared common areas should not be counted in the denominator for the pro rata calculation.

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

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

***Investor Properties:***

The Program Administrator determines the tenant income for eligibility. The owner's income is not applicable for eligibility review because the owner does not occupy the property getting repair assistance via the Program. Instead, the owner of an investment property pays a set required direct contribution toward construction cost rather than the above prorated portion for owner-occupied multiple family properties. Refer to Section IV-C.

**V-H. Eligibility Certification**

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

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

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

**V-I. Housing Inspection / Substandard Certification / Work Write Up / Cost Estimate**

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

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

**V-J. Contractor Selection**

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

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

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

The Housing Rehabilitation Specialist will email the following documentation to the Municipality:

- Bid Tabulation sheet of all bids received
- Awarded contractor's bid including completed Contractor Award Checklist
- For each contractor's first award in a calendar year, will also include awarded contractor Business Registration Certificate (BRC) and W-9.

If required by the Municipality, the Contractor award is passed via a Resolution by the Municipal Committee. In this case the Municipality will provide the Housing Rehabilitation Specialist with a copy of the Resolution for placement in the case file.

### **V-K. Pre-Construction Conference/Contract Signing**

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

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

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

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

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

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

### **V-L. Initiate Municipal Voucher**

The Program will follow the Municipality's payment vouchering system. The Municipality will establish a rehabilitation construction loan account to address the administrative complexities of this program and

the need to provide timely payments to small contractors. Ultimately upon construction completion, the payments will equal the full voucher amount plus or minus any change orders.

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

### **V-M. Progress Inspections**

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

If work passes the satisfactory progress inspection, the Housing Rehabilitation Specialist will follow the procedures spelled out in Section V-(*Payment Structure and Process*) to process a contractor's progress payment request.

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

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

### **V-N. Change Orders**

If it is determined during rehabilitation that a change from the original work write-up is required, a Program Change Order Authorization form must be completed and approved by the homeowner, the contractor, the Program and the Municipality.

The Housing Rehabilitation Specialist will forward the executed change order to the Municipality for approval. The Municipality may require approval via a Resolution by the Municipal Governing Body. If a Resolution is required and the change order work discovery is urgent, such as during roof tear off and cannot wait until the next Governing Body meeting, it will be submitted for the Municipality's preliminary special needs approval prior to Resolution at the upcoming Governing Body meeting.

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

**V-O. Final Inspection**

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

- Properly close out all the permits and to provide proof of closed out permits to the Housing Rehabilitation Specialist via the municipal Certificate of Approval;
- Deliver to the homeowner a complete release of all liens arising out of the Construction Agreement, a receipt in full covering all labor, materials and equipment for which a lien could be filed or a bond satisfactory to the owner indemnifying owner against any lien; and;
- Provide the homeowner with all applicable warranties for items installed and work completed during the course of the rehabilitation.

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

Construction progress on work line items will be inspected and considered for payment. If the work passes satisfactory final inspection, the Housing Rehabilitation Specialist will follow the procedures spelled out in Section V - (*Payment Structure and Process*) to process the contractor's final payment request.

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

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

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

#### **V-P. Payment Structure and Process**

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

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

Upon a satisfactory program inspection, and confirmation from the Housing Rehabilitation Specialist that all contractor's documents have been submitted according to program procedures, the Housing Rehabilitation Specialist will submit to the Municipality:

- Program's Request for Payment form with Owner's and Program's written approval
- The Municipal voucher signed by the contractor and adjusted to match the current payment amount, unless the Municipality handles the voucher directly with the contractor.
- Copy of change order, if one occurred

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

The Housing Rehabilitation Specialist is to submit the contractor payment request to the applicable municipal staff and follow any other procedures the Municipality requires to facilitate the contractor payment request. The Municipality will forward to the Housing Rehabilitation Specialist a copy of the executed payment to the contractor for case file records.

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

#### **V-Q. Standard Certification**

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

**V-R. Record Mortgage Documentation**

At construction completion, the Housing Rehabilitation Specialist will forward the executed mortgage to the appropriate municipal staff for recording. The Municipality will immediately file the mortgage with the County Clerk. For rental properties, the Deed Restriction will also be recorded.

**V-S. File Closing**

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

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

**V-T. Requests for Subordination**

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

If the Program Administrator performs a loan subordination request, then the fee to process program requests will be paid by the homeowner directly to the Program Administrator in accordance with the fee set forth in the program administration contract.

**VI. CONTRACTOR REQUIREMENTS AND RECRUITMENT****VI-A. Marketing**

The Program will coordinate with the Municipality to advertise the availability of construction work on the Municipality's website and display a contractor outreach poster and handouts in the municipal building, including the local construction office. The contractor outreach material will be posted on CGP&H's [www.hip.cgph.net](http://www.hip.cgph.net) website and via CGP&H's HIP social media.

If determined needed, additional outreach may include CGP&H outreach to home improvement contractors registered with Consumer Affairs who are geographically near or in the municipality, outreach via the local newspapers and through the posting of community notices, and advertising the availability of construction work by posting information at local building supply dealers.

All interested contractors will have the opportunity to apply for inclusion on the Program Contractor List, which will be made available for the homeowner's use in selecting rehabilitation contractors.

### **VI-B. Contractor Qualifications**

To qualify, contractors must meet the following minimum requirements:

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

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

Additionally, CGP&H will also conduct periodic contractor orientation sessions via Zoom. Contractors who are new to the program are required to attend an orientation session either via Zoom, via PowerPoint handout, or one-on-one with the Program Inspector.

## **VII. LEAD BASED PAINT (LBP):**

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

The Program may refer homeowners of houses built prior to 1978 to the NJ Department of Community Affairs (DCA) Lead Assistance Programs found at this link <https://www.nj.gov/dca/dhcr/offices/leadsafe.shtml> for lead-based paint hazards remediation needs.

Though lead remediation is not a DCA or Court requirement for the HIP or for state rehab credit, the municipality has chosen to add a lead safe component into the HIP as an eligible activity for the occupants' health concerns. The following terms apply:

- Program assisted homes constructed prior to 1978 will be tested for lead-based paint via a lead risk assessment.
- The HIP will then follow the lead-based paint (LBP) provisions in accordance with HUD regulations 24 CFR Part 35 Lead-Safe Housing Rule for lead hazard reduction.
- For houses built prior to 1978 and identified with lead-based paint hazards, the available program loan will increase by 10% beyond funding listed in *IV-Program Funding Terms*.

## VIII. RENTAL PROCEDURES

Rental units are subject to Uniform Housing Affordability Controls (UHAC) promulgated by the New Jersey Housing and Mortgage Finance Agency at N.J.A.C.5:80-26 et seq, the amended Fair Housing Act at N.J.S.A. 52:27D-301 et seq., the Fair Housing Act Regulations promulgated by the Department of Community Affairs, Division of Local Planning Services ("LPS"). once the rental units are rehabilitated. In addition to the mortgage and mortgage note, the controls on affordability shall be in the form of a deed restriction.

- If a unit is vacant, upon initial rental subsequent to rehabilitation, or if a renter-occupied unit is re-rented prior to the end of controls on affordability, the deed restriction shall require the unit be rented to an income eligible household at an affordable rent and affirmatively marketed pursuant to UHAC.
- If a unit is renter-occupied, upon completion of the rehabilitation, the maximum rate of rent shall be the lesser of the current rent or the maximum permitted rent pursuant to UHAC.
- Rents in rehabilitated units may increase annually based on the standards in UHAC.
- At the time of application, applicant households and/or tenant households shall be subject to income eligibility determinations in accordance with UHAC.

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

## IX. MARKETING STRATEGY

In coordination with the Municipality, the Program Administrator will employ a variety of proven strategies to advertise the program within the Municipality to establish the Program's applicant pool/waiting list. The marketing strategy/plan possibilities include but are not limited to:

- Creation and distribution of Program homeowner outreach posters, flyers and handouts
- Place Program outreach material on the Municipal website and, of available, social media
- Place Program outreach material on CGP&H's HIP website and social media
- Municipal E-newsletter and paper newsletter (if available)
- Appending announcements and/or flyers to other municipal mailings as they become available (tax, etc.) or direct mailing, if approved by the municipality
- Municipal email blasts
- Program marketing will be distributed to local community organizations and major employers including religious organizations, civic groups, senior group, ethnic organizations, etc.
- Free local cable TV advertising (when available)
- Periodic Press releases
- Program group presentations to community organizations or at the Municipal Building to prospective homeowners and even to local contractors
- Paid newspaper advertisements (last resort) when deemed necessary and appropriate

The order of method used will be analyzed to implement the most effective combination of strategies. Extensive marketing efforts are essential for all successful housing rehabilitation programs to meet their productivity objectives.

Available rental units assisted via the HIP will be affirmatively marketed in accordance with the Municipality's Affordable Housing Affirmative Marketing Plan.

## **X. MAINTENANCE OF RECORDS AND CLIENT FILES**

### **X-A. Programmatic Recording**

The Program files will include:

- The policies and procedures manual, which will also be updated when applicable.
- An applicant pool will be maintained by the Program staff to track intake of the people interested in the program and the corresponding outgoing application invites.
- A rehabilitation log will be maintained by the Program staff that depicts the status of all applications in progress aka program status report.

**X-B. Participant Record Keeping**

The Program will be responsible for ensuring that individual files for each unit are established, maintained and then submitted to the municipality upon completion. Each completed file will contain a minimum of the following:

- Checklist
- Application form
- Tenant Application form (Rental Units Only) including rental lease
- Proof of ownership
- Income verification (for all households)
- Proof of currency of property tax and water/sewer accounts
- Proof of homeowner extended coverage/hazard insurance (Declaration Page)
- Proof that the municipal lien plus the total of other liens does not exceed the market value of the unit.
- Certification of Eligible Household or Notice of Ineligible Household (whichever is applicable)
- Homeowner/Program Agreement
- Certificate of Substandard
- Work Specifications/Cost Estimate aka Work Write-Up
- Bid Notice
- Contractor bids
- Bid Tabulation
- Construction Agreement
- Mortgage and Mortgage Note, and for rental properties, Deed Restriction
- Notice of Right of Rescission
- Homeowner Confirmation of Receipt of EPA Lead Information Pamphlet
- Contractor Confirmation of Receipt of Lead Paint Notice
- Copies of all required permits
- Change orders, if any
- Work progress and final inspection reports
- Copies of contractor payment documentation
- Photographs (Before and After)
- Close-out documents
- Certification of Approval

**X-C. State Reporting**

For each unit, the following information must be retained to be reported annually:

- Street Address
- Block/Lot/Unit Number

- Owner/Renter
- Income: Low/Mod
- Final Inspection Date
- Funds expended on Hard Costs
- Funds Recaptured
- Major Systems Repaired
- Unit Below Code & Raised to Code
- Effective date of affordability controls
- Length of Affordability Controls (yrs.)
- Date Affordability Controls removed
- Reason for removal of Affordability Controls

The Program Administrator will provide each completed unit's data for annual monitoring.

#### **X-D. Financial Recordkeeping**

Financial recordkeeping is the responsibility of the Municipal Housing Liaison, with assistance from the Administrative Agent, as may be requested from time to time.

## **XI. HOUSING ADVISORY COMMITTEE AND APPEALS PROCESS**

The Program staff is skilled in effectively achieving resolution of homeowner/contractor disputes, in a fair and documented manner.

However, on the rare occasion if a homeowner or contractor decides to dispute a Program staff decision, the Program will refer the matter to the Municipality for further resolution. It is recommended the Municipality forms a Housing Advisory Committee to mediate and resolve the differences. Homeowners or contractors involved in a dispute will be instructed to submit their concerns in writing. The homeowner or contractor may request a hearing conducted by the Housing Advisory Committee. All Housing Advisory Committee decisions are final. The Housing Advisory Committee formation may occur when the first need arises.

## **XII. CONCLUSION**

If the procedures described in this manual are followed, the Municipality's Home Improvement Program should operate smoothly and effectively. Where it is found that a new procedure will eliminate a recurring problem, that procedure may be incorporated into the program operation. In addition, this manual may be periodically revised to reflect changes in local, state and federal policies and regulations relative to the Home Improvement Program.

## **APPENDIX A - LIST OF PROGRAM FORMS**

- Application Transmittal Letter
- Program Information Handout
- Application for Assistance- Homeowner
- Application for Assistance- Landlord (Investor)
- Application for Assistance- Tenant
- Eligibility Release Form
- Checklist
- Special Needs Waiver (Eligibility Requirements)
- Special Needs Waiver (Exceed Program Limit)
- Certification of Eligible Household
- Eligibility Determination Form
- Notification of Eligibility
- Notification of Ineligibility
- Homeowner/Program Agreement
- Certificate of Substandard
- Certificate of Substandard – Emergency Situation
- Letter: forward work write-up and contractor list to homeowner
- Work Write-Up Review form
- Letter: forward Lead Hazard Evaluation Notice to homeowner (if applicable)
- Homeowner Confirmation of Receipt of Lead Hazard Evaluation Notice (if applicable)
- Request for Rehabilitation Bid
- Affidavit of Contractor
- Subcontractor Bid Sheet
- Bid Tabulation/Contractor Selection
- Construction Agreement
- Mortgage
- Mortgage Note – single family, multi family, investor versions
- Notice of Right of Rescission
- COAH Deed Restriction (when applicable)
- Homeowner Confirmation of Receipt of EPA Lead Information Pamphlet
- Contractor Confirmation of Receipt of Lead Paint Notice
- Notice to Proceed
- Contractor's Request for Final Inspection
- Change Order Authorization
- Letter: forward Lead Hazard Reduction Notice-Lead Clearance Report to homeowner (if applicable)
- Homeowner Confirmation of Receipt of Lead Hazard Reduction Notice (if applicable)
- Certificate and Release
- Closeout Statement