



The Borough of Wharton

Operating Manual For the Administration of Rehabilitation Units

In Accordance with the
Uniform Housing Affordability Controls

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Introduction

This Rehabilitation Program Operating Manual has been prepared to assist in the administration of affordable rental units in the Borough of Wharton Rehabilitation Program. It will serve as a guide to the program staff.

This manual describes the basic content and operation of the program, examines program purposes and provides the guidelines for implementing the program. 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 rehabilitation process. It describes the eligibility requirements for participation in the program, program criteria, funding terms and conditions, cost estimating, contract payments, record keeping and overall program administration.

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

A. Fair Housing and Equal Housing Opportunities

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

For more information on discrimination or if anyone feels they are a victim of discrimination, please contact the New Jersey Division on Civil Rights at 1-833-653-2748 or visit

<https://www.njoag.gov/about/divisions-and-offices/division-on-civil-rights-home/>

I. Eligible Participants**A. 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 low- or moderate-income households and that the units are determined to be substandard. Owners of rental properties do not have to be low- or moderate-income 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.

B. Income Limits for Participation

The occupants of the units must have incomes that fall within the income guidelines established for Morris County by the Annual Regional Income Limits chart. These limits are revised annually as the Affordable Housing Dispute Resolution Program ("the Program") figures become available and can be found in Appendix A.

For owner-occupied units, the carrying costs of the unit (taxes, mortgage, insurance, including the rehabilitation repayment mortgage) should meet FHA criteria (less than 33% of gross income for families, less than 40% of gross income for seniors).

C. Program Area

This is a municipal-wide program. The rehabilitation property must be located in the Borough of Wharton.

D. Certification of Substandard Housing

The purpose of the program is to bring substandard housing up to code. Substandard units are those units requiring repair or replacement of at least one major system. A major system is any one of the following:

- Roof;
- Plumbing (including wells);
- Heating;
- Electrical;
- Sanitary plumbing (including septic systems);
- Load bearing structural systems;
- Lead paint abatement; and
- 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).

Code violations will be determined by an inspection conducted by a licensed inspector.

II. Available Benefits**A. Program Financing**

Up to \$12,500 per unit may be available for improvements to eligible owner-occupied and renter-occupied units.

B. Program Affordability Controls

Ten-year controls on affordability on both owner-occupied units and rental units are required.

C. Owner-Occupied Affordability Controls

On owner-occupied units, the controls on affordability may be in the form of a lien.

D. Renter-Occupied Affordability Controls

For rental units, the controls on affordability shall be in the form of a deed restriction and may also include a lien. 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 price and affirmatively marketed pursuant to the N.J.A.C. 5:97-9. Rents in rehabilitated units may increase annually based on the standards in N.J.A.C. 5:97-9.

III. Eligible Property Improvements**A. Eligible Property Improvements**

Housing rehabilitation funds may be used only for repairs or system replacements necessary to bring a substandard unit into compliance with municipal health, safety and building codes, applicable code violations, as well as any other cosmetic work that is reasonable and deemed necessary or is related to the necessary repairs.

At least one major system must be replaced or included in the repairs, which include one of the following:

- Roof;
- Plumbing (including wells);
- Heating;
- Electrical;
- Sanitary plumbing (including septic systems);
- Load bearing structural systems;
- Lead paint abatement; and
- 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:

- Interior trim work;
- Interior and/or exterior doors;
- Interior and/or exterior hardware;
- Window treatment;
- Interior stair repair;
- Exterior step repair or replacement;
- Porch repair;
- Wall surface repair;
- Painting; and
- Exterior rain carrying system repair.

B. Ineligible Property Improvements

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

C. Rehabilitation Standards

Upon rehabilitation, housing deficiencies shall be corrected and the unit shall comply with the New Jersey State Housing Code, N.J.A.C. 5:28. For construction projects that require the issuance of a construction permit pursuant to the Uniform Construction Code, the unit must also comply with the requirements of the Rehabilitation Subcode (N.J.A.C. 5:23-6). In these instances, the more restrictive requirements of the New Jersey State Housing Code or the Rehabilitation Subcode shall apply. 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.

D. Certification Standard

All code deficiencies noted in the inspection report must be corrected and rehabilitated units must be in compliance with the standards proscribed in sub-section C above upon issuance of a certificate of completion or occupancy. The licensed inspector must certify any structure repaired in whole or in part with rehabilitation funds to be free of any code violations.

E. Emergency Repairs

A situation relating to a safety and/or health hazard for the occupants would constitute an emergency. A municipal inspector will confirm the need for such work. In emergency cases, the formal solicitation process will not be followed. A minimum of three (3) estimates will be obtained, when possible, for the "emergency" work. However, eligibility, as stated in Section I, subsection B, must be determined prior to soliciting estimates. Application for additional non-emergency work may be made in accordance with the procedures outlined in this Operating Manual. The funding for the emergency work and any additional rehabilitation may not exceed the program financing provisions in Section II, sub-section A.

IV. Overview of Administrative Procedures**A. Application/Interview**

Property owners interested in participating in the housing rehabilitation program may submit preliminary applications to the program staff. Preliminary applications are available at the following locations:

Borough of Wharton Municipal Building
10 Robert Street
Wharton, NJ 07885

Upon request, the program staff will mail a preliminary application to an interested property owner.

If after the program staff reviews a preliminary application an owner-occupant appears to be income eligible, an interview will be arranged with the applicant for a formal application to the program. At the time of the interview, the applicant must present required documentation. Applicants for rental rehabilitation funding must provide a list of tenants and the rents paid by each. The program staff will contact the tenants to provide evidence of income eligibility of the occupants of the units.

Applications will be processed in the order of receipt.

B. Income Eligibility and Program Certification

For the households seeking a determination of income eligibility, both owner-occupants and renter-occupants, all wage earners 18 years of age or older in the household must submit appropriate documentation to document the household income, as further described below.

Property owners of both owner-occupied and renter-occupied units must submit the following documentation:

- Copy of the deed to the property.
- Proof that property taxes and water and sewer bills are current.
- Proof of property insurance, including liability, fire and flood insurance where necessary.

If after review of the income documentation submitted an applicant is determined to be ineligible, the applicant will receive a letter delineating the reasons for the determination of ineligibility. An applicant may be determined ineligible if the applicant's or each tenants' income exceeds the Program's income limits or, for owner occupied units, if the carrying costs of the unit (taxes, mortgage, insurance, [including the rehabilitation repayment mortgage]) exceed FHA criteria (less than 33% of gross income for families, less than 40% of gross income for seniors).

The program staff will arrange for a title search of all properties entering the program.

After the initial interview and the program staff has substantiated that the occupant is income-eligible, and the title search is favorable, the Eligible Certification Form will be completed and signed.

Upon confirmation of income eligibility of the applicant or the applicant's tenants, the program staff will send a letter, including the Eligible Certification Form, to the applicant certifying the applicant's and or tenant's eligibility. Eligibility will remain valid for six months. If the applicant has not signed a contract for rehabilitation within six months of the date of the letter of certifying eligibility, the applicant will be required to reapply for certification.

C. Housing Inspection/Substandard Certification

Once determined eligible, the program staff will arrange for a qualified, licensed, housing/building code inspector to inspect the entire residential property.

The licensed inspector will inspect the house, take photographs, and certify that at least one major system is substandard. All required repairs would be identified.

D. Ineligible Properties

If after review of the property documentation submitted and the inspection report and/or work write-up an applicant's property is determined to be ineligible, the program staff will send a letter delineating the reasons for the determination of ineligibility. An applicant's property may be determined ineligible for any one of the following reasons:

- Title search is unfavorable.

- Property does not need sufficient repairs to meet eligibility requirements.
- Real estate taxes are in arrears.
- Proof of property insurance not submitted.
- Property is listed for sale.
- Property is in foreclosure.
- Total debt on the property will exceed the value of the property.

The municipality may disqualify properties requiring excessive repairs to meet municipal housing standards. The estimated or bid cost of repairs must exceed 50 percent of the estimated after-rehabilitation value of the property for the municipality to exclude the property.

If after review of the property documentation submitted and the inspection report and/or work write-up an applicant's property is determined to be eligible, the inspector will then certify that the dwelling is substandard by completing and signing the Certificate of Substandard Form and submitting this to the program staff.

E. Cost Estimate

The program staff will prepare or cause to be prepared a Work Write-up and Cost Estimate. This estimate will include a breakdown of each major work item by category as well as by location in the house. It will contain information as to the scope and specifics on the materials to be used. A Cost Estimate will be computed and included within the program documentation. The program staff will review the Preliminary Work Write-up with the property owner.

Only required repairs to units occupied by income eligible households will be funded through the housing rehabilitation program. If the property owner desires work not fundable through the program, including work on an owner-occupied unit of a rental rehabilitation project, work on a non-eligible rental unit in a multi-unit building or improvements not covered by the program, such work may be added to the work write-up if the property owner provides funds to be deposited in the municipality's Housing Trust Fund prior to the commencement of the rehabilitation of the property equivalent to 110 percent of the estimated cost of the elective work. Such deposited funds not expended at the time of the issuance of a certificate of completion/occupancy will be returned to the property owner with accrued interest.

F. Contractor Bidding Negotiations

After the unit and the unit occupant have been certified as eligible, the program staff will provide a list of approved, pre-qualified trade contractors for bidding. The property owner reviews this list and selects a minimum of three and a maximum of five contractors from whom to obtain bids. The program staff and property owner will then review these bids. The lowest responsible trade contractor shall then be selected. If the property owner wishes to use a contractor other than the lowest responsible bidder, the property owner shall pay the difference between the lowest bid price and the bid price of the selected contractor.

The program may permit a property owner to seek proposals from non-program participating contractors. However, the municipality must pre-approve the contractor prior to submitting a bid.

G. Contract Signing/Pre-Construction Conference

Program staff will meet with the property owner to review all bids by the various trades. This review will include a Final Work Write-up and Cost Estimate. The Contractor Agreement will be prepared by the program staff, as well as the Property Rehabilitation Agreement covering all the required terms and conditions.

The program staff will then call a Pre-Construction Conference. Documents to be executed at the Pre-construction Conference include: Contractors Agreement(s), Right of Entry Document, a Restricted Covenant, Mortgage and Mortgage Note. The property owner, program staff representative, contractor and bank representative will execute the appropriate documents and copies will be provided as appropriate. A staff member will outline project procedures to which property owner must adhere. A Proceed to Work Order, guaranteeing that the work will commence within fifteen (15) calendar days of the date of the conference and be totally completed within ninety (90) days from the start of work, will be issued to each contractor at this Conference.

H. Progress Inspections

The program staff will make periodic inspections to monitor the progress of property improvements. This is necessary to ensure that the ongoing improvements are in accordance with the scope of work outlined in the work write-up. It is the contractor's responsibility to notify the Building Inspector before closing up walls on plumbing and electrical improvements.

I. Change Orders

If it becomes apparent during the course of construction that additional repairs are necessary or the described repair needs to be amended, the program staff will have the qualified professional(s) inspect the areas in need of repair and prepare a change order describing the work to be done. The applicant and the contractor will review the change order with the program staff and agree on a price. Once all parties approve of the change order and agree on the price, they will sign documents amending the contract agreement to include the change order. Additionally, if the applicant is not funding the additional cost, new financing documents will be executed reflecting the increase.

J. Payment Schedule

The contract will permit three progress payments if the project costs less than \$20,000 or four progress payments if the project costs more than \$20,000. For example: \$24,000 project has four payments, with the first payment of \$10,000 and the remaining payments are divided equally. First payment is made when the project is one-quarter completed. Second payment is made when the project is one-half completed. Third at three quarters completed. Fourth and final payment upon completion.

The contractor will submit a payment request. The applicant will sign a payment approval if both the applicant and housing/building inspector are satisfied with the work performed. The municipality will then release the payment.

Final payment will be released once all final inspections are made, a Certificate of Occupancy is issued (if applicable) and the program staff receives a Property Owner Sign-off letter.

The contractor's performance bond will be released within three (3) months after the final payment is made to the contractor.

K. Appeal Process

If an applicant does not approve a payment that the housing/building inspector has approved, the disputed payment will be appealed to the municipality's Governing Body for a hearing. The municipality's Governing Body will decide if the payment shall be released to the contractor or the contractor must complete additional work or correct work completed before the release of the payment. The municipality's Governing Body decision will be binding on both the applicant and the contractor.

L. Final Inspection

Upon notification by the contractor that all work is complete and where required a Certificate of Occupancy has been issued, a final inspection shall be conducted and photographs taken. The program staff (or a representative), the property owner, and the necessary contractors shall be present at the final inspection to respond to any final punch list items.

M. Record Restricted Covenant and Mortgage Documentation

Program staff will file the executed Restricted Covenant and Mortgage with the County Clerk.

N. File Closing

After the final payment is made, the applicant's file will be closed by the program staff and submitted to the municipality upon termination of the program.

V. Procedure for Income-Eligibility Certification**A. Complete a Household Eligibility Determination Form**

The program staff shall require each member of an applicant household who is 18 years of age or older to provide documentation to verify their income, pursuant to the Uniform Housing Affordability Controls at N.J.A.C. 5:80-16.1 et seq. (except for the asset test). Income verification documentation should include, but is not limited to the following for each and every member of a household who is 18 years of age or older:

- Four current consecutive pay stubs [including both the check and the stub], including bonuses, overtime or tips, or a letter from the employer stating the present annual income figure or if self-employed, a current Certified Profit & Loss Statement and Balance Sheet.
- Copies of Federal and State income tax returns for each of the preceding three tax years - A Form 1040 Tax Summary for the past three tax years can be requested from the local Internal Revenue Service Center or by calling 1-800-829-1040.
- A letter or appropriate reporting form verifying monthly benefits such as
 - Social Security or SSI – Current award letter or computer printout letter
 - Unemployment – verification of Unemployment Benefits
 - Welfare -TANF current award letter
 - Disability - Worker's compensation letter or
 - Pension income (monthly or annually) – a pension letter

- A letter or appropriate reporting form verifying any other sources of income claimed by the applicant, such as alimony or child support – copy of court order or recent original letters from the court or education scholarship/stipends – current award letter.
- Current reports of savings and checking accounts (bank statements and passbooks) and income reports from banks or other financial institutions holding or managing trust funds, money market accounts, certificates of deposit, stocks or bonds (In brokerage accounts – most recent statements and/or in certificate form – photocopy of certificates).
- Evidence or reports of income from directly held assets, such as real estate or businesses.
- Interest in a corporation or partnership – Federal tax returns for each of the preceding three tax years.
- Current reports of assets – Market Value Appraisal or Realtor Comparative Market Analysis and Bank/Mortgage Co. Statement indicating Current Mortgage Balance. For rental property attach copies of all leases.

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

Income

1. Wages, salaries, tips, commissions
2. Alimony
3. Regularly scheduled overtime
4. Pensions
5. Social security
6. Unemployment compensation (verify the remaining number of weeks they are eligible to receive)
7. TANF
8. Verified regular child support
9. Disability
10. Net income from business or real estate
11. Interest income from assets such as savings, certificates of deposit, money market accounts, mutual funds, stocks, bonds
12. Imputed interest (using a current average annual rate of two percent) from non-income producing assets, such as equity in real estate. Rent from real estate is considered

income, after deduction of any mortgage payments, real estate taxes, property owner's insurance.

13. Rent from real estate is considered income
14. Any other forms of regular income reported to the Internal Revenue Service

Not Income

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

To calculate income, the current gross income of the applicant is used to project that income over the next 12 months.

Student Income

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

Income from Real Estate

If real estate owned by an applicant for affordable housing is a rental property, the rent is considered income. After deduction of any mortgage payments, real estate taxes, property owner insurance and reasonable property management expenses as reported to the Internal Revenue Service, the remaining amount shall be counted as income.

If an applicant owns real estate with mortgage debt, which is not to be used as rental housing, the Administrative Agent should determine the imputed interest from the value of the property. The Administrative Agent should deduct outstanding mortgage debt from the documented market

value established by a market value appraisal. Based on current money market rates, interest will be imputed on the determined value of the real estate.

B. Records Documenting Household Composition and Circumstances

The following are various records for documenting household information:

- Social Security records or cards. Either individual Social Security card or letter from Social Security Administration;
- Adoption papers, or legal documents showing adoption in process;
- Income tax return;
- Birth Certificate or Passport; and
- Alien Registration Card.

C. Application

Certify the income eligibility of low- and moderate-income households by completing the application form. Provide the household with the original and keep a copy in the project files.

D. Appeals

Appeals from all decisions of an Administrative Agent shall be made in writing to the Affordable Housing Dispute Resolution Program (“the Program”), (<https://www.njcourts.gov/courts/civil/affordable-housing>). The Program’s written decision, which shall be made within 15 days of receipt of an appeal, shall be a final administrative action of the Program.

VI. Contractor Related Procedures

A. Contractor Selection

Contractors must apply to the program staff to be placed on the pre-approved contractors list. Contractors seeking inclusion on the list must submit references from at least three recent general contracting jobs. Contractors also must submit documentation proving financial stability and the ability to obtain performance bonds, as performance bonds will be required on every rehabilitation project. If it is ever necessary for the municipality or the Administrative Agent to access the performance bond in order to complete a project, the contractor will be removed from the pre-approved contractors list. Contractors must carry workmen’s compensation coverage and liability insurance of at least \$100,000/\$300,000 for bodily injury or death and \$50,000 for property damage. Only licensed tradesmen will be permitted to perform specialty work such as plumbing, heating, and electrical.

B. Number of Proposals Required

The property owner will select a minimum of three general contractors from a list of pre-approved contractors. Property owners may not select contractors who do not appear on the list.¹ The approved work write-up will be submitted to the selected contractors by the program staff. Contractors must visit the property and submit bids within 14 days. The contract will be awarded to the lowest bidder,² provided that the housing/building inspector or the professional who drafted the work write-up certify that the work can be completed at the price bid and that the bid is reasonably close to the cost estimate. Bids must fall within 10 percent of the cost estimate.

¹ The program may permit a property owner to seek proposals from non-program participating contractors. However, the municipality must pre-approve the contractor prior to submitting a bid.

² If the property owner wishes to use a contractor other than the lowest responsible bidder, the property owner shall pay the difference between the lowest bid price and the bid price of the selected contractor.

C. Contractor Requirements

Upon notification of selection, the contractor shall submit all required insurance certification to the program staff. A contract signing conference will be called by the program staff to be attended by the property owner and contractor. At the time of Agreement execution, the contractor shall sign a Certification of Work Schedule prepared by the program staff.

VII. Maintenance of Records**A. Files to be Maintained on Every Applicant**

The program staff will maintain files on every applicant. All files will contain a preliminary application. If an applicant's preliminary application is approved, and the applicant files a formal application, the file will contain at a minimum:

- Application Form
- Tenant Information Form (Rental Units Only)
- Income Verification
- Letter of Certification of Eligibility or Letter of Determination of Ineligibility

B. Files of Applicants Approved for the Program

Files of applicants who have been approved for the program will also contain the following additional documentation:

- Housing Inspection Report
- Photographs - Before
- Certification of Property Eligibility or Determination of Ineligibility
- Proof of Homeowners Insurance
- Copy of Deed to Property

C. For Properties Determined Eligible and Where Applicants Continue in the Program

For properties determined eligible for the program where the applicants choose to continue in the program, the files shall contain the following:

- Work Write-Up/Cost Estimate
- Copies of Bids
- Applicant/Contractor Contract Agreement
- Recorded Mortgage/Lien Documents
- Copies of All Required Permits
- Contractor Requests for Progress Payments

- Progress Payment Inspection Reports
- Progress Payment Vouchers
- Change Orders (If needed)
- Final Inspection Report
- Photographs - After
- Certification of Completion
- Certification of Release of Contractor's Bond

Individual files will be maintained throughout the process and submitted to the municipality upon termination of the program.

D. Rehabilitation Log

A rehabilitation log will be maintained by the program staff that depicts the status of all applications in progress.

E. Monitoring

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

- Street Address
- Block/Lot/Unit Number
- Owner/Renter
- Income: Very Low/Low/Mod
- Final Inspection Date
- Funds expended on Hard Costs
- Development Fees expended
- 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

VIII. Program Marketing

The program will conduct a public meeting announcing the implementation of the housing rehabilitation program. For the term of the program, the municipality will include flyers once a year with the tax bills, water bills, or other regular municipal mailing to all property owners. Program information will be available at the municipal building, library, and on the municipal website. Posters regarding the program will be placed in retail businesses throughout the municipality.

Prior to commencement of the program and periodically thereafter, the municipality will hold informational meetings on the program to all interested contractors. Each contractor will have the opportunity to apply for inclusion of the municipal contractor list.

Rehabilitation Program Audit Checklist

	UP-TO-DATE OPERATING MANUAL	Comments
<input type="checkbox"/>	Income Limits	
<input type="checkbox"/>	List of Pre-Qualified Contractors	
<input type="checkbox"/>	Sample Forms and Letters	
	MAINTENANCE OF RECORDS	
	Files To Be Maintained on Every Applicant	
<input type="checkbox"/>	<i>Preliminary Application</i>	
<input type="checkbox"/>	<i>Application Form</i>	
<input type="checkbox"/>	<i>Income Verification</i>	
<input type="checkbox"/>	<i>Letter of Certification of Eligibility or</i>	
<input type="checkbox"/>	<i>Letter of Determination of Ineligibility.</i>	
	Files to be Maintained on Every Property	
<input type="checkbox"/>	<i>Housing Inspection Report.</i>	
<input type="checkbox"/>	<i>Photographs – Before Certification of Property</i>	
<input type="checkbox"/>	<i>Homeowner’s Insurance</i>	
<input type="checkbox"/>	<i>Property Deed</i>	
<input type="checkbox"/>	<i>Eligibility or Determination of Ineligibility</i>	
<input type="checkbox"/>	<i>Work Write-Up/Cost Estimate.</i>	
<input type="checkbox"/>	<i>Applicant/Contractor Contract Agreement.</i>	
<input type="checkbox"/>	<i>Mortgage/Lien Documents.</i>	
<input type="checkbox"/>	<i>Copies of All Required Permits.</i>	
<input type="checkbox"/>	<i>Contractor Requests for Progress Payments.</i>	
<input type="checkbox"/>	<i>Progress Payment Inspection Reports.</i>	
<input type="checkbox"/>	<i>Progress Payment Vouchers.</i>	
<input type="checkbox"/>	<i>Change Orders (If Needed).</i>	
<input type="checkbox"/>	<i>Final Inspection Report.</i>	
<input type="checkbox"/>	<i>Photographs - After</i>	
<input type="checkbox"/>	<i>Certification of Completion.</i>	
<input type="checkbox"/>	<i>Certification of Release of Contractor’s Bond.</i>	
<input type="checkbox"/>	Rehabilitation Log	
	MONITORING INFORMATION	
<input type="checkbox"/>	Complete Monitoring Reporting Forms	
	PROGRAM MARKETING	
<input type="checkbox"/>	Annual Public Hearing Notice on Program	
<input type="checkbox"/>	Program Flyer	
<input type="checkbox"/>	Program Brochure	
<input type="checkbox"/>	Flyer mailed Annually to All Property Owners	
<input type="checkbox"/>	Program information available in municipal building, library and senior center.	
<input type="checkbox"/>	Program information posted on municipal website.	
<input type="checkbox"/>	Program posters placed in retail businesses throughout the municipality.	

Rehabilitation Program Audit Checklist – Rental Units

<input type="checkbox"/>	UP-TO-DATE OPERATING MANUAL	Comments
<input type="checkbox"/>	Income Limits	
<input type="checkbox"/>	Sample Forms and Letters	
AFFIRMATIVE MARKETING		
<input type="checkbox"/>	Copies of Ads	
<input type="checkbox"/>	Copies of PSA Requests	
<input type="checkbox"/>	Copies of Marketing Requests	
RANDOM SELECTION		
<input type="checkbox"/>	Log of Applications Received	
<input type="checkbox"/>	Log of Random Selection Results	
<input type="checkbox"/>	Database of Referrals	
MAINTENANCE OF RECORDS		
Files To Be Maintained on Every Applicant		
Preliminary Application.		
<input type="checkbox"/>	Application Form.	
<input type="checkbox"/>	Tenant Information Form	
<input type="checkbox"/>	Income Verification	
<input type="checkbox"/>	Letter of Certification of Eligibility or	
<input type="checkbox"/>	Letter of Determination of Ineligibility	
<input type="checkbox"/>	Files To Be Maintained on Every Rental Unit	
Base rent		
<input type="checkbox"/>	Identification as low- or moderate-income	
<input type="checkbox"/>	Description of number of bedrooms and physical layout	
<input type="checkbox"/>	Floor plan	
<input type="checkbox"/>	Application materials, verifications and certifications of	
<input type="checkbox"/>	all present tenants, pertinent correspondence	
<input type="checkbox"/>	Copy of lease	
<input type="checkbox"/>	Appendix K	
<input type="checkbox"/>	Files To Be Maintained on Every Property	
Deed		

Appendix A

Last updated May 5, 2025, by New Jersey Housing and Mortgage Finance Agency (NJHMFA), Effective May 16, 2025.

UHAC 2025 Affordable Housing Regional Income Limits by Household Size

Regional Income Limits	Household Size											
	1 Person	1.5 Persons	2 Persons	2.5 Persons	3 Persons	4 Persons	4.5 Persons	5 Persons	6 Persons	7 Persons	8 Persons	
Region 1 Bergen, Hudson, Passaic, Sussex	Median \$89,100	\$95,450	\$101,800	\$108,150	\$114,500	\$120,850	\$127,200	\$133,550	\$139,900	\$146,250	\$152,600	\$158,950
	Moderate (80%) \$71,280	\$76,360	\$81,440	\$86,520	\$91,600	\$96,680	\$101,760	\$106,840	\$111,920	\$117,000	\$122,080	\$127,160
	Low (50%) \$44,550	\$47,725	\$50,900	\$54,075	\$57,250	\$60,425	\$63,600	\$66,775	\$70,950	\$74,125	\$77,300	\$80,475
	Very Low (30%) \$26,730	\$28,635	\$30,540	\$32,445	\$34,350	\$36,255	\$38,160	\$39,690	\$41,220	\$42,750	\$44,280	\$45,810
Region 2 Essex, Morris, Union, Warren	Median \$94,800	\$101,550	\$108,300	\$115,050	\$121,800	\$128,550	\$135,300	\$142,050	\$148,800	\$155,550	\$162,300	\$169,050
	Moderate (80%) \$75,840	\$81,240	\$86,640	\$92,040	\$97,440	\$102,840	\$108,240	\$113,640	\$119,040	\$124,440	\$129,840	\$135,240
	Low (50%) \$47,400	\$50,775	\$54,150	\$57,525	\$60,900	\$64,275	\$67,650	\$71,025	\$74,400	\$77,775	\$81,150	\$84,525
	Very Low (30%) \$28,440	\$30,465	\$32,490	\$34,515	\$36,540	\$38,565	\$40,590	\$42,615	\$44,640	\$46,665	\$48,690	\$50,715
Region 3 Hunterdon, Middlesex, Somerset	Median \$107,400	\$115,100	\$122,800	\$130,500	\$138,200	\$145,900	\$153,600	\$161,300	\$169,000	\$176,700	\$184,400	\$192,100
	Moderate (80%) \$85,920	\$92,080	\$98,240	\$104,400	\$110,560	\$116,720	\$122,880	\$129,040	\$135,200	\$141,360	\$147,520	\$153,680
	Low (50%) \$53,700	\$57,550	\$61,400	\$65,225	\$69,050	\$72,875	\$76,700	\$80,525	\$84,350	\$88,175	\$92,000	\$95,825
	Very Low (30%) \$32,220	\$34,530	\$36,840	\$39,135	\$41,430	\$43,725	\$46,020	\$48,315	\$50,610	\$52,905	\$55,200	\$57,495
Region 4 Mercer, Monmouth, Ocean	Median \$94,300	\$101,000	\$107,700	\$114,400	\$121,100	\$127,800	\$134,500	\$141,200	\$147,900	\$154,600	\$161,300	\$168,000
	Moderate (80%) \$75,440	\$80,800	\$86,160	\$91,560	\$96,960	\$102,360	\$107,760	\$113,160	\$118,560	\$123,960	\$129,360	\$134,760
	Low (50%) \$47,150	\$50,500	\$53,850	\$57,225	\$60,600	\$63,975	\$67,350	\$70,725	\$74,100	\$77,475	\$80,850	\$84,225
	Very Low (30%) \$28,290	\$30,300	\$32,310	\$34,335	\$36,360	\$38,385	\$40,410	\$42,435	\$44,460	\$46,485	\$48,510	\$50,535
Region 5 Burlington, Camden, Gloucester	Median \$83,600	\$89,600	\$95,600	\$101,600	\$107,600	\$113,600	\$119,600	\$125,600	\$131,600	\$137,600	\$143,600	\$149,600
	Moderate (80%) \$66,880	\$71,680	\$76,480	\$81,280	\$86,080	\$90,880	\$95,680	\$100,480	\$105,280	\$110,080	\$114,880	\$119,680
	Low (50%) \$41,800	\$44,800	\$47,800	\$50,775	\$53,750	\$56,725	\$59,700	\$62,675	\$65,650	\$68,625	\$71,600	\$74,575
	Very Low (30%) \$25,080	\$26,880	\$28,680	\$30,465	\$32,250	\$34,035	\$35,820	\$37,605	\$39,390	\$41,175	\$42,960	\$44,745
Region 6 Atlantic, Cape May, Cumberland, Salem	Median \$71,900	\$77,050	\$82,200	\$87,350	\$92,500	\$97,650	\$102,800	\$107,950	\$113,100	\$118,250	\$123,400	\$128,550
	Moderate (80%) \$57,520	\$61,640	\$65,760	\$69,880	\$74,000	\$78,120	\$82,240	\$86,360	\$90,480	\$94,600	\$98,720	\$102,840
	Low (50%) \$35,950	\$38,525	\$41,100	\$43,675	\$46,250	\$48,825	\$51,400	\$53,975	\$56,550	\$59,125	\$61,700	\$64,275
	Very Low (30%) \$21,570	\$23,115	\$24,660	\$26,205	\$27,750	\$29,295	\$30,840	\$32,385	\$33,930	\$35,475	\$37,020	\$38,565

Bedroom Count	Household Size (Senior)*		Maximum Sale Price Increase***		Maximum Rent Increase****		Net Asset Limit*****	
	1 Person	1.5 Persons	Region 1	Region 2	Region 3	Region 4	Region 5	Region 6
0BR	1 Person	1.5 Persons	5.64%	4.55%	4.92%	3.50%	4.10%	4.41%
1BR	1.5 Persons	2 Persons						
2BR	2 Persons	3 Persons						
3BR	3 Persons	4 Persons						
4BR	4 Persons	5 Persons						
	5 Persons	6 Persons						
	N/A	N/A						

* N.J.A.C. 5:80-26.4(i).
 ** N.J.A.C. 5:80-26.4(j).
 *** N.J.A.C. 5:80-26.7(c).
 **** N.J.A.C. 5:80-26.13(b).
 ***** N.J.A.C. 5:80-26.17(b)(3).