



Housing Element & Fair Share Plan

Borough of Bound Brook
Somerset County, New Jersey

May 28, 2025



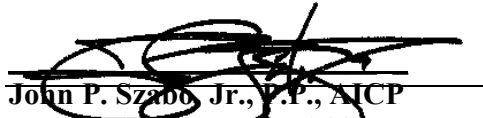
2025 HOUSING ELEMENT AND FAIR SHARE PLAN

**BOROUGH OF BOUND BROOK
SOMERSET COUNTY, NEW JERSEY**

PREPARED FOR:

**BOROUGH OF PLANNING BOARD
BA# 4185.15**

The original document was appropriately signed and sealed on May 28, 2025 in accordance with Chapter 41 of Title 13 of the State Board of Professional Planners.


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The Housing and Fair Share Plan was adopted by the Borough of Bound Brook Planning Board after public hearing on June 12, 2025.

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EXECUTIVE SUMMARY

The following **2025 Housing Element and Fair Share Plan (HE&FSP) of the Master Plan** has been prepared for the Borough of Bound Brook, Somerset County, New Jersey.

This plan is designed to outline the manner in which the Borough will address its affordable housing obligations for the forthcoming Fourth Round pursuant to its constitutional obligation to provide for its fair share of affordable housing units under the New Jersey Supreme Court's Mount Laurel decisions.

In summary, the Borough's affordable housing obligation over the prior and current Fourth Round is as follows:

Table 1: Affordable Housing Obligations Summary

Category	Obligation
Present Need (Rehabilitation) Obligation	91
Fourth Round Obligation (2025-2035)	31

Fourth Round Obligation

Governor Murphy signed the A-40/S-50 Bill into law on March 20, 2024 upon adoption by the State Senate and Assembly. This legislation (FHA-2) amended the Fair Housing Act (FHA or the Act) by abolishing COAH and created a new process that involved the creation of an entity known as the Affordable Housing Dispute Resolution Program (the Program), which is overseen by seven retired Mount Laurel judges. The Program has taken the place of the trial courts and COAH regarding the approval process involving municipal HE&FSPs. The DCA and the Administrative Office of the Courts (AOC) are both also involved in assisting the Program with this process.

FHA-2 directed the DCA to calculate the Present Need (also referred to as the Rehabilitation obligation) and the Prospective Need (also known as the new construction obligation) for Round Four based upon the standards set forth in the Act. The DCA issued its report on October 18, 2024, and, in accordance with the Act, made clear that the obligations generated by the report were advisory only and were non-binding. For the Borough of Bound Brook, the DCA Report identified a Present Need as 91 units and a Prospective Round Four Need of 31.

Since the DCA report was non-binding, the legislation provided each municipality the opportunity to study and define why its obligations should be different based on the standards in the Act. Bound Brook adopted a resolution accepting the DCA's calculation of obligation and the Court issued an order fixing the obligation on March 26, 2025.

FAIR SHARE OBLIGATION

The following section provides an overview of the Borough's fair share obligation. It includes a brief overview of the methodology utilized to calculate affordable housing obligations throughout the state.

Accordingly, the remainder of this 2025 HE&FSP is divided into the following sections:

❖ **Section 1: Introduction**

The first section of the 2025 HE&FSP provides an introduction to affordable housing. It summarizes what affordable housing is, offers an overview of the history of affordable housing in the state, and explains the role of a housing element and fair share plan.

❖ Section 2: Housing Element

Section 2 contains the Housing Element for the Borough of Bound Brook. It offers a community overview of the Borough, as well as background information regarding its population, housing, and employment characteristics. It also provides projections of the Borough's housing stock and employment.

❖ Section 3: Fair Share Obligation

Next, Section 3 provides an overview of the Borough's fair share obligation. It includes a brief history of the methodologies utilized to calculate affordable housing obligations throughout the state.

❖ Section 4: Fair Share Plan

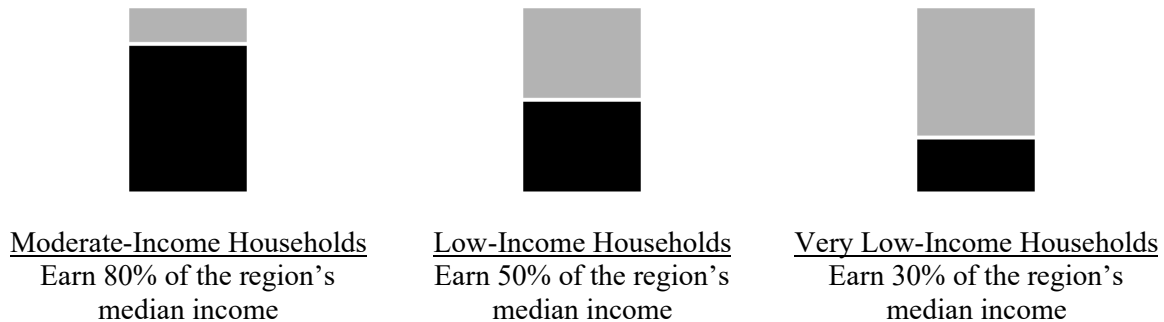
Finally, Section 4 details the manner in which the Borough will address its Fourth Round Prospective Need Obligation, and how same is consistent with the FHA, applicable regulations under N.J.A.C. 5:93 and 97, UHAC regulations, and state planning initiatives.

SECTION I: INTRODUCTION

The following section provides an introduction to affordable housing. It summarizes what affordable housing is, offers an overview of the history of affordable housing in the state, and explains the role of a housing element and fair share plan.

A. What is Affordable Housing?

Affordable housing is income-restricted housing that is available for sale or for rent. Typically, affordable housing is restricted to very-low, low-, and moderate-income households. These categories are derived from median regional income limits established for the state. New Jersey is delineated into six different affordable housing regions. Bound Brook is located in Region 3, which includes Hunterdon, Middlesex and Somerset counties.



Regional income limitations are updated every year, with different categories established for varying household sizes. Table 2 identifies the 2024 regional income limits by household size for Region 3. As shown, a three-person family with a total household income of no greater than \$105,264, could qualify for affordable housing in the Borough's region.

Table 2: 2024 Affordable Housing Region 3 Income Limits by Household Size

Income Level	2 Person	3 Person	4 Person	5 Person
Median	\$116,960	\$131,580	\$146,200	\$157,896
Moderate	\$93,568	\$105,264	\$116,960	\$126,317
Low	\$58,480	\$65,790	\$73,100	\$78,948
Very-Low	\$35,088	\$39,474	\$43,860	\$47,369

One of the most common forms of affordable housing is inclusionary development, in which a certain percentage of units within a multifamily development are reserved for affordable housing. Affordable housing can be found in a variety of other forms, including but not limited to 100% affordable housing developments, deed-restricted accessory apartments, alternative living arrangements such as special need/supportive housing or group homes, assisted living facilities, and age-restricted housing.

B. WHAT IS THE HISTORY OF AFFORDABLE HOUSING IN NEW JERSEY?



The history of affordable housing in New Jersey can be traced back to 1975, when the Supreme Court first decided in *So. Burlington Cty. NAACP v. Borough of Mount Laurel* (known as Mount Laurel I) that every developing municipality throughout New Jersey had an affirmative obligation to provide for its fair share of affordable housing. In a subsequent Supreme Court decision in 1983 (known as Mount Laurel II), the Court acknowledged that the vast majority of municipalities had not addressed their constitutional obligation to provide affordable housing.

As such, the Court refined this obligation to establish that every municipality had an obligation, although those within the growth area of the State Development and Redevelopment Plan (SDRP) had a greater obligation. The Court also called for the state legislature to enact legislation that would save municipalities from the burden of having the courts determine their affordable housing needs. The result of this decision was the adoption of the Fair Housing Act in 1985, as well as the creation of the New Jersey Council on Affordable Housing (COAH), which became the state agency responsible for overseeing the manner in which New Jersey's municipalities address their low- and moderate-income housing needs.

COAH proceeded to adopt regulations for the First Round obligation, which covered the years 1987 to 1993. It also established the Second Round housing-need numbers that cumulatively covered the years 1987 through 1999. Under both the First and Second Rounds, COAH utilized what is commonly referred to as the "fair share" methodology. COAH utilized a different methodology, known as "growth share," beginning with its efforts to prepare Third Round housing-need numbers. The Third

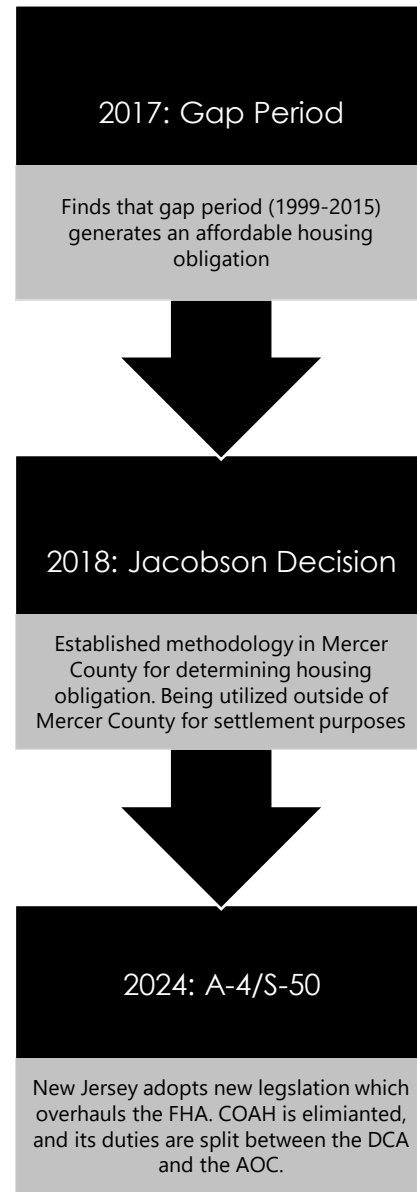
Round substantive and procedural rules were first adopted in 2004.

These regulations were challenged and in January 2007, the Appellate Division invalidated various aspects of these rules and remanded considerable portions of the rules to COAH with the directive to adopt revised regulations.

In May 2008, COAH adopted revised Third Round regulations which were published and became effective on June 2, 2008. Coincident to this adoption, COAH proposed amendments to the rules they had just adopted, which subsequently went into effect in October 2008. These 2008 rules and regulations were subsequently challenged, and in an October 2010 decision, the Appellate Division invalidated the Growth Share methodology, and also indicated that COAH should adopt regulations pursuant to the Fair Share methodology utilized in Rounds One and Two. The Supreme Court affirmed this decision in September 2013, which invalidated much of the third iteration of the Third Round regulations and sustained the invalidation of growth share. As a result, the Court directed COAH to adopt new regulations pursuant to the methodology utilized in Rounds One and Two.

Deadlocked with a 3-3 vote, COAH failed to adopt newly revised Third Round regulations in October 2014. Fair Share Housing Center, who was a party in both the 2010 and 2013 cases, responded by filing a motion in aid of litigants' rights with the New Jersey Supreme Court. The Court heard the motion in January 2015 and issued its ruling on March 20, 2015. The Court ruled that COAH was effectively dysfunctional and, consequently, returned jurisdiction of affordable housing issues back to the trial courts where it had originally been prior to the creation of COAH in 1985.

This 2015 Court decision created a process in which municipalities may file a declaratory judgment action seeking a declaration that their HE&FSP is constitutionally compliant and receive temporary immunity from affordable housing builders' remedy lawsuits while preparing a new or revised HE&FSP to ensure their plan



continues to affirmatively address their local housing need as may be adjusted by new housing-need numbers promulgated by the court or COAH.

Subsequently, the Supreme Court ruled on January 18, 2017 that municipalities are also responsible for obligations accruing during the so-called “gap period,” the period of time between 1999 and 2015. However, the Court stated that the gap obligation should be calculated as a never-before calculated component of Present Need, which would serve to capture Gap Period households that were presently in need of affordable housing as of the date of the Present Need calculation (i.e. that were still income eligible, were not captured as part of traditional present need, were still living in New Jersey and otherwise represented a Present affordable housing need).

On March 20, 2024, Governor Murphy signed the A4/S50 Bill into law, which amended the FHA for the Fourth Round and beyond. The amendments to the FHA eliminated COAH, moved away from just allowing trial courts to approve municipal HE&FSPs, and created a new entity to approve the plans known as The Program, which consists of seven retired Mount Laurel Judges. FHA-2 also involved the DCA and the AOC in the process.

The DCA was designated by the amended FHA as the entity responsible for calculating the state’s regional needs as well as each municipality’s present and prospective fair share obligations pursuant to the Jacobson Decision. However, the Amended FHA makes clear that these numbers are advisory and non-binding, and that each municipality must set its own obligation number utilizing the same methodology. The Program was tasked to handle any disputes regarding affordable housing obligations and plans, and to ultimately issue a Compliance Certification to approve a municipality’s HE&FSP, which would continue immunity from all exclusionary zoning lawsuits until July 30, 2035.

C. What is a Housing Element and Fair Share Plan? A HE&FSP serves as the blueprint for how a municipality will address its fair share of affordable housing. It is designed to help a community broaden the accessibility of affordable housing.

The Municipal Land Use Law (MLUL) is the enabling legislation for municipal land use and development, planning, and zoning for the State of New

While technically a discretionary component of a municipal master plan, a HE&FSP is nevertheless an effectively obligatory plan element. As established by

N.J.S.A. 40:55D-62.a of the Municipal Land Use Law (MLUL), a municipality must have an adopted HE&FSP in order to enact its zoning ordinance. Thus, from a public policy perspective, a HE&FSP is an essential community document. Moreover, without an approved HE&FSP, a municipality may be susceptible to a builder’s remedy lawsuit in which a developer could file suit to have a specific piece of property rezoned to permit housing at higher densities than a municipality would otherwise allow, provided a certain percentage of units are reserved as affordable.

The Fair Housing Act, as most recently amended pursuant to FHA-2, establishes the required components of a HE&FSP. These are summarized as follows:

1. An inventory of the municipality’s housing stock by age, condition, purchase or rental value, occupancy characteristics, and type, including the number of units affordable to low- and moderate-income households and substandard housing capable of being rehabilitated;
2. A projection of the municipality’s housing stock, including the probable future construction of low- and moderate-income housing, for the next ten years, taking into

- account, but not necessarily limited to, construction permits issued, approvals of applications for development and probable residential development of lands;
3. An analysis of the municipality's demographic characteristics, including but not necessarily limited to, household size, income level and age;
 4. An analysis of the existing and probable future employment characteristics of the municipality;
 5. A determination of the municipality's present and prospective fair share for low- and moderate-income housing and its capacity to accommodate its present and prospective housing needs, including its fair share for low- and moderate-income housing;
 6. A consideration of the lands that are most appropriate for construction of low- and moderate-income housing and the existing structures most appropriate for conversion to, or rehabilitation for, low- and moderate-income housing, including a consideration of lands of developers who have expressed a commitment to provide low- and moderate-income housing;
 7. An analysis of the extent to which municipal ordinances and other local factors advance or detract from the goal of preserving multigenerational family continuity as expressed in the recommendations of the Multigenerational Family Housing Continuity Commission;
 8. For a municipality located within the jurisdiction of the 41 Water Protection and Planning Council, an analysis of compliance of the housing element with the Highlands Regional Master Plan of lands in the Highlands Preservation Area, and lands in the Highlands Planning Area for Highlands conforming municipalities; and
 9. An analysis of consistency with the State Development and Redevelopment Plan, including water, wastewater, stormwater, and multi-modal transportation based on guidance and technical assistance from the State Planning Commission.

Section 2: Housing Element

The following section provides the housing element for the Borough of Bound Brook. It offers a community overview of the Borough, as well as background information regarding its population, housing, and employment characteristics. It also provides projections of the Borough's housing stock and its employment.

A. COMMUNITY OVERVIEW

The Borough of Bound Brook is situated in Central New Jersey within Somerset County, positioned on the northern side of the Raritan River at a notable 90-degree bend. The eastern boundary is delineated by the Green Brook, which receives inflow from the Bound Brook (also known as the Boundary Brook) and the Ambrose Brook. The Middle Brook defines the western border. Additionally, the Delaware & Raritan Canal follows the southern bank of the Raritan River.

Transportation infrastructure includes Route I-287, located immediately west of the Borough, and US Route 22, which runs just north, creating a minor division within the Borough. NJ Route 28 traverses part of the Borough, bisecting the area between Main Street and the Raritan River, where both active and inactive passenger and freight rail lines are present.

According to the US Census, the total area of the Borough of Bound Brook is 1.695 square miles. Of this, 1.659 square miles (1,061.8 acres) constitutes land, while 0.036 square miles (23.04 acres) comprises waterways.

The Borough Bound Brook is a mostly a bedroom with its primary land use being residential single family residences. The Borough's downtown area is centered along Main Street with Borough's other commercial corridor located along the Union Avenue (Route 28) corridor. A significant feature of the downtown area is the presence of the New Jersey Transit Bound Brook Station which serves area commuters. Multifamily and mixed use development is occurring within the Borough's downtown area as well as along the Talmadge Avenue corridor as a result of the Borough's redevelopment planning.

The Borough is bounded by the Raritan River to the south at the municipal border of South Bound Brook, the Green Brook to the east at the municipal border of Middlesex Borough and the Middle Brook to the west at the municipal border of Bridgewater Township.

Information Regarding Data Sources

The background information contained in Section 2.C entitled “Inventory of Municipal Housing Stock,” Section 2.D entitled “Projection of Municipal Housing Stock,” Section 2.E entitled “Demographic and Population Data,” and Section 2.F entitled “Employment Characteristics and Projections” was obtained from a variety of publicly available data sources. These are summarized below:

<p>United States Decennial Census</p> <p>The US Census is described in Article I, Section 2 of the Constitution of the United States, which calls for an enumeration of the people every ten years for the apportionment of seats in the House of Representatives. Since the time of the first Census conducted in 1790, it has become the leading source of data about the nation’s people and economy. Please note that all incomes reported in the Census are adjusted for inflation.</p> <p>American Community Survey (ACS)</p> <p>The American Community Survey is a nationwide ongoing survey conducted by the US Census Bureau. The ACS gathers information previously contained only in the long form version of the decennial census, such as age, ancestry, educational attainment, income, language proficiency, migration, disability, employment, and housing characteristics. It relies upon random sampling to provide ongoing, monthly data collection. Please note that all incomes reported in the ACS are adjusted for inflation.</p> <p>New Jersey Department of Health</p> <p>The New Jersey Department of Health is a governmental agency of the State of New Jersey. The department contains the Office of Vital Statistics and Registry, which gathers data regarding births, deaths, marriages, domestic partnerships, and civil unions.</p>	<p>New Jersey Department of Community Affairs (DCA)</p> <p>The New Jersey Department of Community Affairs is a governmental agency of the State of New Jersey. Its function is to provide administrative guidance, financial support, and technical assistance to local governments, community development organizations, businesses, and individuals to improve the quality of life in New Jersey.</p> <p>New Jersey Department of Labor and Workforce Development</p> <p>The New Jersey Department of Labor and Workforce Development is a governmental agency of the State of New Jersey. One of its roles is to collect labor market information regarding employment and wages throughout the state.</p>
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C. INVENTORY OF MUNICIPAL HOUSING STOCK

This section of the Housing Element provides an inventory of the Borough's housing stock, as required by the MLUL. The inventory details housing characteristics such as age, condition, purchase/rental value, and occupancy. It also details the number of affordable units available to low- and moderate-income households and the number of substandard housing units capable of being rehabilitated.

1. Number of Dwelling Units. As shown in the table below,

Table 4: Dwelling Units (1980-2023)

Year	Dwellings	Numerical Change	% Change
1980	3,707		
1990	3,823	116	3%
2000	3,817	-6	0%
2010	3,816	-1	0%
2023*	4,783	967	25%

Sources: U.S. Census, *American Community Survey 5-Year Estimates

Since 1980, the Borough added over 1,076 units experience 29% growth in its housing stock. However, it is noteworthy that between 2,000 and 2010, the Borough experienced a slight decrease in its housing stock reflecting both the impacts of flooding associated with the Raritan River and the COVID epidemic. The increase in housing has most recently occurred with multifamily development as the Borough seeks to redevelop its downtown area on Main Street and along the Talmadge Road corridor.

The following table 5 provides details regarding the tenure and occupancy of the Borough's housing stock. As shown below, there has been a shift away from owner occupied housing to rental units. The proportion of owner occupied units decreased from 45.8% to 41.2% while rentals increased from 38.1% to 57.3%. Renter occupied units is now the majority occupancy in the Borough. It is further noted that the Borough's vacancy rate plummeted from 16.15% to 1.5% reflecting a tight housing market.

Table 5: Housing Units by Tenure and Occupancy Status (2010 and 2023)

Category	2010*		2023*	
	# of Units	%	# of Units	%
Owner Occupied	1,716	45.8%	1,969	41.2%

Renter Occupied	1,428	38.1%	2,743	57.3%
Vacant Units	602	16.1%	71	1.5%
Total	3,746	100.0%	4,783	100.0%

Source: American Community Survey 5-Year Estimates

2. **Housing Characteristics.** This section provides additional information on the characteristics of the Borough's housing stock, including the number of units in a structure (Table 6) The Borough remains primarily a single family community which account for approximately 41.2% percent of the Borough's housing stock, up slightly from 39.5% percent reported in 2010. The second largest housing category is in the multifamily sector which comprises 36.4% of the Borough's housing.

Table 6: Units in Structure (2010 and 2023)

Units in Structure	2010*		2023*	
	No.	%	No.	%
Single Family, Detached	1479	39.5%	1969	41.2%
Single Family, Attached	466	12.4%	487	10.2%
2	854	22.8%	584	12.2%
3 or 4	408	10.9%	557	11.6%
5 to 9	196	5.2%	213	4.5%
10 to 19	176	4.7%	172	3.6%
20+	167	4.5%	801	16.7%
Mobile Home	0	0.0%	0	0.0%
Other	0	0.0%	0	0.0%

Totals 3746 4,783

Source: American Community Survey 5-Year Estimate

3. **Housing Age.** Table 7 indicates that the Borough has a relatively older housing stock. At least a quarter of the Borough's housing units were constructed in 1939 or earlier with the majority (57.7%) of the housing stock having been constructed from 1950 and earlier.

Table 7: Year Structures Built

2023*		
Year Units Built	Number	Percent
2020 or Later	28	0.6%
2010 to 2019	665	13.9%
2000 to 2009	96	2.0%

1990 to 1999	278	5.8%
1980 to 1989	130	2.7%
1970 to 1979	390	8.2%
1960 to 1969	436	9.1%
1950 to 1959	801	16.7%
1940 to 1949	732	15.3%
1939 or earlier	1227	25.7%
Total	4,783	100.0%

Source: American Community Survey 5-Year Estimates

4. Housing Conditions. Table 8 provides an indication of overcrowded housing units, represented by units containing more than one occupant per room which is an indicator used to gauge substandard housing. The data indicates that between 2010 and 2023, the Borough experienced a decrease in crowding from 8.4% of units considered overcrowded to 5.4% representing a 3% decrease.

Table 8: Occupants per Room (2010 and 2023)

Occupants Per Room	2010*		2023*	
	Number	%	Number	%
1.00 or less	2,880	91.6%	4,457	94.6%
1.01 to 1.50	181	5.8%	162	3.4%
1.51 or more	83	2.6%	93	2.0%
Total Occupied Units	3,144	100%	4,712	100.0%

Source: American Community Survey 5-Year Estimates

Table 9 presents additional details regarding housing conditions, including the presence of complete plumbing and kitchen facilities and the type of heating equipment used. These statistics are also indicators of substandard housing. As shown below, the housing stock reflects only a very small proportion of housing that lack these critical facilities.

Table 9: Equipment and Plumbing Facilities (2010 and 2023)

Facilities	2010*		2023*	
	Number	Percent	Number	Percent
Kitchen:				
With Complete Facilities	3,144	100.0%	4,650	98.7%
Lacking Complete Facilities	0	0.0%	62	1.3%
Plumbing:				
With Complete Facilities	3,144	100.0%	4,686	99.4%

Lacking Complete Facilities	0	0.0%	26	0.6%
Heating Equipment:				
Standard Heating Facilities	3,123	99%	4,574	97.1%
Other Fuel	12	0%	49	1.0%
No Fuel Used	9	0.3%	89	1.9%
Total Occupied Units	3,144	100	4,712	100

Source: American Community Survey 5-Year Estimates

Purchase and Rental Values. The Borough experienced a rise in housing rental costs and purchase prices between 2010 and 2023, as shown in the following tables. The median gross rent for the Borough's rental housing stock experienced a 49.5% increase between 2010 and 2023. The median value of owner-occupied units in Bound Brook also increased during this period where the median value in the Borough grew by 18.5%. Although an increase, the Borough's rental market experience the largest jump during this time.

Table 10: Gross Rent of Specified Renter-Occupied Units (2010 and 2023)

Rent	2010		2023*	
	Number	Percent	Number	Percent
Less than \$500	2	0%	0	0.0%
\$500 to \$999	271	19%	53	2.0%
\$1,000 to \$1,499	690	49%	458	17.0%
\$1,500 to \$1,999	434	31%	1217	45.3%
\$2,000 to \$2,499			518	19.3%
\$2,500 to \$2,999			323	12.0%
\$3,000 or more			120	4.5%
No cash rent	31	X	54	X
Total Occupied units paying rent	1397	100%	2,689	100.0%

Median Gross Rent	\$1,232	\$1,842
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Source: American Community Survey 5-Year Estimates

Table 11: Value of Specified Owner-Occupied Housing Units (2010 and 2023)

Value	2010*		2023*	
	Number	Percent	Number	Percent
Less than \$50,000	26	1.5%	37	1.9%
\$50,000 to \$99,999	35	2.0%	0	0.0%
\$100,000 to \$149,999	69	4.0%	15	0.8%
\$150,000 to \$199,999	108	6.3%	47	2.4%
\$200,000 to \$299,999	586	34.1%	519	26.4%
\$300,000 to \$499,999	828	48.3%	1107	56.2%
\$500,000 to \$999,999	54	3.1%	216	11.0%
\$1,000,000 or more	10	0.6%	28	1.4%
Total Owner Occupied	1,716	100.0%	1,969	100.0%
Median Value	\$306,100		\$362,900	

Source: American Community Survey 5-Year Estimate

5. Number of Units Affordable to Low- and Moderate-Income Households. Based on the Affordable Housing Professionals of New Jersey (AHPNJ) 2024 regional income limits, the median household income for a three-person household in COAH Region 3, Bound Brook's housing region comprised of Hunterdon, Middlesex and Somerset Counties, is \$131,580. A three-person moderate-income household, established at no more than 80 percent of the median income, would have an income not exceeding \$105,264. A three-person low-income household, established at no more than 50 percent of the median income, would have an income not exceeding \$65,790.

An affordable sales price for a three-person moderate-income household earning 80 percent of the median income is estimated at approximately \$263,160. An affordable sales price for a three-person low-income household earning 50 percent of the median income is estimated at approximately \$164,725. These estimates are based on the UHAC affordability controls outlined in N.J.A.C. 5:80-26.1 et seq. Only 5.1 percent of Bound Brook's owner-occupied housing units are affordable to low income families. More of the housing stock is available to moderate income families where 31.5 percent are in affordable range in home prices below \$299,000.

Rental costs appear more affordable to moderate income families as opposed to low income families. For renter-occupied housing, an affordable monthly rent for a three-person moderate-income household is estimated at approximately \$2,456 which encompasses over half the rental housing stock. An affordable monthly rent for a three-person low-income household is estimated at approximately \$1,531. According to the 2023 American Community Survey, only 19% have a gross rent less than \$1,500 affordable to lower income families. Another significant trend is the noticeable increase in rent during this period where rents jumped 49.5%.

6. Substandard Housing Capable of Being Rehabilitated. The DCA utilized a formula for calculating the number of units in a community that are in need of rehabilitation and are not likely to experience “spontaneous rehabilitation.” Bound Brook’s rehabilitation share has been determined by the DCA to be 105 units.

D. Projection of Municipal Housing Stock

Applicable COAH regulations require a projection of the community’s housing stock, including the probable future construction of low- and moderate-income housing, for the ten years subsequent to the adoption of the Housing Element. This projection shall be based upon an assessment of data which minimally must include the number of residential construction permits issued, approvals of applications for residential development, and probable residential development of lands. Each of these items are identified and outlined below.

1. **Housing Units Constructed During the Last Ten Years.** The table below provides data concerning residential building permits issued for new construction during the past ten years. During this period, a total of 722 residential building permits were issued for new construction during the last decade, most of which consisted of multifamily units. The sharp increase in multifamily units is largely due to the Borough’s redevelopment efforts to revitalize the downtown area and the Talmadge Road corridor but also reflects the lack of available land for any continued single family detached development. On average that would suggest 60 dwelling units per year consisting of mostly multifamily units.

Table 12: Number of Residential Building Permits issued for New Construction (2014-2023)

Year Issued	One & Two Family	Multi- Family	Mixed- Use	Total
2014	6	0	0	6
2015	4	0	0	4
2016	0	0	0	0
2017	0	0	0	0
2018	6	347	0	353
2019	3	0	0	3
2020	0	34	0	34
2021	0	205	0	205
2022	4	113	0	117
2023	0	0	0	0
Total	23	699	0	722

Source: New Jersey Department of Community Affairs (DCA) Construction Reporter

2. **Probable Residential Development of Lands.** Between 2014 and 2023, the Borough issued, on average, approximately 60 building permits annually for residential new construction. However, considering recent approvals granted by the Borough as a result of redevelopment projects, the Borough can expect a rise in its multifamily housing stock by over 1,600 dwelling units.

E. DEMOGRAPHIC AND POPULATION DATA

The MLUL requires that the Housing Element of this plan provide data on the municipality's population, including population size, age and income characteristics.

1. **Population Size.** As seen in the table below, the Borough's greatest population increase occurred in 2023 which resulted in a 15.6% increase in population. This correlates with the increased multifamily residential development that occurred in the last decade. Prior years only experienced modest gains or actually lost population.

Table 13: Population Growth (1960-2023)

Year	Population	Population Change	Percent Change
1970	10,450	-	-
1980	9,710	-740	-7.1%
1990	9,487	-223	-2.3%
2000	10,155	668	7.0%
2010	10,402	247	2.4%
2023*	12,023	1621	15.6%

Sources: U.S. Census, *American Community Survey 5-Year Estimates

2. **Age Characteristics.** The Borough's age characteristics are represented in Table 14 below. The Borough is slowly aging as the average age has increased from 34 years of age in 2010 to 35.8 by 2023. This trend is consistent with the national experience which is experiencing a similar aging of population. The largest cohort jump occurred in the age range of 64-74 doubled its proportion in the Borough, but most age groups remained relatively the same proportion of the population.

Table 14: Age Characteristics (2010 and 2023)

Age Group	2010		2023*	
	Pop	%	Pop	%
under 5	771	7.4%	703	6%
5-9	653	6.3%	740	6%
10-14	535	5.1%	705	6%
15-19	763	7.3%	684	6%
20-24	811	7.8%	753	6%
25-34	1,798	17.3%	2191	18%
35-44	1,797	17.3%	1976	16%
45-54	1,390	13.4%	1601	13%
55-59	507	4.9%	692	6%
60--64	369	3.5%	451	4%
65-74	420	4.0%	930	8%
75-84	313	3.0%	418	3%
85+	272	2.6%	179	1%
Total	10,399	100.0%	12,023	100%

Median Age	34	35.8
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Source: American Community Survey 5-Year Estimates

3. Average Household Size. Also consistent with national trends, the average size of Bound Brook households decreased from 2010 to 2023 from 3.24 to 2.54.

Table 15: Average Household Size (2000-2023)

Sources: U.S. Census, *American Community Survey 5-Year Estimates

Year	Total Population	Number of Households	Average Household Size
2000	10,155	3,615	2.81
2010	10,399	3,144	3.24
2023*	12,023	4,712	2.54

4. Household Income. The median household income for Bound Brook households increased by 20.6% over the past decade between 2010 and 2023, rising from a median income of \$67,056 to \$80,876. Detailed household income figures are shown in the table below.

Table 16: Household Income Distribution (2010 and 2023)

Income Category	2010*		2023*	
	Number	%	Number	%
less than \$10,000	74	2%	99	2.1%
\$10,000 to \$14,999	58	2%	165	3.5%
\$15,000 to \$24,999	177	6%	342	7.3%
\$25,000 to \$ 34,999	372	12%	229	4.9%
\$35,000 to \$ \$49,999	502	16%	686	14.6%
\$50,000 to \$74,999	649	21%	664	14.1%
\$75,000 to \$99,999	506	16%	758	16.1%
\$100,000 to \$149,999	500	16%	1001	21.2%
\$150,000 to \$199,000	194	6%	250	5.3%
\$200,000 or more	112	4%	518	11.0%
Total households	3,144	100%	4,712	100.0%
Median Income (Household)	\$67,056		\$80,876	

Source: American Community Survey 5-Year Estimates

F. Employment Characteristics and Projections

The MLUL requires that a Housing Element include data on employment levels in the community. The following tables present information on the Borough's employment characteristics.

1. Employment Status. Table 17 provides information on Bound Brook's employment status for the segment of the population 16 and over. While the number of jobs has increase, the proportion of the labor force do not fluctuate significantly over the past 10 years. Approximately 74.6 percent of the Borough's population 16 and over was in the labor force 2010 which only increased 4% in 2023. The most significant statistic indicates that the percentage of the Borough's labor force that was unemployed decreased from 6.1 percent in 2010 to 3.7 percent in 2023, a decrease of 29.4%.

Table 17: Employment Status - Population 16 & Over (2010 and 2023)

Employment Status	2010*		2023*	
	Number	%	Number	%
In labor force	5,882	70.9%	7,257	74.6%
Civilian labor force	5,882	70.9%	7,257	74.6%
Employed	5,372	64.7%	6,895	70.8%
Unemployed	510	6.1%	362	3.7%
% of civilian labor force	--	8.7%	--	5.0%
Armed Forces	0	0.0%	0	0.0%
Not in labor force	2,417	29.1%	2,477	25.4%
Total Population 16 and Over	8,299	100.0%	9,734	100.0%

Source: American Community Survey 5-Year Estimates

2. Employment Characteristics of Employed Residents. The following two tables detail information on the employment characteristics of Bound Brook residents. Table 18 details employment by occupation and Table 19 details employment by industry. Most residents are employed in management, business, science, and arts or professional jobs followed by service occupations and then production, transportation and material moving. As illustrated in Table 19, the majority of residents are employed in professional type of work, followed by education, health and social services and then arts, entertainment and food industries,

Table 18: Employed Residents Age 16 and Over, By Occupation (2010 and 2023)

Occupation	2010		2023*	
	Number	Percent	Number	Percent

Management, business, science, and arts occupations	1,286	23.9%	2234	32.4%
Service occupations	1254	23.3%	1690	24.5%
Sales and office occupations	1,227	22.8%	1118	16.2%
Natural resources, construction, and maintenance occupations	716	13.3%	523	7.6%
Production, transportation, and material moving occupations	889	16.5%	1330	19.3%
Total	5,372	100.0%	6,895	100.0%

Source: American Community Survey 5-Year Estimates

Table 19: Employed Residents Age 16 and Over, By Industry (2010 and 2023)

Industry	2010*		2023*	
	Number	Percent	Number	Percent
Agriculture, forestry, fishing and hunting, and mining	7	0.1%	0	0.0%
Construction	534	9.9%	532	7.7%
Manufacturing	610	11.4%	944	13.7%
Wholesale trade	232	4.3%	248	3.6%
Retail trade	738	13.7%	725	10.5%
Transportation and warehousing, and utilities	212	3.9%	587	8.5%
Information	146	2.7%	95	1.4%
Finance, insurance, real estate, and rental and leasing	294	5.5%	288	4.2%
Professional, scientific, management, administrative, and waste management services	740	13.8%	1098	15.9%
Industry	2010*		2023*	
Educational, health and social services	Number	Percent	Number	Percent
Arts, entertainment, recreation, accommodation and food services	735	13.7%	872	12.6%

Other services (except public administration)	231	4.3%	274	4.0%
Public administration	141	2.6%	162	2.3%
Total	5,372	100.0%	6,895	100.0%

Source: American Community Survey 5-Year Estimates

3. **Employment Projections.** A projection of the Borough's probable future employment characteristics is based on an assessment of historic employment trends, the number of non-residential construction permits issued, and probable non-residential development of lands. Each of these items are identified and outlined below.
- a. **Historic Employment Trends.** As shown in the table below, employment in Bound Brook has experienced stagnant job growth over the past decade with a number of years of job losses. The Borough has yet to regain the number of jobs at its peak in 2020.

Table 20: Average Covered Employment Trends (2012-2023)

Year	Number of Jobs	Change in Number of Jobs	Percent Change
2009	5,386		
2010	5,452	66	1.2%
2011	5,576	124	2.2%
2012	5,551	-25	-0.5%
2013	5,761	210	3.6%
2014	5,889	128	2.2%
2018	5,882	-7	-0.1%
2019	5,971	89	1.5%
2020	6,070	99	1.6%
2021	5,920	-150	-2.5%
2022	5,896	-24	-0.4%

Sources: New Jersey Department of Labor and Workforce Development

- b. **Non-Residential Square Footage Constructed During the Last Ten Years.** The table 20 below provides data concerning the amount of non-residential square footage authorized by building permits in Bound Brook between 2014 and 2023. During this period only 52,167 square feet of nonresidential space was constructed for an average of 5,216 square feet per year. In fact, the table indicates that there has not been any nonresidential space authorized by building permit since 2020.

Table 21: Non-Residential Space Authorized by Building Permits (2014-2023)

Year Issued	Office	Retail	A-1, A-2, A-3	Education	Total
2014	0	0	0	0	0
2015	0	3500	0	0	3,500
2016	0	0	0	0	0
2017	0	0	0	3575	3,575
2018	0	0	0	0	0
2019	1500	0	0	16712	18,212
2020	0	26880	0	0	26,880
2021	0	0	0	0	0
2022	0	0	0	0	0
2023	0	0	0	0	0
Total	1,500	30,380	0	20,287	52,167

Source: New Jersey Department of Community Affairs (DCA) Construction Reporter

- c. Probable Non-Residential Development of Lands. As indicated above the Borough experienced an average of only 5,216 square feet of new non-residential space per year over the past decade. Given the developed character of the town with fixed land use patterns, the Borough does not anticipate significant growth in this area with the exception of the commercial space anticipated to be constructed within redevelopment areas that permit mixed use development. However, it is the rental, multifamily housing market that is primarily driving construction.
- d. Probable Future Employment Characteristics. As discussed previously, employment in Bound Brook is not expected to experience significant job growth over the next decade as reflected in Table 20 which shows stagnate to no job growth over the past 11 years. This trend is expected to continue although the Borough may experience a slight increase in jobs related to the commercial development associated with mixed use projects.

SECTION 3: FAIR SHARE OBLIGATION

The following section provides an overview of the Borough's fair share obligation. It includes a brief overview of the methodology utilized to calculate affordable housing obligations throughout the state.

SUMMARY OF FAIR SHARE OBLIGATION

On March 20, 2024, Governor Murphy signed the A4/S50 Bill into law, which amended the FHA for the Fourth Round and beyond. The amendments to the FHA eliminated COAH, moved away from just allowing trial courts to approve municipal HE&FSPs, and created a new entity to approve the plans known as The Program, which consists of seven retired Mount Laurel Judges. FHA-2 also involved the DCA and the AOC in the process.

The Amended FHA now designates the DCA as the entity responsible for calculating the state's regional needs. Specifically, N.J.S.A. 52:27D-304.2 establishes the methodology to be utilized by the DCA to determine the state's regional prospective needs of low- and moderate-income housing for the ten-year period spanning from July 1, 2025 to June 30, 2035. In summary, the projected household change for this period is estimated by establishing the household change experienced in each region between the most recent federal decennial census and the second-most recent decennial census. This household change, if positive, is then to be divided by 2.5 to estimate the number of low- and moderate-income homes needed to address low- and moderate-income household change in the region for the next ten years. This methodology resulted in a statewide prospective need of 84,698 low- and moderate-income units.

Furthermore, the DCA is also the entity responsible for calculating each municipality's present and prospective fair share obligations. However, FHA-2 makes clear that these calculations are advisory and non-binding, and that each municipality may set its own obligation number utilizing the same methodology.

On January 28, 2025, the Borough of Bound Brook adopted its resolution establishing its affordable housing obligation for the Fourth Round. The Borough accepted DCA's Present and Prospective need figures as reflected in Table 22 below.

Table 22: Summary of Fair Share Obligation

Affordable Obligation	Units
Present Need (Rehabilitation)	91
Prospective Need	31

SECTION 4: FAIR SHARE PLAN

The following Fair Share Plan outlines the components and mechanisms the Borough will utilize to address its affordable housing obligations.

A. PLAN SUMMARY

The Fair Share Plan identifies the manner in which the Borough's fair share affordable housing obligations – inclusive of a Present Need (Rehabilitation) obligation of 91 units, and a Fourth Round obligation of 31 – are to be addressed. These obligations are summarized as follows:

Table 23: Affordable Housing Obligations Summary

Category	Obligation
Present Need (Rehabilitation) Obligation	91
Fourth Round Obligation (2025-2035)	31
Total	122

As detailed herein, the Housing Element and Fair Share Plan can accommodate the entirety of the community's Fourth Round affordable housing obligation through 2035 in a manner that affirmatively addresses affordable housing need, while at the same time addressing planning concerns and maintaining the overall character of the community.

B. PLAN COMPONENTS

This section of the plan details the projects, mechanisms and funding sources which will be used to meet the Borough's affordable housing obligations, as discussed above. The Zoning Map included at the end of this plan illustrates those areas designated for inclusionary affordable housing development within the Borough pursuant to the Boroughs redevelopment plans.

1. Fourth Round Present Need.

The Borough has a Present Need obligation of 91 units. The Borough presently has an active housing rehabilitation program in place and will continue the program funded by grant programs and the Borough's Affordable Housing Trust Fund which is to be established as part of the Borough's Fourth Round affordable housing program.

2. Prospective Need

In February 2000, Bound Brook adopted a Redevelopment Plan in order to address and rebuild areas of the Borough severely damaged by Hurricane Floyd. Pursuant to the New Jersey Local Redevelopment and Housing Law (LRHL) the Borough adopted a redevelopment plan that established two redevelopment areas: Area 1 (downtown and south of the railroad tracks) and Area 2 (west of Church Street and south of High Street). Since 2000, the Borough has adopted a number of amendments to the redevelopment plan for these areas further refining plan components to address evolving community needs.

The redevelopment plans for Area 1 and 2 provide for both multifamily and mixed commercial residential components that offer the opportunity to develop inclusionary housing developments that will provide for affordable housing units.

The Borough of Bound Brook has a Fourth Round Prospective need obligation of 31 units. The Borough will satisfy the entirety of its obligation within areas already designated as "Areas in Need of Redevelopment" pursuant to the LRHL.

The redevelopment areas are located within the following areas:

(a) Within Redevelopment Area 1:

- (1) Sub-Area 1.1 is located east of South Main Street and the South Main Street traffic circle; south of East Main Street; north of the NJ Transit Railroad tracks; and east of the Bound Brook channel and the Borough line. It comprises Block 2, lots 1.02, 2.02, 2.03, 2.04, and 3, as defined on the Borough tax maps.
- (2) Sub-Area 1.2 comprises privately-owned lands occupied by Brook Industrial Park and the Pelican Properties industrial park, as well as public lands owned by the Borough of Bound Brook, US Army Corps of Engineers and Middlesex Sewerage Authority. It is located south of Main Street and south of the NJ Transit railroad tracks. It consists of block 1, lots 24, 24.01, 26, 31, 33, 34, 34.01 and 34.02, as defined on the Borough's tax maps, with approximately 22 acres of land.
- (3) Sub-Area 1.3 is located between Main Street and the Raritan River, and includes the railroad rights-of-way, as well as several industrial uses. It consists of block 1, lots 35, 36, 37.02, 68.01 and 69; block 2, lots 4, 5, 5.01, 5.02, 6 and 7; and block 2.01, lots 1 and 2 as defined on the Borough tax maps. A portion of Sub-Area 1.2 is zoned Industrial Park (I-P), and the rest is zoned Open Space – Civic (OS-C). Most of Sub-Area 1.3 is zoned Open Space – Civic (OS-C), and the balance is zoned Railroad (RR).
- (4) Sub-Area 1.4 is located on both sides of East Main Street, north of the railroad right-of-way, between Church Street and the Borough line with Middlesex Borough. It includes the following parcels: Block 1, lots 42.01, 44-49, 49.01, 50-55, 56.01, 56.02, 57-67, 68.02, 68.03, 70 and 68.031, as indicated on the revised zoning map; Block 7, lots 21-24, 25, 25.01, 25.02, 25.03, 25.04, 25.05, 25.06, 25.07 and 26; Block 8, lots 1, 1.01, 2, 3, 4, 4.01, 5, 6, 7, 7.01, 8, 8.01, 9, 9.01, 9.02, 9.03, 9.04, and 10-14; Block 9, lots 1-4, 4.01, 5, 6, 8, 9, 10, 10.01, 11 and 12; Block 10, lots 1, 2, 3, 3.01, 3.02, 3.03, 3.05, 3.07, 4-11, and 13-19; Block 11, lots 1-9; Block 12, lots 2.01, 3, 4, 5, 5.01, 6, 7, 7.01, 8, 9, 10.01, 10.02, and 11-15; Block 13, lots 3, 6, 6.01, 6.02, 7, 8, 9 and 10.01; Block 13.01, lots 13, 14, 14.01, 14.02, 15, 16, 17, 21, 22, 23, 24.02, 25.02, 26.01, 26.02, 27, 28, 29, 30 and 31; Block 13.02, lots 5, 26.01, 33-44, 44.01, 45, 45.01, 46, 46.01, 47, 47.01 and 50; Block 13.03, lots 1 and 12.01; and Block 33, lots 43-49, 49.01, 50-56, 56.01, 56.02, 57-67, 68.01, 68.02 and 70.

Most of Sub-Area 1.4 is zoned Business-Residential (B-R), with the following exceptions:

- A number of properties fronting on the east side of East Street and on both sides of East Second Street are zoned Residential 6 (R-6);
- Billion Legion Park is zoned Office-Business (O-B);
- Four parcels on the East side of Hamilton Street, south of East High Street, are also zoned Office-Business (O-B);
- A number of properties along both sides of Church Street, south of East Second Street, are zoned Residential 4 (R-4);

- The block defined by John Street, East Second Street, Mountain Avenue and an unnamed alley behind East Main Street is also zoned Residential 4 (R-4); and
- Lot 68.031, previously zoned Railroad - RR, is now included in the B-R district.

(6) Sub-Area 5:

- Contains two vacant parcels: Block 13.02, Lot 49, with the street address of 600 East Union Avenue, and a Borough-owned, un-subdivided portion of Block 13.02, Lot 50. Both are located in the Borough's east end, adjacent to the Borough of Middlesex (Middlesex County)

(b) Within Redevelopment Area 2:

- (1) Sub-Area 1: Both sides of West Main Street and Columbus Place, from the intersection with Church Street and abutting the NJ Transit right-of-way to the South.
- (2) Sub-Area 2: Both sides of Talmage Avenue to the intersection with Van Keuren Avenue, and just the South side of Talmage Avenue, to the intersection of North Street, with the NJ Transit right-of-way to the South.
- (3) Sub-Area 3: North side of Talmage Avenue from Van Keuren Avenue to Tea Street, and South side of Talmage Avenue from North Street to Tea Street, with the NJ Transit right-of-way to the South.

The redevelopment plans for Redevelopment Areas 1 and 2 both provide for multifamily and mixed use commercial and residential development concentrated mainly within the Borough's Main Street area, considered the Borough's downtown, and along the Talmadge Avenue corridor. The current redevelopment plans however, presently impose an affordable housing obligation on only Redevelopment Sub-Area 1.5 and Sub-Areas 2.1 through 2.3. Within these specific Sub-Areas, the Redevelopment plan requires 1 affordable unit for every 4 market rate units proposed resulting in a mandatory 25% set aside. However, this requirement is not consistent within the redevelopment plan for Area 1 as Sub-Areas 1.1 through 1.4 do not share this obligation. Since these areas also provide for multifamily and mixed use development, the Borough intends to amend the redevelopment plans for both redevelopment areas 1 and 2 to impose this obligation throughout the redevelopment sub-areas in order to capture affordable housing units that might not otherwise be constructed absent this specific requirement.

Further, the Borough will adopt a municipal wide mandatory set aside ordinance that will impose a 25% affordable housing set aside for any residential project resulting in five units or more so as to capture potential affordable housing units proposed outside redevelopment areas.

It should be noted that the Borough is a fully developed community with limited land available for development. Consequently, the Borough has opted to utilize the authority granted to municipalities to redevelop existing properties under the Local Redevelopment and Housing Law (LRHL). The LRHL provides municipalities the authority to take direct actions to promote redevelopment such as the power of condemnation, disposal of municipal properties, bonding and payments in lieu of taxes. These actions, as authorized by the LRHL, provide municipalities with powerful tools to promote redevelopment projects to revitalize neighborhoods and communities. The Borough is actively engaged in the redevelopment process in order to revitalize the downtown area and areas of the Borough that have been targeted as redevelopment areas due to their physical conditions that have led to disinvestment and decline. In fact, the Borough has approved

redevelopment projects and has experienced developer interest in constructing residential and mixed use projects within these areas of the Borough. Establishing an affordable housing obligation uniformly through the redevelopment planning process conveyed to municipalities through the LRHL will provide a realistic opportunity to satisfy the Borough's Fourth Round obligation to capture affordable housing units resulting from redevelopment projects. The Borough's zoning map identifying the redevelopment areas that are targeted for inclusionary development is appended to this document.

Although the redevelopment plan references an affordable housing trust fund, the Borough lacks an affordable housing trust fund ordinance that authorizes the collection of fees to fund the trust. Consistent with State law, the Borough will adopt an ordinance establishing an Affordable Housing Trust Fund funded by residential development fees of 1.5 percent of the equalized assessed value residential development involving new buildings or when an existing building undergoes a change to a more intense use, is demolished and replaced, or is expanded unless the expansion is not otherwise exempt from the development fee requirement. In addition, non-residential development fees of 2.5 percent of the equalized assessed value shall be collected on all non-residential development, with the exception of those types of developments specifically exempted pursuant to the Statewide Non-Residential Development Fee Act. The funds generated by the collection of development fees will be applied towards affordable housing programs as set forth in the Borough's Spending Plan.

Finally, the Borough will adopt a comprehensive affordable housing ordinance that will incorporate the requirements of the Uniform Housing Administrative Code as required by the FHA-2.

The combination of these actions will provide the zoning and planning policies to affirmatively address the Borough's full Fourth Round affordable housing obligation.

C. OTHER PLAN REQUIREMENTS

The following additional requirements are noted:

1. Fourth Round Bonuses. Fourth Round bonuses will be applied in accordance with N.J.A.C. 52:27d-311.k. Under the FHA-2 the Borough is entitled to bonus credits for the Fourth Round up to 25% of the Borough's prospective need obligation which is 7 units (31 x 0.25, rounded). Under the FHA-2 the Borough would be qualified to utilize bonus credits of 0.5 for each affordable unit constructed up to the maximum 25% for units created as a result of redevelopment of former commercial properties or for inclusionary development that resides within 1 mile of a transit station. The Borough, therefore, will be eligible through its redevelopment planning to utilize these bonus credits as projects come online.
2. Very-Low Income and Low-Income Units. At least 50 percent of the units addressing the Fourth Round Prospective Need obligation shall be affordable to very low-income and low-income households with the remainder affordable to moderate-income households. A minimum of 13 percent of the affordable units will be made available to very low-income households, defined as households earning 30 percent or less of the regional median income by household size.
3. Rental Component. At least 25 percent of the Fourth Round Prospective Need obligation shall be met through rental units, including at least half in rental units available to families.
4. Families. At least half of the actual units created to address the Fourth Round Prospective Need obligation must be available to families.

5. Age-Restricted Cap. No more than 30 percent of all units developed or planned to meet the Fourth Round Prospective Need obligation shall be met with age-restricted units.

Appendices

Spending Plan

May 28, 2025
Borough of Bound Brook
Affordable Housing Trust Fund Spending Plan

INTRODUCTION

The Borough of Bound Brook (hereinafter the “Borough”), Somerset County, has prepared a Housing Element and Fair Share Plan that addresses its regional fair share of the affordable housing need in accordance with the Municipal Land Use Law (N.J.S.A. 40:55D-1 et seq.), the Fair Housing Act (FHA) (N.J.S.A. 52:27D-301) and the regulations contained in (N.J.A.C. 5:91-1 et seq. and N.J.A.C. 5:93-1 et seq.). The Borough of Bound Brook presently does not have an Affordable Housing Trust Fund and will create such a fund as permitted by statute to fund and implement required activities contained in its Fourth Round Plan and future rounds to come.

As of May 28,2025, the Borough of Bound Brook therefore, has a balance of \$0 in its Affordable Housing Trust fund since one must be created for this round. All development fees, payments in lieu of constructing affordable units on site, funds from the sale of units with extinguished controls, and interest generated by the fees will be deposited in a separate interest-bearing affordable housing trust fund account for the purposes of affordable housing. These funds shall be spent in accordance with N.J.A.C. 5:93-8.16 as described in the sections that follow.

1. REVENUES FOR CERTIFICATION PERIOD

It is anticipated that between now and June 30, 2035, which is the end of the Fourth Round period, the Borough will collect an estimated \$2,140,000 to its Affordable Housing Trust Fund. This revenue is projected to consist of \$2,000,000 in anticipated development fee revenues and \$140,000 in anticipated interest, as shown in the table below. These figures are estimates based upon the collection of building permit fees over the course of the last 10 years.

SOURCE OF FUNDS			
	Present Balance	6/30/2025 – 6/30/2035	Total
(a) Development fees:	\$0	\$200,000	2,000,000
(b) Payments in Lieu of Construction	\$0	\$0	\$0
(c) Other Funds	\$0	\$0	\$0
(d) Interest	0	140,000	\$140,000
Total	0	\$100,769	\$ 2,140,000

In sum, the Borough of Bound Brook projects a total of \$2,140,000 in revenue to be collected between June 30, 2025 to June 30, 2035 fund and administer the Borough’s affordable housing plan. All interest earned on the account shall be used only for the purposes of affordable housing.

2. ADMINISTRATIVE MECHANISM TO COLLECT AND DISTRIBUTE FUNDS

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

- (a) Collection of development fee revenues: Collection of development fee revenues shall be consistent with Bound Brook's development fee ordinance for both residential and non-residential developments in accordance with applicable COAH's rules and P.L.2008, c.46, sections 8 (C. 52:27D-329.2) and 32-38 (C. 40:55D-8.1 through 8.8), and as may be amended.
- (b) Distribution of development fee revenues: The Planning Board adopts and forwards a resolution to the governing body recommending the expenditure of development fee revenues as set forth in this spending plan. The governing body reviews the request for consistency with the spending plan and adopts the recommendation by resolution. The release of funds requires adoption of the governing body resolution in accordance with the spending plan. Once a request is approved by resolution, the Chief Financial Officer releases the requested revenue from the trust fund for the specific use approved in the governing body's resolution.

3. DESCRIPTION OF ANTICIPATED USE OF AFFORDABLE HOUSING FUNDS

- (a) Rehabilitation. The Borough has a rehabilitation obligation of 91 units. In order to address its rehabilitation obligation, the Borough will continue to participate in the Somerset County Housing Rehabilitation Program and will utilize funds from the Borough's affordable housing trust fund to help fund this program. The Borough will commit \$10,000 per unit, which will require a total contribution of \$910,000.

Affordable Housing regulations require municipalities to set aside sufficient funds to address one-third of their rehabilitation obligation within one year of approval of their plan. In addition, municipalities are required to set aside sufficient funds to address one-sixth of their rehabilitation obligation each subsequent year of the certification period. As such, the Borough will set aside \$370,000 the first year following the granting of a certificate of compliance from the Program, and an additional \$70,000 each subsequent year following the granting of a JOR until the rehabilitation share is addressed.

- (b) Affordability Assistance. Pursuant to N.J.A.C. 5:93-8.16(c), the Borough will commit to spend at least 30% of the revenues collected from development fees, less funds collected to finance a rehabilitation program, towards affordability assistance to very low-, low- and moderate-income households. As shown in the table below, the Borough projects that approximately \$ will be available from the affordable housing trust fund for this purpose through June 30, 2035, one-third of which will need to be dedicated toward affordability assistance for very-low income households.

Actual development fees + interest through 6/1/25		\$0
Development fees + interest projected 6/30/25 to 6/30/35	+	\$2,140,000
Less rehabilitation expenditures through 6/30/2025	-	\$0
Less rehabilitation expenditures projected 3/9/23-6/30/25	-	\$ 910,000
Total	=	\$1,230,000
30 percent requirement	x 0.30 =	\$369,000
Less affordability assistance expenditures through 6/30/2025	-	\$0
PROJECTED MINIMUM Affordability Assistance Requirement 2023-2025	=	\$369,000
PROJECTED MINIMUM Very Low-Income Affordability Assistance Requirement 2023-2025	÷ 3 =	\$121,770

- (c) Administrative Expenses. Per N.J.A.C. 5:93-8.16(e), no more than 20% of the revenues collected from development fees shall be expended on administration. The Borough of Bound Brook projects that a maximum of \$ will be available from the affordable housing trust fund to be used for administrative purposes from May 2, 2025 through June 30, 2025. Projected administrative expenditures, subject to the 20% cap, include the salaries and benefits for municipal employees and consultant fees necessary to develop or implement the following:

1. An updated Housing Element and Fair Share Plan.
2. A rehabilitation program.
3. An affirmative marketing program.
4. An affordability assistance program.
5. Other affordable housing activities that do not involve litigation.

Development fees + interest projected 6/30/2025-6/30/35	+	\$2,140,000
Payments in lieu & other deposits through 6/30/2025	+	0
Total	=	\$2,140,000
20 percent requirement	x 0.20	\$428,000
	=	
Less administrative expenditures through 3/28/23	-	\$0
PROJECTED MAXIMUM Administrative Expenses Requirement 2023-2025	=	\$428,000

4. EXPENDITURE SCHEDULE

The Borough of Bound Brook intends to use affordable housing trust fund revenues for rehabilitation activities, affordability assistance, and administration. Where applicable, the funding schedule below parallels the implementation schedule set forth in the Housing Element and Fair Share Plan and is summarized as follows.

PROJECTS/PROGRAMS			
	6/30/2025-6/30/26	6/30/27-6/30/35	Total
Rehabilitation	\$ 300,000	\$610,000	\$910,000
Affordability Assistance	\$ 36,900	\$36,900	\$369,000
Administration	\$42,800	42,800	\$428,000
Total	\$105,223	\$62,612	\$2,140,000

5. EXCESS OR SHORTFALL OF FUNDS

In the event of excess funds, any remaining funds above the amount necessary to satisfy the municipal affordable housing obligation will be dedicated toward its rehabilitation program and/or for its affordability assistance program and/or for administrative expenses up to the 20% cap.

In the event that a shortfall of anticipated revenues occurs, the Borough of Bound Brook will handle the shortfall of funds through an alternative funding source to be identified by the Borough or by adopting a resolution with an intent to bond, or the Borough will amend its spending plan to reduce the amount of funds available for the affordability assistance program and administrative expenses.

6. BARRIER FREE ESCROW

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

SUMMARY

The Borough of Bound Brook intends to spend affordable housing trust fund revenues pursuant to N.J.A.C. 5:93-8.16 and consistent with the housing programs outlined in the Borough's Housing Element and Fair Share Plan.

The Borough of Bound Brook has a current balance of \$ 0 as of June 30, 2025 and anticipates collecting \$ 2,140,000 in revenues through June 30, 2035. During the period of the Borough's Fourth Round certification from the Program, the Borough will agree to fund \$91,000 towards a rehabilitation program, a minimum of \$369,000 towards an affordability assistance program, and a maximum of \$428,000 towards administrative costs. The balance of funding will be utilized for either rehabilitation or affordability assistance or combination of the two depending on actual collections.

Any shortfall of anticipated funds will be offset by an alternative funding source to be identified by the Borough or, in the unlikely event that no alternative funding is available, the Borough of Bound Brook will bond to provide the necessary funding. The Borough also reserves the right to amend its spending plan to reduce the amount of funds available for the affordability assistance program and administrative expenses if a shortfall of anticipated revenues occurs.

SPENDING PLAN SUMMARY	
Balance as of June 30, 2025	\$0
PROJECTED REVENUE 6/30/25-6/30/2035	
Development fees	+ \$200,000
Payments in lieu of construction	+ \$0
Other funds	+ \$0
Interest	+ \$140,000
SUBTOTAL REVENUE	= \$2,140,000
TOTAL REVENUE	= \$2,140,000
EXPENDITURES	
Rehabilitation Program	- \$910,000
Affordability Assistance	- \$369,000
Administration	- \$428,000
TOTAL PROJECTED EXPENDITURES	= \$1,707,000
REMAINING BALANCE RESERVED FOR ADDITIONAL AFFORDABLE HOUSING ACTIVITY	= \$433,000

Draft
Fair Housing Ordinance

DRAFT
BOROUGH OF BOUND BROOK
SOMERSET COUNTY, NEW JERSEY
ORDINANCE No. -

**AN ORDINANCE TO AMEND AND SUPPLEMENT THE BOROUGH CODE ENTITLED
“FAIR HOUSING”**

BE IT ORDAINED by the Mayor and Council of the Borough of Bound Brook, Somerset County, State of New Jersey that it does hereby amend, modify and supplement the Borough Code in order to amend Article IV, Fair Housing as follows:

SECTION 1. Article IV is hereby amended to delete §15-42, LOW AND MODERATE INCOME HOUSING to be replace with new sections as follows:

§15-42 FAIR HOUSING.

- a. The Code of the Borough of Bound Brook is hereby amended to include provisions addressing Bound Brook’s constitutional obligation to provide for its fair share of very low-, low- and moderate-income housing, as directed by the Superior Court and consistent with N.J.A.C. 5:93-1, et seq., as amended and supplemented, N.J.A.C. 5:80-26.1, et seq., as amended and supplemented, and the New Jersey Fair Housing Act of 1985 (hereinafter referred to as the Act). This Ordinance is intended to assure that low- and moderate-income units ("affordable units") are created with controls on affordability and that low- and moderate-income households shall occupy these units. This Ordinance shall apply except where inconsistent with applicable law.
 1. The Bound Brook Planning Board has adopted a Housing Element and Fair Share Plan pursuant to the Municipal Land Use Law at N.J.S.A. 40:55D-1. The Fair Share Plan was subsequently endorsed by the governing body. The Fair Share Plan describes how the Borough of Bound Brook shall address its fair share of low- and moderate-income housing as documented in the Fair Share Plan pursuant to the Act.
 2. This Article implements and incorporates the Borough’s Housing Element and Fair Share Plan and addresses the requirements of N.J.A.C. 5:93-1, et seq., as amended and supplemented, N.J.A.C. 5:80-26.1, et seq., as amended and supplemented, and the New Jersey Fair Housing Act of 1985.
 3. The provisions of this Ordinance shall apply to all affordable housing developments and affordable housing units that currently exist and that are proposed to be created within the Borough of Bound Brook pursuant to the Borough's most recently adopted Housing Element and Fair Share Plan.
 4. Moreover, this Ordinance shall apply to all developments that contain very low-, low- and moderate-income housing units, including any currently unanticipated future

developments that will provide very low-, low- and moderate-income housing units and including any developments funded with low-income housing tax credits.

b. Definitions.

The following terms when used in this Article shall have the meanings given in this section:

Accessory apartment shall mean a self-contained residential dwelling unit with a kitchen, sanitary facilities, sleeping quarters and a private entrance, which is created within an existing home, or through the conversion of an existing accessory structure on the same site, or by an addition to an existing home or accessory building, or by the construction of a new accessory structure on the same site.

Act shall mean the Fair Housing Act of 1985, P.L. 1985, c. 222 (N.J.S.A. 52:27D-301 et seq.)

Adaptable shall mean constructed in compliance with the technical design standards of the Barrier Free Subcode, N.J.A.C. 5:23-7.

Administrative agent shall mean the entity designated by the Borough for the administration of affordable units in accordance with this Ordinance, N.J.A.C. 5:93, and UHAC (N.J.A.C. 5:80-26)

Affirmative marketing shall mean a regional marketing strategy designed to attract buyers and/or renters of affordable units pursuant to N.J.A.C. 5:80-26.15.

Affordability average shall mean the average percentage of median income at which restricted units in an affordable housing development are affordable to very low-, low- and moderate-income households.

Affordable shall mean a sales price or rent level that is within the means of a very low-, low- or moderate-income household as defined in N.J.A.C. 5:93-7.4 and in the case of an ownership unit, that the sales price for the unit conforms to the standards set forth in N.J.A.C. 5:80-26.6, as may be amended and supplemented, and, in the case of a rental unit, that the rent for the unit conforms to the standards set forth in N.J.A.C. 5:80-26.12, as may be amended and supplemented

Affordable development shall mean a housing development all or a portion of which consists of restricted units.

Affordable housing development shall mean a development included in or approved pursuant to the "Housing Plan Element And Fair Share Plan" or otherwise intended to address the Borough's fair share obligation, and includes, but is not limited to, an inclusionary development, a municipal construction project or a one hundred (100%) percent affordable housing development.

Affordable housing program(s) shall mean any mechanism in a municipal Fair Share Plan prepared or implemented to address a municipality's fair share obligation.

Affordable unit shall mean a housing unit proposed or created pursuant to the Act and approved for crediting by the Court and/or funded through an affordable housing trust fund.

Agency shall mean the New Jersey Housing and Mortgage Finance Agency established by P.L. 1983, c. 530 (N.J.S.A. 55:14K-1, et seq.).

Age-restricted unit shall mean a housing unit designed to meet the needs of, and exclusively for, the residents of an age-restricted segment of the population such that: 1) all the residents of the development where the unit is situated are sixty-two (62) years or older; or 2) at least eighty (80%) percent of the units are occupied by one person that is fifty-five (55) years or older; or 3) the development has been designated by the Secretary of the U.S. Department of Housing and Urban Development as "housing for older persons" as defined in Section 807(b)(2) of the Fair Housing Act, 42 U.S.C. § 3607.

Alternative Living Arrangement shall mean a structure in which households live in distinct bedrooms, yet share kitchen and plumbing facilities, central heat and common areas. Alternative living arrangements include but are not limited to: transitional facilities for the homeless; Class A, B, C, D, and E boarding homes as regulated by the New Jersey Department of Community Affairs; residential health care facilities as regulated by the New Jersey Department of Health; group homes for the developmentally disabled and mentally ill as licensed and/or regulated by the New Jersey Department of Human Services; and congregate living arrangements.

Assisted living residence shall mean a facility licensed by the New Jersey Department of Health and Senior Services to provide apartment-style housing and congregate dining and to assure that assisted living services are available when needed for four (4) or more adult persons unrelated to the proprietor and that offers units containing, at a minimum, one (1) unfurnished room, a private bathroom, a kitchenette and a lockable door on the unit entrance.

Certified household shall mean a household that has been certified by an Administrative Agent as a very low-, low-income household or moderate-income household.

DCA shall mean the State of New Jersey Department of Community Affairs.

Deficient housing unit shall mean a housing unit with health and safety code violations that require the repair or replacement of a major system. A major system includes weatherization, roofing, plumbing (including wells), heating, electricity, sanitary plumbing (including septic systems), lead paint abatement and/or load bearing structural systems.

Developer shall mean any person, partnership, association, company or corporation that is the legal or beneficial owner or owners of a lot or any land proposed to be included in a proposed development including the holder of an option to contract or purchase, or other person having an enforceable proprietary interest in such land.

Development shall mean the division of a parcel of land into two (2) or more parcels, the construction, reconstruction, conversion, structural alteration, relocation, or enlargement of any use or change in the use of any building or other structure, or of any mining, excavation or landfill, and any use or change in the use of any building or other structure, or land or extension of use of land, for which permission may be required pursuant to N.J.S.A. 40:55D-1 et seq.

Development fee shall mean money paid by a developer for the improvement of property as authorized by *Holmdel Builder's Association v. Holmdel Township*, 121 N.J. 550 (1990) and the Fair Housing Act of 1985, N.J.S.A. 52:27D-301, et seq.

Equalized assessed value shall mean the assessed value of a property divided by the current average ratio of assessed to true value for the municipality in which the property is situated, as determined in accordance with Sections 1, 5, and 6 of P.L. 1973 c. 123 (N.J.S.A. 54:1-35a through 54:1-35c).

Green Building Strategies shall mean those strategies that minimize the impact of development on the environment, and enhance the health, safety and well-being of residents by producing durable, low-maintenance, resource-efficient housing while making optimum use of existing infrastructure and community services.

Inclusionary development shall mean a development containing both affordable units and market rate units. This term includes, but is not necessarily limited to: new construction, the conversion of a nonresidential structure to residential use and the creation of new affordable units through the gut rehabilitation or reconstruction of a vacant residential structure.

Low-income household shall mean a household with a total gross annual household income equal to fifty (50%) percent or less of the regional median household income by household size for the applicable housing region.

Low-income unit shall mean a restricted unit that is affordable to a low-income household.

Major system shall mean the primary structural, mechanical, plumbing, electrical, fire protection, or occupant service components of a building which include but are not limited to, weatherization, roofing, plumbing (including wells), heating, electricity, sanitary plumbing (including septic systems), lead paint abatement or load bearing structural systems.

Market-rate units shall mean housing not restricted to very low-, low- and moderate-income households that may sell or rent at any price.

Median income shall mean the median income by household size for the applicable housing region, as established and published by HUD.

Moderate-income household shall mean a household with a total gross annual household income in excess of fifty (50%) percent but less than eighty (80%) percent of the regional median household income by household size for the applicable housing region.

Moderate-income unit shall mean a restricted unit that is affordable to a moderate-income household.

Municipal Housing Liaison shall mean an appointed municipal employee who is responsible for oversight of the municipal affordable housing program, including overseeing the administration of affordability controls, the Affirmative Marketing Plan, monitoring and reporting, and supervising any contracted Administrative Agent.

Non-exempt sale shall mean any sale or transfer of ownership other than the transfer of ownership between husband and wife; the transfer of ownership between former spouses ordered as a result of a judicial decree of divorce or judicial separation, but not including sales to third parties; the transfer of ownership between family members as a result of inheritance; the transfer of ownership through an executor's deed to a class A beneficiary and the transfer of ownership by court order.

Random selection process shall mean a process by which currently income-eligible households are selected for placement in affordable housing units such that no preference is given to one applicant over another except for purposes of matching household income and size with an appropriately priced and sized affordable unit (e.g., by lottery).

Regional asset limit shall mean the maximum housing value in each housing region affordable to a four-person household with an income at eighty (80%) percent of the regional median as defined by duly adopted regional income limits published annually by COAH or a successor entity approved by the Court.

Rehabilitation shall mean the repair, renovation, alteration or reconstruction of any building or structure, pursuant to the Rehabilitation Subcode, N.J.A.C. 5:23-6.

Rent shall mean the gross monthly cost of a rental unit to the tenant, including the rent paid to the landlord, as well as an allowance for tenant-paid utilities computed in accordance with allowances published by DCA for its Section 8 program. In assisted living residences, rent does not include charges for food and services.

Restricted unit shall mean a dwelling unit, whether a rental unit or ownership unit, that is subject to the affordability controls of N.J.A.C. 5:80-26.1, as may be amended and supplemented, but does not include a market-rate unit financed under UHROP or MONI.

UHAC shall mean the Uniform Housing Affordability Controls set forth in N.J.A.C. 5:80-26. et seq.

Very low-income household shall mean a household with a total gross annual household income equal to thirty (30%) percent or less of the regional median household income by household size for the applicable housing region.

Very low-income unit shall mean a restricted unit that is affordable to a very low-income household.

Weatherization shall mean building insulation (for attic, exterior walls and crawl space), siding to improve energy efficiency, replacement storm windows, replacement storm doors, replacement windows and replacement doors, and is considered a major system for purposes of the rehabilitation program.

c. Monitoring and Reporting Requirements.

The Borough of Bound Brook shall comply with the following monitoring and reporting requirements regarding the status of the implementation of its Court-approved Housing Element and Fair Share Plan:

1. Beginning one year upon the Court's approval of the Spending Plan, and on every anniversary of that date through July 1, 2035, the Borough agrees to provide annual reporting of its Affordable Housing Trust Fund activity to the New Jersey Department of Community Affairs, Council on Affordable Housing, or Local Government Services, or other entity designated by the State of New Jersey, with a copy provided to Fair Share Housing Center (FSHC) and posted on the municipal website, using forms developed for this purpose by the New Jersey Department of Community Affairs (NJDCA) or Local Government Services (NJLGS). The reporting shall include an

- accounting of all Affordable Housing Trust Fund activity, including the source and amount of funds collected and the amount and purpose for which any funds have been expended.
2. Beginning one year after the Certificate of Compliance when granted, and on every anniversary of that date through July 1, 2035, the Borough agrees to provide annual reporting of the status of all affordable housing activity within the municipality through posting on the municipal website with a copy of such posting provided to Fair Share Housing Center, using forms previously developed for this purpose as provided by
- d. Affordable Housing Requirements - Alternative Living Arrangements
1. The administration of an alternative living arrangement shall be in compliance with N.J.A.C. 5:93-5.8 and UHAC, with the following exceptions:
 - (a) Affirmative marketing (N.J.A.C. 5:80-26.15), provided, however, that the units or bedrooms may be affirmatively marketed by the provider in accordance with an alternative plan approved by the State licensing/funding agency (i.e., DHS);
 - (b) Affordability average and bedroom distribution (N.J.A.C. 5:80-26.3).
 2. With the exception of units established with capital funding through a 20-year operating contract with the Department of Human Services, Division of Developmental Disabilities, alternative living arrangements shall have at least 40-year controls on affordability in accordance with UHAC, unless an alternative commitment is approved by the Court.
 3. The service provider for the alternative living arrangement shall act as the Administrative Agent for the purposes of administering the affirmative marketing and affordability requirements for the alternative living arrangement.
- e. Set Aside. For inclusionary projects in which the very low-, low- and moderate-income units are to be offered, the appropriate set-aside percentage is 25 percent whether for-sale or rent.
- f. Phasing Schedule for Inclusionary Developments.
1. In inclusionary developments the following schedule shall be followed:
- | Maximum Percentage of Market-Rate Units Completed | Minimum Percentage of Low- and Moderate-Income Units Completed |
|---|--|
| 25 | 0 |
| 25+1 | 10 |
| 50 | 50 |
| 75 | 75 |

90

100

g. New Construction Requirements

1. Low/Moderate Split and Bedroom Distribution of Affordable Housing Units:

- (a) The fair share obligation shall be divided equally between low- and moderate-income units, except that where there is an odd number of affordable housing units, the extra unit shall be a low-income unit. At least 13 percent of all restricted units within each bedroom distribution shall be very low-income units (affordable to a household earning 30 percent or less of regional median income by household size). The very low-income units shall be counted as part of the required number of low income units within the development. At least 50 percent of the very low-income units must be available to families.
- (b) In each affordable development, at least 50 percent of the restricted units within each bedroom distribution shall be very low or low-income units.
- (c) Affordable developments that are not age-restricted shall be structured in conjunction with realistic market demands such that:
 - (1) The combined number of efficiency and one-bedroom units shall be no greater than 20 percent of the total low- and moderate-income units;
 - (2) At least 30 percent of all low- and moderate-income units shall be two-bedroom units;
 - (3) At least 20 percent of all low- and moderate-income units shall be three-bedroom units; and
 - (4) The remaining units may be allocated among two- and three-bedroom units at the discretion of the developer.
 - (5) Affordable developments that are age-restricted shall be structured such that the number of bedrooms shall equal the number of age-restricted low- and moderate-income units within the inclusionary development. This standard may be met by having all one-bedroom units or by having a two-bedroom unit for each efficiency unit.

2. Accessibility Requirements:

- (a) The first floor of all restricted townhouse dwelling units and all restricted units in all other multistory buildings shall be subject to the technical design standards of the Barrier Free SubCode, N.J.A.C. 5:23-7 and the following:

- (b) All restricted townhouse dwelling units and all restricted units in other multistory buildings in which a restricted dwelling unit is attached to at least one other dwelling unit shall have the following features:
- (1) An adaptable toilet and bathing facility on the first floor; and
 - (2) An adaptable kitchen on the first floor; and
 - (3) An interior accessible route of travel on the first floor; and
 - (4) An adaptable room that can be used as a bedroom, with a door or the casing for the installation of a door, on the first floor; and
 - (5) If all of the foregoing requirements in 2.(b)(1) through 2.(b)(4) cannot be satisfied, then an interior accessible route of travel must be provided between stories within an individual unit, but if all of the terms of paragraphs 2.(b)(1) through 2.(b)(4) above have been satisfied, then an interior accessible route of travel shall not be required between stories within an individual unit; and
 - (6) An accessible entranceway as set forth at P.L. 2005, c. 350 (N.J.S.A. 52:27D-311a, et seq.) and the Barrier Free SubCode, N.J.A.C. 5:23-7, or evidence that Bound Brook has collected funds from the developer sufficient to make 10 percent of the adaptable entrances in the development accessible:
 - i. Where a unit has been constructed with an adaptable entrance, upon the request of a disabled person who is purchasing or will reside in the dwelling unit, an accessible entrance shall be installed.
 - ii. To this end, the builder of income-restricted units shall deposit funds within the Borough of Bound Brook's Affordable Housing Trust Fund sufficient to install accessible entrances in 10 percent of the affordable units that have been constructed with adaptable entrances.
 - iii. The funds deposited under paragraph (6)[ii.] above shall be used by the Borough of Bound Brook for the sole purpose of making the adaptable entrance of an affordable unit accessible when requested to do so by a person with a disability who occupies or intends to occupy the unit and requires an accessible entrance.
 - iv. The developer of the restricted units shall submit a design plan and cost estimate to the Construction Official of the Borough of Bound Brook for the conversion of adaptable to accessible entrances.
 - v. Once the Construction Official has determined that the design plan to convert the unit entrances from adaptable to accessible meet the requirements of the Barrier Free SubCode, N.J.A.C. 5:23-7, and that the

cost estimate of such conversion is reasonable, payment shall be made to the Borough's Affordable Housing Trust Fund in the care of the Borough Treasurer who shall ensure that the funds are deposited into the Affordable Housing Trust Fund and appropriately earmarked.

- vi. Full compliance with the foregoing provisions shall not be required where an entity can demonstrate that it is "site impracticable" to meet the requirements. Determinations of site impracticability shall be in compliance with the Barrier Free SubCode, N.J.A.C. 5:23-7 and N.J.A.C. 5:97-3.14.

a. Design:

1. In inclusionary developments, to the extent possible, very low-, low- and moderate-income units shall be integrated with the market units, not situated so as to be concentrated in separate building(s) or in separate area(s) or floor(s), or in less desirable locations, than the other units in the development. In buildings with multiple dwelling units, this shall mean that the very low-, low-, and moderate-income units shall be generally distributed within each building with market units.
2. In inclusionary developments, the residents of the affordable units shall have full and equal access to all of the amenities, common areas, and recreation areas and facilities as the residents of the market units.
3. In inclusionary developments, the very low-, low- and moderate-income units shall be no less than the largest minimum bedroom and unit square footages required under the DCA Balanced Housing and HMFA Low Income Housing Tax Credit program for bedroom sizes and unit sizes in affordable units of the same bedroom number.

b. Maximum Rents and Sales Prices:

1. In establishing rents and sales prices of affordable housing units, the Administrative Agent shall follow the procedures set forth in UHAC, utilizing the most recently published regional weighted average of the uncapped Section 8 income limits published by HUD and the calculation procedures as approved by the Court and detailed below:
2. Regional income limits shall be established for the region in which the Borough is located (in this case, Region 3) based on the median income by household size, which shall be established by a regional weighted average of the uncapped Section 8 income limits published by HUD. To compute this regional income limit, the HUD determination of median county income for a family of four is multiplied by the estimated households within the county according to the most recent decennial census. The resulting product for each county within the housing region is summed. The sum is divided by the estimated total households from the most recent decennial census in the Borough's housing region. This quotient represents the regional weighted average of median income for a household of four. The income limit for a moderate-income unit for a household of four shall be 80% of

the regional weighted average median income for a family of four. The income limit for a low-income unit for a household of four shall be 50% of the HUD determination of the regional weighted average median income for a family of four. The income limit for a very low-income unit for a household of four shall be 30% of the regional weighted average median income for a family of four. These income limits shall be adjusted by household size based on multipliers used by HUD to adjust median income by household size. In no event shall the income limits be less than those for the previous year.

3. The income limits are the result of applying the percentages set forth in paragraph (a) above to HUD's determination of median income for the current fiscal year, and shall be utilized until the Borough updates the income limits after HUD has published revised determinations of median income for the next fiscal year.
4. The regional asset limit used in determining an applicant's eligibility for affordable housing pursuant to N.J.A.C. 5:80-26.16(b)3 shall be calculated by the Borough annually by taking the percentage increase of the income limits calculated pursuant to paragraph (i.) above over the previous year's income limits, and applying the same percentage increase to the Regional Asset Limit from the prior year. In no event shall the regional asset limit be less than that for the previous year.
5. In establishing sale prices and rents of affordable housing units, the administrative agent shall follow the procedures set forth in UHAC, utilizing the regional income limits established pursuant to the process defined above.
 - (a) The resale prices of owner-occupied very low-, low- and moderate-income units may increase annually based on the percentage increase in the regional median income limit for each housing region determined pursuant to the above methodology. In no event shall the maximum resale price established by the administrative agent be lower than the last recorded purchase price.
 - (b) The rent levels of very low-, low- and moderate-income units may be increased annually based on the percentage increase in the Housing Consumer Price Index for the Northeast Urban Area, upon its publication for the prior calendar year. This increase shall not exceed nine percent in any one year. Rents for units constructed pursuant to low income housing tax credit regulations shall be indexed pursuant to the regulations governing low income housing tax credits.
6. The maximum rent for restricted rental units within each affordable development shall be affordable to households earning no more than 60 percent of median income, and the average rent for restricted rental units shall be affordable to households earning no more than 52 percent of median income.
7. The developers and/or municipal sponsors of restricted rental units shall establish at least one rent for each bedroom type for both low-income and moderate-income units, provided that at least 13 percent of all low- and moderate-income rental units shall be affordable to

very low-income households earning no more than 30 percent of median income, which very low-income units shall be part of the low-income requirement.

8. The maximum sales price of restricted ownership units within each affordable development shall be affordable to households earning no more than 70 percent of median income, and each affordable development must achieve an affordability average of 55 percent for restricted ownership units; in achieving this affordability average, moderate-income ownership units must be available for at least three different sales prices for each bedroom type, and low-income ownership units must be available for at least two different sales prices for each bedroom type.
9. In determining the initial sales prices and rent levels for compliance with the affordability average requirements for restricted units other than assisted living facilities and age-restricted developments, the following standards shall be used:
 - (a) A studio shall be affordable to a one-person household;
 - (b) A one-bedroom unit shall be affordable to a one-and-one-half person household;
 - (c) A two-bedroom unit shall be affordable to a three-person household;
 - (d) A three-bedroom unit shall be affordable to a four-and-one-half person household;
 - and
 - (e) A four-bedroom unit shall be affordable to a six-person household.
10. In determining the initial sales prices and rents for compliance with affordability average requirements for restricted units in assisted living facilities and age-restricted developments the following standards shall be used:
 - (a) A studio shall be affordable to a one-person household;
 - (b) A one-bedroom unit shall be affordable to a one-and-one-half person household;
 - and
 - (c) A two-bedroom unit shall be affordable to a two-person household or to two one-person households.
11. The initial purchase price for all restricted ownership units shall be calculated so that the monthly carrying cost of the unit, including principal and interest (based on a mortgage loan equal to 95% of the purchase price and the Federal Reserve H.15 rate of interest), taxes, homeowner and private mortgage insurance and condominium or homeowners' association fees do not exceed 28% of the eligible monthly income of the appropriate size household as determined under N.J.A.C. 5:80-26.4, as may be amended and supplemented; provided, however, that the price shall be subject to the affordability average requirement of N.J.A.C. 5:80-26.3, as may be amended and supplemented.
12. The initial rent for a restricted rental unit shall be calculated so as not to exceed 30% of the eligible monthly income of the appropriate size household, including an allowance for tenant-paid utilities, as determined under N.J.A.C. 5:80-26.4, as may be amended and supplemented; provided, however, that the rent shall be subject to the affordability average requirement of N.J.A.C. 5:80-26.3, as may be amended and supplemented.

13. The price of owner-occupied low- and moderate-income units may increase annually based on the percentage increase in the regional median income limit for each housing region. In no event shall the maximum resale price established by the Administrative Agent be lower than the last recorded purchase price.
14. The rent of very low-, low- and moderate-income units may be increased annually based on the permitted percentage increase in the Housing Consumer Price Index for the United States. This increase shall not exceed 9% in any one year. Rents for units constructed pursuant to low-income housing tax credit regulations shall be indexed pursuant to the regulations governing low-income housing tax credits.

c. Utilities.

1. Affordable units shall utilize the same type of heating source as market units within an inclusionary development.
2. Tenant-paid utilities included in the utility allowance shall be set forth in the lease and shall be consistent with the utility allowance approved by the NJDCA for its Section 8 program.

d. Occupancy Standards.

In referring certified households to specific restricted units, the Administrative Agent shall, to the extent feasible and without causing an undue delay in the occupancy of a unit, strive to:

1. Provide an occupant for each bedroom;
2. Provide children of different sexes with separate bedrooms;
3. Provide separate bedrooms for adults and children; and
4. Prevent more than two persons from occupying a single bedroom.

e. Control Periods for Restricted Ownership Units and Enforcement Mechanisms.

1. Control periods for restricted ownership units shall be in accordance with N.J.A.C. 5:80-26.5, as may be amended and supplemented, and each restricted ownership unit shall remain subject to the requirements of this Ordinance for a period of at least 40 years, until Bound Brook takes action to release the unit from such requirements; prior to such action, a restricted ownership unit must remain subject to the requirements of N.J.A.C. 5:80-26.1, as may be amended and supplemented.
2. The affordability control period for a restricted ownership unit shall commence on the date the initial certified household takes title to the unit.
3. Prior to the issuance of the initial certificate of occupancy for a restricted ownership unit and upon each successive sale during the period of restricted ownership, the Administrative

Agent, or an Administrative Agent appointed by a particular developer, shall determine the restricted price for the unit and shall also determine the non-restricted, fair market value of the unit based on either an appraisal or the unit's equalized assessed value without the restrictions in place.

4. At the time of the initial sale of the unit, the initial purchaser shall execute and deliver to the Administrative Agent, or an Administrative Agent appointed by a particular developer, a recapture note obligating the purchaser (as well as the purchaser's heirs, successors and assigns) to repay, upon the first non-exempt sale after the unit's release from the restrictions set forth in this Ordinance, an amount equal to the difference between the unit's non-restricted fair market value and its restricted price, and the recapture note shall be secured by a recapture lien evidenced by a duly recorded mortgage on the unit.
 5. The affordability controls set forth in this Ordinance shall remain in effect despite the entry and enforcement of any judgment of foreclosure with respect to restricted ownership units.
 6. A restricted ownership unit shall be required to obtain a Continuing Certificate of Occupancy or a certified statement from the Construction Official stating that the unit meets all Code standards upon the first transfer of title following the removal of the restrictions provided under N.J.A.C. 5:80-26.5(a), as may be amended and supplemented.
- f. Price Restrictions for Restricted Ownership Units, Homeowner Association Fees and Resale Prices.
1. Price restrictions for restricted ownership units shall be in accordance with N.J.A.C. 5:80-26.1, as may be amended and supplemented, including:
 2. The initial purchase price for a restricted ownership unit shall be approved by the Administrative Agent, or an Administrative Agent appointed by a particular developer.
 3. The Administrative Agent, or an Administrative Agent appointed by a particular developer, shall approve all resale prices, in writing and in advance of the resale, to assure compliance with the foregoing standards.
 4. The master deeds of inclusionary developments shall provide no distinction between the condominium or homeowner association fees and special assessments paid by low- and moderate-income purchasers and those paid by market purchasers.
 5. The owners of restricted ownership units may apply to the Administrative Agent, or an Administrative Agent appointed by a particular developer, to increase the maximum sales price for the unit on the basis of anticipated capital improvements. Eligible capital improvements shall be those that render the unit suitable for a larger household or the addition of a bathroom.

g. Buyer Income Eligibility.

1. Buyer income eligibility for restricted ownership units shall be in accordance with N.J.A.C. 5:80-26.1, as may be amended and supplemented, such that low-income ownership units shall be reserved for households with a gross household income less than or equal to 50 percent of median income and moderate-income ownership units shall be reserved for households with a gross household income less than 80 percent of median income. Very low-income units shall be reserved for households with a gross household income of less than 30 percent of median income.
2. Notwithstanding the foregoing, the Administrative Agent may, upon approval by the Borough Council, and subject to the Court's approval, permit a moderate-income purchaser to buy a low-income unit if and only if the Administrative Agent can demonstrate that there is an insufficient number of eligible low-income purchasers in the housing region to permit prompt occupancy of the unit and all other reasonable efforts to attract a low-income purchaser, including pricing and financing incentives, have failed. Any such low-income unit that is sold to a moderate-income household shall retain the required pricing and pricing restrictions for a low-income unit.
3. A certified household that purchases a restricted ownership unit must occupy it as the certified household's principal residence and shall not lease the unit; provided, however, that the Administrative Agent may permit the owner of a restricted ownership unit, upon application and a showing of hardship, to lease the restricted unit to another certified household for a period not to exceed one year.
4. The Administrative Agent shall certify a household as eligible for a restricted ownership unit when the household is a very low-income household, low-income household or a moderate-income household, as applicable to the unit, and the estimated monthly housing cost for the particular unit (including principal, interest, taxes, homeowner and private mortgage insurance and condominium or homeowner association fees, as applicable) does not exceed 33 percent of the household's eligible monthly income.

h. Limitations on Indebtedness Secured by Ownership Unit; Subordination.

1. Prior to incurring any indebtedness to be secured by a restricted ownership unit, the owner shall apply to the Administrative Agent, or an Administrative Agent appointed by a particular developer, for a determination, in writing, that the proposed indebtedness complies with the provisions of this Section, and the Administrative Agent, or an Administrative Agent appointed by a particular developer, shall issue such determination prior to the owner incurring such indebtedness.
2. With the exception of First Purchase Money Mortgages, neither an owner nor a lender shall at any time cause or permit the total indebtedness secured by a restricted ownership unit to exceed 95 percent of the maximum allowable resale price of the unit, as such price is determined by the Administrative Agent, or an Administrative Agent appointed by a particular developer, in accordance with N.J.A.C. 5:80-26.6(b).

i. Capital Improvements To Ownership Units.

1. The owners of restricted ownership units may apply to the Administrative Agent, or an Administrative Agent appointed by a particular developer, to increase the maximum sales price for the unit on the basis of capital improvements made since the purchase of the unit. Eligible capital improvements shall be those that render the unit suitable for a larger household or that add an additional bathroom. In no event shall the maximum sales price of an improved housing unit exceed the limits of affordability for the larger household.
2. Upon the resale of a restricted ownership unit, all items of property that are permanently affixed to the unit or were included when the unit was initially restricted (for example, refrigerator, range, washer, dryer, dishwasher, wall-to-wall carpeting) shall be included in the maximum allowable resale price. Other items may be sold to the purchaser at a reasonable price that has been approved by the Administrative Agent, or an Administrative Agent appointed by a particular developer, at the time of the signing of the agreement to purchase. The purchase of central air conditioning installed subsequent to the initial sale of the unit, and not included in the base price, may be made a condition of the unit resale, provided the price, which shall be subject to 10-year, straight-line depreciation, has been approved by the Administrative Agent, or an Administrative Agent appointed by a particular developer. Unless otherwise approved by the Administrative Agent, or an Administrative Agent appointed by a particular developer, the purchase of any property other than central air conditioning shall not be made a condition of the unit resale. The owner and the purchaser must personally certify at the time of closing that no unapproved transfer of funds for the purpose of selling and receiving property has taken place at the time of or as a condition of resale.

j. Control Periods for Restricted Rental Units.

1. Control periods for restricted rental units shall be in accordance with N.J.A.C. 5:80-26.11, as may be amended and supplemented, and each restricted rental unit shall remain subject to the requirements of this Ordinance for a period of at least 40 years, until Bound Brook takes action to release the unit from such requirements. Prior to such action, a restricted rental unit must remain subject to the requirements of N.J.A.C. 5:80-26.1, as may be amended and supplemented.
2. Deeds of all real property that include restricted rental units shall contain deed restriction language. The deed restriction shall have priority over all mortgages on the property, and the deed restriction shall be recorded by the developer or seller with the records office of the County of Somerset. A copy of the filed, recorded document shall be provided to the Administrative Agent within 30 days of the receipt of a Certificate of Occupancy.
3. A restricted rental unit shall remain subject to the affordability controls of this Ordinance despite the occurrence of any of the following events:
 - (a) Sublease or assignment of the lease of the unit;

(b) Sale or other voluntary transfer of the ownership of the unit; or

(c) The entry and enforcement of any judgment of foreclosure on the property containing the unit.

k. Rent Restrictions for Rental Units; Leases.

1. A written lease shall be required for all restricted rental units, except for units in assisted living residences, and tenants shall be responsible for security deposits and the full amount of the rent as stated on the lease. A copy of the current lease for each restricted rental unit shall be provided to the Administrative Agent, or an Administrative Agent appointed by a particular developer.
2. No additional fees or charges shall be added to the approved rent (except, in the case of units in an assisted living residence, to cover the customary charges for food and services) without the express written approval of the Administrative Agent, or an Administrative Agent appointed by a particular developer.
3. Application fees (including the charge for any credit check) shall not exceed five percent of the monthly rent of the applicable restricted unit and shall be payable to the Administrative Agent, or an Administrative Agent appointed by a particular developer to be applied to the costs of administering the controls applicable to the unit as set forth in this Ordinance.

l. Tenant Income Eligibility.

1. Tenant income eligibility shall be in accordance with N.J.A.C. 5:80-26.13, as may be amended and supplemented, and shall be determined as follows:
 - (a) Very low-income rental units shall be reserved for households with a gross household income less than or equal to 30 percent of the regional median household income by household size.
 - (b) Low-income rental units shall be reserved for households with a gross household income less than or equal to 50 percent of the regional median household income by household size.
 - (c) Moderate-income rental units shall be reserved for households with a gross household income less than 80 percent of the regional median household income by household size.
2. The Administrative Agent, or an Administrative Agent appointed by a particular developer, shall certify a household as eligible for a restricted rental unit when the household is a very low-income household, low-income household or a moderate-income household, as applicable to the unit, and the rent proposed for the unit does not exceed 35 percent (40

percent for age-restricted units) of the household's eligible monthly income as determined pursuant to N.J.A.C. 5:80-26.16, as may be amended and supplemented; provided, however, that this limit may be exceeded if one or more of the following circumstances exists:

- (a) The household currently pays more than 35 percent (40 percent for households eligible for age-restricted units) of its gross household income for rent, and the proposed rent will reduce its housing costs;
- (b) The household has consistently paid more than 35 percent (40 percent for households eligible for age-restricted units) of eligible monthly income for rent in the past and has proven its continuing ability to pay;
- (c) The household is currently in substandard or overcrowded living conditions;
- (d) The household documents the existence of assets with which the household proposes to supplement the rent payments; or
- (e) The household documents reliable anticipated third-party assistance from an outside source such as a family member in a form acceptable to the Administrative Agent and the owner of the unit.
- (f) The applicant shall file documentation sufficient to establish the existence of the circumstances in (2)(a) through (2)(e) above with the Administrative Agent, or an Administrative Agent appointed by a particular developer, who shall counsel the household on budgeting.

m. Affordable Housing Programs.

The Borough of Bound Brook has determined that it will use the following mechanisms to satisfy its affordable housing obligations, as follows.

- 1. Rehabilitation Program
- 2. Bound Brook Borough's rehabilitation program shall be designed to renovate deficient housing units occupied by very low-, low- and moderate-income households such that, after rehabilitation, these units will comply with the New Jersey State Housing Code pursuant to N.J.A.C. 5:28.
- 3. Both owner occupied, and renter occupied units shall be eligible for rehabilitation funds.
- 4. All rehabilitated units shall remain affordable to very low-, low- and moderate-income households for a period of ten (10) years (the control period). For owner occupied units the control period will be enforced with a lien and for renter occupied units the control period will be enforced with a deed restriction.

5. The Borough of Bound Brook shall dedicate a minimum of ten thousand (\$10,000.00) dollars for each unit to be rehabilitated through this program, reflecting the minimum hard cost of rehabilitation for each unit.
6. The Borough of Bound Brook shall designate one (1) or more Administrative Agents to administer the rehabilitation program. The Administrative Agent(s) shall provide a rehabilitation manual for the owner occupancy rehabilitation program and a rehabilitation manual for the rental occupancy rehabilitation program to be adopted by resolution of the Governing Body and subject to approval of the Court. Both rehabilitation manuals shall be available for public inspection in the Office of the Municipal Clerk and in the office(s) of the Administrative Agent(s).
7. Units in a rehabilitation program shall be administered in accordance with the following:
 - (a) 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 very low-, low- or moderate-income household at an affordable rent and affirmatively marketed pursuant to N.J.A.C. 5:93-9 and UHAC.
 - (b) 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 N.J.A.C. 5:93-9 and UHAC.
 - (c) Rents in rehabilitated units may increase annually based on the standards in N.J.A.C. 5:93-9 or the standards issued by a New Jersey administrative agency with proper authority to issue such standards.
 - (d) Applicant and/or tenant households shall be certified as income-eligible in accordance with N.J.A.C. 5:93-9 and UHAC, except that households in owner-occupied units shall be exempt from the regional asset limit.

n. Affirmative Marketing Requirements

1. Bound Brook Borough shall adopt by resolution an Affirmative Marketing Plan, subject to approval of Court, compliant with N.J.A.C. 5:80-26.15 and the FHA, as may be amended and supplemented. The initial Affirmative Marketing Plan shall include the following community and regional organizations: Fair Share Housing Center, the New Jersey State Conference of the NAACP, Somerset County NAACP, Jersey Borough NAACP, Paterson NAACP, Passaic NAACP, Hoboken NAACP, the Latino Action Network, the Somerset County Housing Authority, Northeast New Jersey Legal Services, Somerset Urban League, Garden State Episcopal CDC, Mount Olive Baptist Church, Urban League of Affordable Housing & CDC, Somerset County Housing Coalition, Fair Housing Council of Northern NJ, New Jersey Community Development, Advance Housing, Paterson Habitat for

Humanity, Family Promise of Somerset County, Saint Paul's Community Development Corp., Supportive Housing Association of New Jersey, Islamic Center of New Jersey, Monarch Housing Associates and the New Jersey Housing Resource Center.

2. The Affirmative Marketing Plan is a regional marketing strategy designed to attract buyers and/or renters of all majority and minority groups, regardless of race, creed, color, national origin, ancestry, marital or familial status, gender, affectional or sexual orientation, disability, age or number of children to affordable housing units which are being marketed by a developer, sponsor or owner of affordable housing. The Affirmative Marketing Plan also is intended to target those potentially eligible persons who are least likely to apply for affordable units in that region. It is a continuing program that directs all marketing activities toward Housing Region 1, comprising of the counties of Somerset, Hudson, Passaic, and Sussex, and is required to be followed throughout the period of deed restriction.
3. The Affirmative Marketing Plan shall provide a regional preference for all households that live and/or work in Housing Region 3 comprised of Hunterdon, Middlesex, and Somerset Counties.
4. The Borough shall add to the list of community and regional organizations in its affirmative marketing plan, pursuant to N.J.A.C. 5:80-26.15(f)(5): Fair Share Housing Center, the New Jersey State Conference of the NAACP, the Latino Action Network, the Somerset County NAACP, Jersey Borough NAACP, Paterson NAACP, Passaic NAACP, Hoboken NAACP, the Somerset County Housing Authority, Northeast New Jersey Legal Services, Somerset Urban League, Garden State Episcopal CDC, Somerset County Housing Coalition, Fair Housing Council of Northern NJ, New Jersey Community Development, Advance Housing, Paterson Habitat for Humanity, Family Promise of Somerset County, Saint Paul's Community Development Corp., the Supportive Housing Association of New Jersey, Islamic Center of New Jersey, Monarch Housing Associates, and the New Jersey Housing Resource Center, in accordance with applicable law, and shall, as part of its regional affirmative marketing strategies during its implementation of this plan, provide notice to those organizations of all available affordable housing units. The Administrative Agent designated by the Borough of Bound Brook, or the Administrative Agent appointed by a particular developer, shall assure the affirmative marketing of all affordable units consistent with the Affirmative Marketing Plan for the municipality.
5. The municipality has the ultimate responsibility for adopting the Affirmative Marketing Plan and for the proper administration of the Affirmative Marketing Program, including initial sales and rentals and resales and re-rentals. The Administrative Agent designated by the Borough of Bound Brook shall implement the Affirmative Marketing Plan to assure the affirmative marketing of all affordable units.
6. In implementing the Affirmative Marketing Plan, the Administrative Agent shall provide a list of counseling services to very low-, low- and moderate-income applicants on subjects such as budgeting, credit issues, mortgage qualification, rental lease requirements, and landlord/tenant law.

7. The Affirmative Marketing Plan shall describe the media to be used in advertising and publicizing the availability of housing. In implementing the Affirmative Marketing Plan, the Administrative Agent shall consider the use of language translations where appropriate.
 8. The affirmative marketing process for available affordable units shall begin at least four (4) months (120 days) prior to the expected date of occupancy.
 9. Application for affordable housing shall be available in several locations, including, at a minimum, the County Administration Building and/or the County Library for each county within the housing region; the municipal administration building and the municipal library in the municipality in which the units are located; and the developer's rental office. Applications shall be mailed to prospective applicants upon request. The costs of advertising and affirmative marketing of the affordable units shall be the responsibility of the developer, sponsor or owner.
 10. The costs of advertising and affirmative marketing of the affordable units shall be the responsibility of the developer, sponsor or owner, unless otherwise determined or agreed to by Bound Brook Borough.
- o. Affordable Housing Set-Aside.
1. Affordable Housing Set-Aside. A mandatory affordable housing set-aside requirement shall apply beginning with the effective date of this ordinance to any new multifamily and single-family attached residential development, including the residential portion of a mixed-use project, which consists of five (5) or more new residential units which results, in whole or in part resulting from development: (i) that is permissible as of right by zoning ordinance; (ii) that becomes permissible by the granting of a use variance or a density variance increasing the permissible density; (iii) that results from the adoption of a redevelopment plan or amendment to a redevelopment plan; or (iv) that results from the rezoning of the property, shall provide a twenty percent (25%) set aside of affordable units for both sales and rental projects. This chapter shall apply except where inconsistent with applicable law.
 2. All affordable housing controls and standards are subject to the rules or regulations as required by law or as approved by the Court. The development, marketing and sale of the affordable units shall be pursuant to applicable state regulations and the applicable provisions of this chapter, and any subsequent amendments thereto.
 3. This requirement shall not impose any obligation on a development, or the nonresidential portion of a mixed-use development, that is subject to the Statewide Non-Residential Development Fee Act, N.J.S.A. 40:55D-8.1 et seq.
 4. All subdivision and site plan approvals of qualifying developments shall be conditioned upon compliance with the provisions of the mandatory affordable housing set-aside.

5. No subdivision shall be permitted or approved for the purpose of avoiding compliance with the mandatory affordable housing set-aside. A developer may not, for example, subdivide a project into two lots and then plan each of them to produce a number of units below the threshold. The approving authority may impose any reasonable conditions to ensure such compliance.
6. The mandatory affordable housing set-aside shall not give any developer the right to any rezoning, variance, redevelopment designation or redevelopment or rehabilitation plan approval, or any other such relief, or establish any obligation on the part of the municipality to grant such rezoning, variance, redevelopment designation, redevelopment or rehabilitation plan approval, or other such or further relief.
7. The requirements of this section shall not apply to residential expansions, additions, renovations, replacements, or any other type of residential development that does not result in a net increase in the number of dwellings of five (5) or more.

p. Enforcement.

1. Upon the occurrence of a breach of any of the regulations governing an affordable unit by an Owner, Developer or Tenant, the municipality shall have all remedies provided at law or equity, including but not limited to foreclosure, tenant eviction, a requirement for household recertification, acceleration of all sums due under a mortgage, recuperation of any funds from a sale in violation of the regulations, injunctive relief to prevent further violation of the regulations, entry on the premises, and specific performance.
2. After providing written notice of a violation to an Owner, Developer or Tenant of a very low-, low- or moderate-income unit and advising the Owner, Developer or Tenant of the penalties for such violations, the municipality may take the following action(s) against the Owner, Developer or Tenant for any violation that remains uncured for a period of 60 days after service of the written notice:
3. The municipality may file a court action pursuant to N.J.S.A. 2A:58-11 alleging a violation or violations of the regulations governing the affordable housing unit. If the Owner, Developer or Tenant is adjudged by the Court to have violated any provision of the regulations governing affordable housing units, the Owner, Developer or Tenant shall be subject to one or more of the following penalties, at the discretion of the Court:
 - (a) A fine of not more than 1,250.00 per day or imprisonment for a period not to exceed 90 days, or both, provided that each and every day that the violation continues or exists shall be considered a separate and specific violation of these provisions and not a continuation of the initial offense;
 - (b) In the case of an Owner who has rented a very low-, low- or moderate-income unit in violation of the regulations governing affordable housing units, payment into the Borough of Bound Brook Affordable Housing Trust Fund of the gross amount of rent illegally collected;

- (c) In the case of an Owner who has rented a very low-, low- or moderate-income unit in violation of the regulations governing affordable housing units, payment of an innocent tenant's reasonable relocation costs, as determined by the Court.
4. The municipality may file a court action in the Superior Court seeking a judgment that would result in the termination of the Owner's equity or other interest in the unit, in the nature of a mortgage foreclosure. Any such judgment shall be enforceable as if the same were a judgment of default of the First Purchase Money Mortgage and shall constitute a lien against the very low-, low- or moderate-income unit.
- (a) The judgment shall be enforceable, at the option of the municipality, by means of an execution sale by the Sheriff, at which time the very low-, low- and moderate-income unit of the violating Owner shall be sold at a sale price which is not less than the amount necessary to fully satisfy and pay off any First Purchase Money Mortgage and prior liens and the costs of the enforcement proceedings incurred by the municipality, including attorney's fees. The violating Owner shall have his right to possession terminated as well as his title conveyed pursuant to the Sheriff's sale.
 - (b) The proceeds of the Sheriff's sale shall first be applied to satisfy the First Purchase Money Mortgage lien and any prior liens upon the very low-, low- and moderate-income unit. The excess, if any, shall be applied to reimburse the municipality for any and all costs and expenses incurred in connection with either the court action resulting in the judgment of violation or the Sheriff's sale. In the event that the proceeds from the Sheriff's sale are insufficient to reimburse the municipality in full as aforesaid, the violating Owner shall be personally responsible for the full extent of such deficiency, in addition to any and all costs incurred by the municipality in connection with collecting such deficiency. In the event that a surplus remains after satisfying all of the above, such surplus, if any, shall be placed in escrow by the municipality for the Owner and shall be held in such escrow for a maximum period of two years or until such earlier time as the Owner shall make a claim with the municipality for such. Failure of the Owner to claim such balance within the two-year period shall automatically result in a forfeiture of such balance to the municipality. Any interest accrued or earned on such balance while being held in escrow shall belong to and shall be paid to the municipality, whether such balance shall be paid to the Owner or forfeited to the municipality.
 - (c) Foreclosure by the municipality due to violation of the regulations governing affordable housing units shall not extinguish the restrictions of the regulations governing affordable housing units as the same apply to the very low-, low- and moderate-income unit. Title shall be conveyed to the purchaser at the Sheriff's sale, subject to the restrictions and provisions of the regulations governing the affordable housing unit. The Owner determined to be in violation of the provisions of this plan and from whom title and possession were taken by means of the Sheriff's sale shall not be entitled to any right of redemption.

- (d) If there are no bidders at the Sheriff's sale, or if insufficient amounts are bid to satisfy the First Purchase Money Mortgage and any prior liens, the municipality may acquire title to the very low-, low- and moderate-income unit by satisfying the First Purchase Money Mortgage and any prior liens and crediting the violating owner with an amount equal to the difference between the First Purchase Money Mortgage and any prior liens and costs of the enforcement proceedings, including legal fees and the maximum resale price for which the very low-, low- and moderate-income unit could have been sold under the terms of the regulations governing affordable housing units. This excess shall be treated in the same manner as the excess which would have been realized from an actual sale as previously described.
 - (e) Failure of the very low-, low- and moderate-income unit to be either sold at the Sheriff's sale or acquired by the municipality shall obligate the Owner to accept an offer to purchase from any qualified purchaser which may be referred to the Owner by the municipality, with such offer to purchase being equal to the maximum resale price of the very low-, low- and moderate-income unit as permitted by the regulations governing affordable housing units.
 - (f) The Owner shall remain fully obligated, responsible and liable for complying with the terms and restrictions governing affordable housing units until such time as title is conveyed from the Owner.
- q. Appeals. Appeals from all decisions of an Administrative Agent appointed pursuant to this Ordinance shall be filed, in writing, with the Superior Court.

SECTION 2. Article XVII is hereby amended to add §15-43, Affordable Trust Fund with new sections as follows:

§15-43 Affordable Trust Fund

- a. Purpose. In *Holmdel Builder's Association v. Holmdel Township*, 121 N.J. 550 (1990), the New Jersey Supreme Court determined that mandatory development fees are authorized by the Fair Housing Act of 1985 (the Act), N.J.S.A. 52:27d-301 et seq., and the State Constitution.
- b. Pursuant to P.L. 2008, c. 46 Section 8 (C.52:27D-329.2) and the Statewide Non-Residential Development Fee Act (C.40:55D-8.1 through 8.7), COAH is authorized to adopt and promulgate regulations necessary for the establishment, implementation, review, monitoring and enforcement of municipal affordable housing trust funds and corresponding spending plans. Municipalities that are under the jurisdiction of the court of competent jurisdiction or responsible agency by statute and have an approved spending plan may retain fees collected from non-residential development.
- c. This ordinance establishes standards for the collection, maintenance and expenditure of development fees pursuant to the Department's regulations and in accordance with P.L. 2008, c. 46, Sections 8 and 32-38. Fees collected pursuant to this ordinance shall be used for the

sole purpose of providing low- and moderate-income housing. This ordinance shall be interpreted within the framework of the rules on development fees, codified at N.J.A.C. 5:97-8.

- d. Definitions. The following terms, as used in this ordinance, shall have the following meanings:

AFFORDABLE HOUSING DEVELOPMENT — A development included in the Housing Element and Fair Share Plan and includes, but is not limited to, an inclusionary development, a municipal construction project or a 100% affordable development.

COAH or the COUNCIL — The New Jersey Council on Affordable Housing established under the Fair Housing Act.

DEVELOPMENT FEE — Money paid by a developer for the improvement of property as permitted in N.J.A.C. 5:97-8.3.

DEVELOPER — The legal or beneficial owner or owners of a lot or of any land proposed to be included in a proposed development, including the holder of an option or contract to purchase, or other person having an enforceable proprietary interest in such land.

EQUALIZED ASSESSED VALUE — The assessed value of a property divided by the current average ratio of assessed to true value for the municipality in which the property is situated, as determined in accordance with Sections 1, 5, and 6 of P.L. 1973, c. 123 (C.54:1-35a through C. 54:1-35c).

GREEN BUILDING STRATEGIES — Those strategies that minimize the impact of development on the environment, and enhance the health, safety and well-being of residents by producing durable, low-maintenance, resource-efficient housing while making optimum use of existing infrastructure and community services.

- e. Residential development fees.

- f. Imposed fees.

1. Within the Borough of Bound Brook, residential developers, except for developers of the types of development specifically exempted below, shall pay a fee of 1.5% of the equalized assessed value attributable to residential development, provided no increased density is permitted. However, when an existing structure undergoes a change to a more intense use or is expanded, the development fee shall instead be calculated on the increase in the equalized assessed value of the improved structure, provided that the development fee requirement is not otherwise exempted under this section.
2. When an increase in residential density pursuant to N.J.S.A. 40:55D-70d(5) (known as a "d" variance) has been permitted, developers shall be required to pay a development fee

of 6% of the equalized assessed value for each additional unit in excess of that normally permitted by zoning. However, if the zoning on a site has changed during the two-year period preceding the filing of such a variance application, the base density for the purposes of calculating the bonus development fee shall be the highest density permitted by right during the two-year period preceding the filing of the variance application.

Example: If an approval allows four units to be constructed on a site that was zoned for two units, the fees could equal 1 1/2% of the equalized assessed value on the first two units; and the specified higher percentage up to 6% of the equalized assessed value for the two additional units, provided zoning on the site has not changed during the two-year period preceding the filing of such a variance application.

- g. Eligible exactions, ineligible exactions and exemptions for residential development.
- h. Affordable housing developments, developments where the developer is providing for the construction of affordable units elsewhere in the municipality, and developments where the developer has made a payment in lieu of on-site construction of affordable units shall be exempt from development fees.
- i. Developments that have received preliminary or final site plan approval prior to the adoption of this municipal development fee ordinance shall be exempt from development fees, unless the developer seeks a substantial change in the approval. Where a site plan approval does not apply, a zoning and/or building permit shall be synonymous with preliminary or final site plan approval for this purpose. The fee percentage shall be vested on the date that the building permit is issued.
- j. Owner-occupied residential structures demolished, in whole or part, and replaced as a result of a fire, flood or natural disaster shall be exempt from paying a development fee.
- k. Expansions of one-family and two-family properties and minor improvements such as the installation of fences, air conditioning units, landscaping and accessory buildings are exempt from development fees.
- l. Non-residential development fees.
- m. Imposed fees.
 - 1. Within all zoning districts, non-residential developers, except for developers of the types of development specifically exempted, shall pay a fee equal to 2.5% of the equalized assessed value of the land and improvements, for all new non-residential construction on an unimproved lot or lots.
 - 2. Non-residential developers, except for developers of the types of development specifically exempted, shall also pay a fee equal to 2.5% of the increase in equalized assessed value resulting from any additions to existing structures to be used for non-residential purposes.

3. Development fees shall be imposed and collected when an existing structure is demolished in whole or in part and replaced. The development fee of 2.5% shall be calculated on the difference between the equalized assessed value of the pre-existing land and improvement and the equalized assessed value of the newly improved structure, i.e., land and improvement, at the time final certificate of occupancy is issued. If the calculation required under this section results in a negative number, the non-residential development fee shall be zero.
4. Eligible exactions, ineligible exactions and exemptions for non-residential development.
5. The non-residential portion of a mixed-use inclusionary or market rate development shall be subject to the 2.5% development fee, unless otherwise exempted below.
6. The 2.5% fee shall not apply to an increase in equalized assessed value resulting from alterations, change in use within existing footprint, reconstruction, renovations and repairs where there is no increase in square footage.
7. Non-residential developments shall be exempt from the payment of non-residential development fees in accordance with the exemptions required pursuant to P.L. 2008, c.46, as specified in the form N-RDF, "State of New Jersey Non-Residential Development Certification/Exemption." Any exemption claimed by a developer shall be substantiated by that developer. These exemptions include the following listed on the form:
 - (a) Non-profit and public education uses.
 - (b) Houses of worship.
 - (c) Non-profit hospital relocation or improvements.
 - (d) Transit hub.
 - (e) Public amenities such as recreation, community and senior centers.
 - (f) Commercial farm or Use Group U buildings and structures.
 - (g) State and government buildings.
- n. A developer of a non-residential development exempted from the non-residential development fee pursuant to P.L.2008 c.46 shall be subject to it at such time the basis for the exemption no longer applies and shall make the payment of the non-residential development fee, in that event, within three years after that event or after the issuance of the final certificate of occupancy of the non-residential development, whichever is later.

- o. If a property which was exempted from the collection of a non-residential development fee thereafter ceases to be exempt from property taxation, the owner of the property shall remit the fees required pursuant to this section within 45 days of the termination of the property tax exemption. Unpaid non-residential development fees under these circumstances may be enforceable by the Borough of Bound Brook as a lien against the real property of the owner.
- p. Collection procedures.
 - 1. Upon the granting of a preliminary, final or other applicable approval for a development, the applicable approving authority shall direct its staff to notify the Construction Official responsible for the issuance of a building permit by forwarding a copy of the approving resolution authorizing the development.
 - 2. For non-residential developments only, the developer shall also be provided with a copy of form N-RDF, "State of New Jersey Non-Residential Development Certification/Exemption," to be completed as per the instructions provided. The developer of a non-residential development shall complete form N-RDF as per the instructions provided. The Construction Official shall verify the information submitted by the non-residential developer as per the instructions provided in the form N-RDF. The Tax Assessor shall verify exemptions and prepare estimated and final assessments as per the instructions provided in form N-RDF.
 - 3. The Construction Official responsible for the issuance of a building permit shall notify the local Tax Assessor of the issuance of the first building permit for a development, which is subject to a development fee.
 - 4. Within 90 days of receipt of that notice, the municipal Tax Assessor, based on the plans filed, shall provide an estimate of the equalized assessed value of the development.
 - 5. The Construction Official responsible for the issuance of a final certificate of occupancy shall notify the local Assessor of any and all requests for the scheduling of a final inspection on property which is subject to a development fee.
 - 6. Within 10 business days of a request for the scheduling of a final inspection, the municipal Assessor shall confirm or modify the previously estimated equalized assessed value of the improvements of the development, calculate the development fee, and thereafter notify the developer of the amount of the fee.
 - 7. Should the Borough of Bound Brook fail to determine or notify the developer of the amount of the development fee within 10 business days of the request for final inspection, the developer may estimate the amount due and pay that estimated amount consistent with the dispute process set forth in Subsection b. of Section 37 of P.L.2008, c.46 (C. 40:55D-8.6).
 - 8. Fifty of the development fee shall be collected at the time of issuance of the building permit. The remaining portion shall be collected at the issuance of the certificate of

occupancy. The developer shall be responsible for paying the difference between the fee calculated at building permit and that determined at the issuance of certificate of occupancy.

9. Appeal of development fees.

- (a) A developer may challenge residential development fees imposed by filing a challenge with the County Board of Taxation. Pending a review and determination by the Board, collected fees shall be placed in an interest-bearing escrow account by the Borough of Bound Brook. Appeals from a determination of the Board may be made to the tax court in accordance with the provisions of the State Tax Uniform Procedure Law, N.J.S.A. 54:48-1 et seq., within 90 days after the date of such determination. Interest earned on amounts escrowed shall be credited to the prevailing party.
- (b) A developer may challenge non-residential development fees imposed by filing a challenge with the Director of the Division of Taxation. Pending a review and determination by the Director, which shall be made within 45 days of receipt of the challenge, collected fees shall be placed in an interest-bearing escrow account by the Borough of Bound Brook. Appeals from a determination of the Director may be made to the tax court in accordance with the provisions of the State Tax Uniform Procedure Law, N.J.S.A. 54:48-1 et seq., within 90 days after the date of such determination. Interest earned on amounts escrowed shall be credited to the prevailing party.

q. Affordable Housing Trust Fund.

- 1. There is hereby created a separate, interest-bearing housing trust fund to be maintained by the Chief Financial Officer for the purpose of depositing development fees collected from residential and non-residential developers and proceeds from the sale of units with extinguished controls.
- 2. The following additional funds shall be deposited in the Affordable Housing Trust Fund and shall at all times be identifiable by source and amount:
 - (a) Payments in lieu of on-site construction of affordable units;
 - (b) Developer-contributed funds to make 10% of the adaptable entrances in a townhouse or other multistory attached development accessible;
 - (c) Rental income from municipally-operated affordable units;
 - (d) Repayments from the Affordable Housing Program loans;
 - (e) Recapture funds;

(f) Proceeds from the sale of affordable units; and

(g) Any other funds collected in connection with the Borough of Bound Brook's Affordable Housing Program.

r. Use of funds.

1. The expenditure of all funds shall conform to a spending plan approved by the Superior Court. Funds deposited in the housing trust fund may be used for any activity so approved by to address the Borough of Bound Brook Fair Share obligation and may be set up as a grant or revolving loan program. Such activities include, but are not limited to: preservation or purchase of housing for the purpose of maintaining or implementing affordability controls, rehabilitation, new construction of affordable housing units and related costs, accessory apartment, market to affordable, or regional housing partnership programs, conversion of existing non-residential buildings to create new affordable units, green building strategies designed to be cost saving and in accordance with accepted national or state standards, purchase of land for affordable housing, improvement of land to be used for affordable housing, extensions or improvements of roads and infrastructure to affordable housing sites, financial assistance designed to increase affordability, administration necessary for implementation of the Housing Element and Fair Share Plan, or any other activity as permitted pursuant to N.J.A.C. 5:97-8.7 through 8.9 and specified in the approved spending plan.
2. Funds shall not be expended to reimburse the Borough of Bound Brook for past housing activities.
3. At least 30% of all development fees collected and interest earned may be used to provide affordability assistance to low- and moderate-income households in affordable units included in the municipal Fair Share Plan. One-third of the affordability assistance portion of development fees collected may be used to provide affordability assistance to those households earning 30% or less of median income by region.
4. 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.
5. Affordability assistance to households earning 30% or less of median income may include buying down the cost of low- or moderate-income units in the municipal Fair Share Plan to make them affordable to households earning 30% or less of median income.
6. Payments in lieu of constructing affordable units on site and funds from the sale of units with extinguished controls shall be exempt from the affordability assistance requirement.

- s. The Borough of Bound Brook may contract with a private or public entity to administer any part of its Housing Element and Fair Share Plan, including the requirement for affordability assistance, in accordance with N.J.A.C. 5:96-18.
- t. No more than 20% of all revenues collected from development fees may be expended on administration, including, but not limited to, salaries and benefits for municipal employees or consultant fees necessary to develop or implement a new construction program, a Housing Element and Fair Share Plan, and/or an affirmative marketing program. In the case of a rehabilitation program, no more than 20% of the revenues collected from development fees shall be expended for such administrative expenses. Administrative funds may be used for income qualification of households, monitoring the turnover of sale and rental units, and compliance with the Department's monitoring requirements. Legal or other fees related to litigation opposing affordable housing sites or objecting to the Council's regulations and/or action are not eligible uses of the affordable housing trust fund.
- u. Monitoring.
- v. The Borough of Bound Brook shall complete and return to COAH all monitoring forms included in monitoring requirements related to the collection of development fees from residential and non-residential developers, payments in lieu of constructing affordable units on site, funds from the sale of units with extinguished controls, barrier-free escrow funds, rental income, repayments from affordable housing program loans, and any other funds collected in connection with the Borough of Bound Brook's housing program, as well as to the expenditure of revenues and implementation of the plan as approved by the court. All monitoring reports shall be completed on forms designed by COAH.
- w. Ongoing collection of fees.

The ability for the Borough of Bound Brook to impose, collect and expend development fees shall expire with its judgment of compliance unless the Borough of Bound Brook has filed an adopted Housing Element and Fair Share Plan with COAH, has petitioned a judgment of compliance and has received the court's approval of its development fee ordinance. If the Borough of Bound Brook fails to renew its ability to impose and collect development fees prior to the expiration of judgment of compliance, it may be subject to forfeiture of any or all funds remaining within its municipal trust fund. Any funds so forfeited shall be deposited into the "New Jersey Affordable Housing Trust Fund" established pursuant to Section 20 of P.L.1985, c.222 (C. 53:27D-320). The Borough of Bound Brook shall not impose a residential development fee on a development that receives preliminary or final site plan approval after the expiration of its substantive certification or judgment of compliance, nor shall the Borough of Bound Brook retroactively impose a development fee on such a development. The Borough of Bound Brook shall not expend development fees after the expiration of its judgment of compliance.

SECTION 3. The Borough Clerk is directed to give notice at least ten (10) days prior to a hearing on the adoption of this Ordinance to the Somerset County Planning Board and to all other persons or entities entitled thereto pursuant to N.J.S.A. 40:55D-15 and 40:55D-62.1. The Borough Clerk shall execute any necessary Proofs of Service of the notices required by this section, and shall keep any such proofs on file along with the Proof of Publication of the notice of the required public hearing on the proposed change.

SECTION 4. After introduction, the Borough Clerk is hereby directed to submit a copy of the within Ordinance to the Planning Board for its review in accordance with N.J.S.A. 40:55D-26 and N.J.S.A. 40:55D-64. The Planning Board is directed to make and transmit to the Borough Council, within thirty-five (35) days after referral, a report including identification of any provision in the proposed Ordinance which are inconsistent with the Master Plan and recommendations concerning any inconsistencies and any other matter as the Board deems appropriate.

SECTION 5. If any paragraph, subdivision, clause or provision of this Ordinance shall be adjudged invalid, such adjudication shall apply only to the section, paragraph, subdivision, clause or provision so adjudged and the remainder of the Ordinance shall be deemed valid and effective.

SECTION 6. All ordinances or parts of ordinances inconsistent with or in conflict with this Ordinance are hereby repealed to the extent of such inconsistency.

SECTION 7. This ordinance shall take effect immediately upon: (i) adoption; and (ii) publication in accordance with the laws of the State of New Jersey.

Introduced by: _____, Seconded by: _____

Roll Call:

Approved: _____,

Borough of Bound Brook

Motion by: _____, Second by: _____

Roll Call:

By: _____

Attest: _____

Draft
Administrative Ordinance: Municipal Liaison and
Administrative Agent

**DRAFT
BOROUGH OF BOUND BROOK
SOMERSET COUNTY, NEW JERSEY
ORDINANCE 2023 -**

**AN ORDINANCE TO AMEND AND SUPPLEMENT CHAPTER 2 TITLED
ADMINISTRATION CREATING AFFORDABLE HOUSING MUNICIPAL LIAISON
AND ADMINISTRATIVE AGENT**

BE IT ORDAINED by the Governing Body of the Borough of Bound Brook, Somerset County, New Jersey that it does hereby amend, and supplement Chapter 2, “Administration” of the Borough Code as follows:

SECTION 1. Article III, is hereby amended to add §2-15 Municipal Housing Liaison as follows:

§2-15 Municipal Housing Liaison

- a. The Borough of Bound Brook shall appoint a specific municipal employee to serve as a Municipal Housing Liaison responsible for overseeing the Borough’s affordable housing program, including overseeing the administration of affordability controls on affordable units, and the affirmative marketing of available affordable units in accordance with the Borough’s Affirmative Marketing Plan, fulfilling monitoring and reporting, and supervising any contracted Administrative Agent. The Borough shall adopt an Ordinance creating the position of Municipal Housing Liaison and a Resolution appointing the person to fulfill the position of Municipal Housing Liaison. The Municipal Housing Liaison shall be appointed by resolution of the governing body and may be a full- or part-time municipal employee. The Municipal Housing Liaison shall be duly qualified through a training program sponsored by Affordable Housing Professionals of New Jersey before assuming the duties of Municipal Housing Liaison:
- b. The person appointed as the MHL must be reported to the Court and thereafter posted on the Borough’s website.
- c. The Municipal Housing Liaison shall be responsible for oversight and administration of the affordable housing program for the Borough of Bound Brook, including the following responsibilities, working in conjunction with the Administrative Agent, or the Administrative Agent appointed by a specific developer:
 1. Serving as the municipality’s primary point of contact for all inquiries from the State, affordable housing providers, Administrative Agents and interested households;
 2. When applicable, supervising any contracting Administrative Agent;
 3. Monitoring the status of all restricted units in the Borough’s Fair Share Plan;
 4. Compiling, verifying, submitting and posting all monitoring reports as required by the Court and by this Section;

5. Coordinating meetings with affordable housing providers and Administrative Agents, as needed; and
6. Attending continuing education opportunities on affordability controls, compliance monitoring and affirmative marketing at least annually and more often as needed.

SECTION 2. Article III, is hereby amended to add new section § Section 2-16, Administrative Agent as follows:

2-16 Establishment of Administrative Agent position and compensation; powers and duties.

- a. The Borough shall designate one or more Administrative Agent(s) to administer and to affirmatively market the affordable units constructed in the Borough in accordance with UHAC and this Section. An operating manual for each affordable housing program shall be provided by the Administrative Agent(s) to be adopted by resolution of the Borough Council. The operating manual(s) shall be available for public inspection in the office of the Borough Clerk, in the office of the Municipal Housing Liaison, and in the office(s) of the Administrative Agent(s). The Municipal Housing Liaison shall supervise the work of the Administrative Agent(s).
- b. An Administrative Agent may be either an independent entity serving under contract to and reporting to the Borough or reporting to a specific individual developer. The fees of the Administrative Agent shall be initially paid by the developer and then the subsequent owners thereafter of the affordable units for which the services of the Administrative Agent are required. The Borough Administrative Agent shall monitor and work with any individual Administrative Agents appointed by individual developers. The Administrative Agent(s) shall perform the duties and responsibilities of an Administrative Agent as set forth in UHAC, including those set forth in Sections 5:80-26.14, 16 and 18 thereof, which includes:

(1) Affirmative Marketing:

- (a) Conducting an outreach process to affirmatively market affordable housing units in accordance with the Affirmative Marketing Plan of the Borough of Bound Brook and the provisions of N.J.A.C. 5:80-26.15; and
- (b) Notifying the following entities of the availability of affordable housing units in the Borough of Bound Brook: Fair Share Housing Center, the New Jersey State Conference of the NAACP, the Latino Action Network, the Somerset County NAACP, Jersey Borough NAACP, Paterson NAACP, Passaic NAACP, Hoboken NAACP, the Somerset County Housing Authority, Northeast New Jersey Legal Services, Somerset Urban League, Garden State Episcopal CDC, Somerset County Housing Coalition, Fair Housing Council of Northern NJ, New Jersey Community Development, Advance Housing, Paterson Habitat for Humanity, Family Promise of Somerset County, Saint Paul's Community Development Corp., the Supportive

Housing Association of New Jersey, Islamic Center of New Jersey, Monarch Housing Associates, and the New Jersey Housing Resource Center.

(2) Household Certification:

- (a) Soliciting, scheduling, conducting and following up on interviews with interested households;
- (b) Conducting interviews and obtaining sufficient documentation of gross income and assets upon which to base a determination of income eligibility for a very low-, low- or moderate-income unit;
- (c) Providing written notification to each applicant as to the determination of eligibility or non-eligibility;
- (d) Requiring that all certified applicants for restricted units execute a certificate substantially in the form, as applicable, of either the ownership or rental certificates set forth in Appendices J and K of N.J.A.C. 5:80-26.1 et seq.;
- (e) Creating and maintaining a referral list of eligible applicant households living in the housing region and eligible applicant households with members working in the housing region where the units are located (Housing Region 1) comprising Somerset, Passaic, Hudson, and Sussex Counties;
- (f) Employing a random selection process as provided in the Affirmative Marketing Plan of the Borough of Bound Brook when referring households for certification to affordable units; and
- (g) Provide counseling or contracting to provide counseling services to very low-, low- and moderate-income applicants on subjects such as budgeting, credit issues, mortgage qualification, rental lease requirements, and landlord/tenant law.

(3) Affordability Controls:

- (a) Furnishing to attorneys or closing agents forms of deed restrictions and mortgages for recording at the time of conveyance of title of each restricted unit;
- (b) Creating and maintaining a file on each restricted unit for its control period, including the recorded deed with restrictions, recorded mortgage and note, as appropriate;
- (c) Ensuring that the removal of the deed restrictions and cancellation of the mortgage note are effectuated and properly filed with the Somerset County Register of Deeds or Somerset County Clerk's office after the termination of the affordability controls for each restricted unit;
- (d) Communicating with lenders regarding foreclosures; and

- (e) Ensuring the issuance of Continuing Certificates of Occupancy or certifications pursuant to N.J.A.C. 5:80-26.10.
- (4) Resales and Re-rentals:
- (a) Instituting and maintaining an effective means of communicating information between owners and the Administrative Agent, or any Administrative Agent appointed by a specific developer, regarding the availability of restricted units for resale or re-rental; and
 - (b) Instituting and maintaining an effective means of communicating information to low- (or very low-) and moderate-income households regarding the availability of restricted units for resale or re-rental.
- (5) Processing Requests from Unit Owners:
- (a) Reviewing and approving requests for determination from owners of restricted units who wish to take out home equity loans or refinance during the term of their ownership that the amount of indebtedness to be incurred will not violate the terms of this Section;
 - (b) Reviewing and approving requests to increase sales prices from owners of restricted units who wish to make capital improvements to the units that would affect the selling price, such authorizations to be limited to those improvements resulting in additional bedrooms or bathrooms and the depreciated cost of central air conditioning systems;
 - (c) Notifying the municipality of an owner's intent to sell a restricted unit; and
 - (d) Making determinations on requests by owners of restricted units for hardship waivers.
- (6) Enforcement:
- (a) Securing annually from the municipality a list of all for-sale affordable housing units for which tax bills are mailed to absentee owners, and notifying all such owners that they must either move back to their unit or sell it;
 - (b) Securing from all developers and sponsors of restricted units, at the earliest point of contact in the processing of the project or development, written acknowledgement of the requirement that no restricted unit can be offered, or in any other way committed, to any person, other than a household duly certified to the unit by the Administrative Agent, or any Administrative Agent appointed by a specific developer;

- (c) Posting annually, in all rental properties (including legal two-family homes), a notice as to the maximum permitted rent for affordable units, together with the telephone number of the Administrative Agent, or any Administrative Agent appointed by a specific developer, where complaints of excess rent or other charges can be made;
 - (d) Sending annual mailings to all owners of affordable dwelling units, reminding them of the notices and requirements outlined in N.J.A.C. 5:80-26.18(d)4;
 - (e) Establishing a program for diverting unlawful rent payments to the Borough's Affordable Housing Trust Fund; and
 - (f) Creating and publishing a written operating manual for each affordable housing program administered by the Administrative Agent, or any Administrative Agent appointed by a specific developer, to be approved by the Borough Council and the Court, setting forth procedures for administering the affordability controls.
- (7) Additional Responsibilities:
- (a) The Administrative Agent shall have the authority to take all actions necessary and appropriate to carry out its responsibilities hereunder.
 - (b) The Administrative Agent shall prepare monitoring reports for submission to the Municipal Housing Liaison in time to meet the Court-approved monitoring and reporting requirements in accordance with the deadlines set forth in this Ordinance.
 - (c) The Administrative Agent, or any Administrative Agent appointed by a specific developer, shall attend continuing education sessions on affordability controls, compliance monitoring, and affirmative marketing at least annually and more often as needed.

SECTION 3. The Borough Clerk is directed to give notice at least ten (10) days prior to a hearing on the adoption of this Ordinance to the Somerset County Planning Board and to all other persons or entities entitled thereto pursuant to N.J.S.A. 40:55D-15 and 40:55D-62.1. The Borough Clerk shall execute any necessary Proofs of Service of the notices required by this section, and shall keep any such proofs on file along with the Proof of Publication of the notice of the required public hearing on the proposed change.

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SECTION 5. If any paragraph, subdivision, clause or provision of this Ordinance shall be adjudged invalid, such adjudication shall apply only to the section, paragraph, subdivision, clause or provision so adjudged and the remainder of the Ordinance shall be deemed valid and effective.

SECTION 6. All ordinances or parts of ordinances inconsistent with or in conflict with this Ordinance are hereby repealed to the extent of such inconsistency.

SECTION 7. This ordinance shall take effect immediately upon: (i) adoption; and (ii) publication in accordance with the laws of the State of New Jersey.

Introduced by: _____, Seconded by: _____

Roll Call:

Approved: _____,
Borough of Bound Brook

Motion by: _____, Second by: _____

Roll Call:

By: _____

Attest: _____

Draft Manuals

DRAFT



BOROUGH OF BOUND BROOK SOMERSET COUNTY, NJ

Operating Manual
For the Administration of Affordable Housing For
Sale Units In Accordance with the Uniform Housing
Affordability Controls Regulations (UHAC)

June 12, 2025

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INTRODUCTION

This Operating Manual has been prepared to assist in the administration of for-sale units in the Borough of Bound Brook Affordable Housing 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 initial sale process and in the resale process. It describes the eligibility requirements for participation in the program, record keeping and overall program administration.

Implementation of any procedure, even if it is not included in this Operating Manual, shall be in accordance with the Federal Fair Housing Act and Equal Opportunities laws¹, the Uniform Housing Affordability Controls (UHAC) N.J.A.C. 5:80-26.1 et seq.², the substantive rules of the Council on Affordable Housing N.J.A.C. 5:93 and the affordable housing regulations of the Borough of Bound Brook (hereafter referred to as the “Regulations”).



In accordance with the Federal Fair Housing Act and Equal Opportunities laws it is unlawful to discriminate against any person making application to buy or rent a home with regard to age, race, religion, national origin, sex, handicapped or familial status.

WHAT IS AFFORDABLE HOUSING?

Affordable housing, unlike market rate housing, has affordability controls limiting the price for at least 30 years. Housing is considered “affordable” if the household pays approximately 28% or less of the household’s gross income on housing costs. Affordable housing is priced to be affordable to households earning up to 80% of the area median income for the region in which the affordable housing is located.

¹ <http://www.hud.gov/offices/fheo/FHLaws/index.cfm>

² <http://www.nj.gov/dca/affiliates/coah/regulations/uhac.html>

WHO QUALIFIES FOR AFFORDABLE HOUSING?

In order to be eligible for affordable housing in New Jersey, a household's income must be below the income limit for the region in which the affordable housing is located, either for low or moderate levels. A moderate-income household is classified as earning between 50 percent and 80 percent of the area median income. A low-income household is classified as earning less than 50 percent of area median income. The New Jersey Fair Housing Act (NJFHA) has included a new category for very low-income households, which are classified as earning less than 30 percent of area median income. Municipalities are not required to provide affordable sale housing to very low-income households.

The six housing regions are as follows:

Regions	Counties
1	Bergen, Hudson, Passaic, Sussex
2	Essex, Morris, Union, Warren
3	Hunterdon, Middlesex, Somerset
4	Mercer, Monmouth, Ocean
5	Burlington, Camden, Gloucester
6	Atlantic, Cape May, Cumberland, Salem

An applicant does not have to currently live in the region in which the applicant is interested in applying for an affordable unit. An applicant's income qualification is determined by the Region Income Limits for where the applicant wants to live.

The Borough of Bound Brook is located in Somerset County which is part of Region 3 together with Hunterdon, Middlesex Counties.

LOCAL AFFORDABLE HOUSING PROGRAMS AND OPPORTUNITIES

Opportunities for affordable housing are outlined in the adopted Borough of Bound Brook Housing Element and Fair Share Plan as amended from time to time which is available at the Borough Municipal Building located at: 230 Hamilton Street, Bound Brook, NJ, 08805 or online at: <https://boundbrook-nj.org/>

OTHER AFFORDABLE HOUSING PROGRAMS AND OPPORTUNITIES

Individuals interested in applying for affordable housing should contact the Borough of Bound Brook Municipal Housing Liaison.

The New Jersey Housing and Mortgage Finance Agency has established New Jersey's Housing Resource Center, an on-line, searchable database of affordable housing in the State. The Housing Resource Center provides a listing posted by developers, landlords, and municipalities of available affordable housing. Available units are listed with contact

and application information. Look for the Housing Resource Center at www.njhousing.gov.

Applicants who do not have access to the Internet should call the Borough of Bound Brook for assistance

FAIR HOUSING AND EQUAL HOUSING OPPORTUNITIES

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

For more information on discrimination or if anyone feels they are a victim of discrimination, please contact the New Jersey Division on Civil Rights at 1-866-405-3050 or <https://www.njoag.gov/>

OVERVIEW OF THE AFFORDABLE HOUSING ADMINISTRATION PROCESS

- The Municipal Housing Liaison serves as an initial point of contact for unsolicited calls to the municipality about affordable housing and where appropriate directs applicants to an Administrative Agent, who may be developers, nonprofit agencies, State agencies or consultants that may administer the affordable housing within the municipality.
- The Administrative Agent implements the municipality's Affirmative Marketing Plan.
- The Administrative Agent serves as the initial point of contact for all inquiries generated by the affirmative marketing efforts and sends out pre-applications to interested callers.
- Households that apply for low and moderate income housing will be prescreened by the Administrative Agent for preliminary income eligibility by comparing their total income and household size to the low and moderate income limits published by HUD or its successors and other program restrictions that may apply. All households will be notified as to their preliminary status.
-

OVERVIEW OF THE NEW SALE PROCESS

- An initial deadline date, no less than 60 days after the start of the marketing process, will be established. All of the preliminary applications received the Administrative Agent, on or before the initial deadline date, shall be deemed received on that date.
- The Administrative Agent, the developer or the affordable housing sponsor will accept these returned pre-applications for a specific period of time, for example, 30 to 90 days. At the end of this time period, all applications will go to the Administrative Agent where these applications will be randomly selected, through a lottery, to create a pool of applicants.
- The Administrative Agent pre-qualifies applicants in the applicant pool for income eligibility and sends either a rejection letter to those over income or a preliminary approval letter to those who appear income-eligible.
- When a unit becomes available, the Administrative Agent will interview the applicant households and proceed with the income qualification process. Applicant households seeking for-sale units must obtain a mortgage pre-approval.
- The Administrative Agent must notify applicant households in writing of certification or denial within 20 days of the determination. Once all documents are filed and recorded and returned to the Administrative Agent for inclusion in the file, the Administrative Agent will process a release of the original documents.
- Certified households that are approved for a for-sale affordable housing unit will work with the Administrative Agent to secure a mortgage in a timely fashion and, where applicable, obtain homeownership counseling.
- The Administrative Agent will prepare a Deed, a Recapture Mortgage and Recapture Mortgage Note, and Disclosure Statement and may attend the closing for each unit.
- The filing and recording of documents is the responsibility of the buyer's attorney, but the Administrative Agent may also elect to file the documents. Once all documents are filed and recorded and returned to the Administrative Agent for inclusion in the file, the Administrative Agent will process a release of the original documents.
- The certified household moves into the affordable ownership unit.

OVERVIEW OF THE RESALE PROCESS

When an Owner of a restricted unit wishes to sell, the sale must be processed through the Administrative Agent. At the initial date of purchase, the Owner makes a certification regarding his or her understanding of this requirement.

- The Seller submits a Preliminary Notice and Request for Maximum Sale Price (MSP).
- The Administrative Agent will respond to the Seller in writing, explaining some of the details of the process and informing the Seller of the MSP. The MSP is calculated by using HUD's Annual Regional Income Limits Chart or approved alternative, and can be estimated on the Resale Calculator at HousingQuest.com or on AHPNJ's website at <https://ahpnj.org>.
- The Seller then submits a Final Notice of Intention to Sell to the Administrative Agent.
- The Owner/Seller returns the completed "Notice of Intent to Sell" form to the Administrative Agent.

The Administrative Agent coordinates certain aspects of the sales process for affordable homes on behalf of designated municipalities. The Administrative Agent is not a real estate agent, however, and recommends that the Seller use a qualified real estate professional.

The Administrative Agent reviews the unit and any eligible capital improvements and calculates the MRP. The MRP is calculated by using AHPNJ's Resale Price Calculator, at <https://ahpnj.org/resources/updated-coah-calculators>.

- which is based on HUD's Annual Regional Income Limits Chart.
- The Administrative Agent uses the current applicant pool, which is based on a previous affirmative marketing process, or affirmatively markets the unit and conducts random selection if there is no current applicant pool.
- If the Administrative Agent maintains a pool of certified households, the first randomly selected eligible household whose household size matches the bedroom size of the available unit is sent a "Housing Opportunity Letter" inviting them to contact the Buyer to view the unit.
- If the Administrative Agent maintains a pool of preliminarily eligible households, the first series (five is a recommended standard) of eligible households that match the bedroom size of the available unit are sent a "Housing Opportunity Letter" and "Application for Certification" (including a list of required documentation) to complete.
- Interested households complete the application and generally contact the Administrative Agent for an interview. Interested eligible households are certified, and ineligible households are noticed in writing and removed from the applicant pool.
- Certified households obtain a mortgage pre-approval based on the MRP. The first randomly selected interested certified household from the applicant pool is invited to view the unit and has a limited period of time in which to make an offer (three

days is a recommended timeframe). A certified interested household makes an offer.

- The Owner/Seller and the certified interested household (now Buyer) execute a “Contract of Sale.” The Administrative Agent ensures that the Deed, Recapture Mortgage, Recapture Mortgage Note and Disclosure Statement (Appendix J) form are submitted as part of the closing package to the attorney responsible for the closing or other closing agent.
- The Administrative Agent generally attends the closing to ensure that all necessary documentation is executed and subsequently recorded in the County Clerk’s Office in the county in which the unit is located.
- Annually, the Administrative Agent shall send a mailing to the Owner of the affordable unit reminding them of the rights and requirements of owning an affordable unit.

ROLES AND RESPONSIBILITIES

Responsibilities of the Municipal Housing Liaison

The Municipal Housing Liaison is responsible for coordinating all the activities of the municipal government as it relates to the creation and administration of affordable housing units, in conjunction with the Municipal Attorney, where appropriate (see **Responsibilities of the Municipal Attorney**). The primary purpose of the Municipal Housing Liaison is to ensure that all affordable housing projects are established and administered according to the Regulations as outlined in an Operating Manual. The duties of the Municipal Housing Liaison include the following duties and may include the responsibilities for providing administrative services as described in the next Section under, **Responsibilities of an Administrative Agent**.

Monitor the status of all restricted units in the municipality’s Fair Share Plan. Regardless of any arrangements the municipality may have with one or more Administrative Agents, it is the Municipal Housing Liaison’s responsibility to know the status of all restricted units in their community.

Serve as the municipality’s primary point of contact for all inquiries from the State, Administrative Agents, developers, affordable housing sponsors, owners, property managers, and interested households. The Municipal Housing Liaison serves as the municipality’s primary point of contact on affordable housing issues. Interested applicants should be provided with information on the types of affordable units within the municipality and, where applicable, the name of the Administrative Agent that manages the units and the contact information for the Administrative Agent.

Compile, verify and submit annual reporting. Administrative Agents are responsible for collecting much of the data that is ultimately included in an annual monitoring report. However, it is the Municipal Housing Liaison’s responsibility to collect and verify this data and consolidate it into the annual report. Any requests for additional information or corrections will be directed to the Municipal Housing Liaison.

Coordinate meetings with Administrative Agents and Developers/Affordable Housing Sponsors/Owners. When a new affordable unit or series of units is in the planning process, the Municipal Housing Liaison should coordinate a meeting between the Administrative Agent and the developer, affordable housing sponsor or owner. The developer, affordable housing sponsor or owner may serve as their own Administrative Agent, if they meet the applicable requirements and are approved by the municipality. The purpose of this initial meeting is to develop a clear division of labor between the parties and to transmit any components of the Operating Manual – including copies of all affordable-housing-related local ordinances -- that have already been adopted by the municipality.

It is the responsibility of the Municipal Housing Liaison, in conjunction with the Municipal Attorney, to have the affordable housing provisions of any Master Deed and Public Offering reviewed for consistency with UHAC regulations, before they are recorded and submitted to DCA for approval.

Provide Administrative Services, unless those services are contracted out. The responsibilities for providing administrative services are described in the next Section under, **Responsibilities of an Administrative Agent.**

Responsibilities of an Administrative Agent

The primary responsibility of an Administrative Agent is to establish and enforce affordability controls and ensure that units in the Administrative Agent's portfolio are sold to eligible households. Administrative Agents must:

Secure written acknowledgement from all developers, affordable housing sponsors and owners that no restricted unit can be offered or in any other way committed to any person other than a household duly certified by the Administrative Agent.

Create and adhere to an Operating Manual. All Administrative Agents are required to follow the policies and procedures of an Operating Manual, as applicable to the scope of services they have been contracted to perform.

Implement the municipality's Affirmative Marketing Plan. The Administrative Agent, the developer, affordable housing sponsor or owner could be responsible for implementing the Affirmative Marketing Plan adopted by the municipality. At the first meeting with the Municipal Housing Liaison, Administrative Agent and the developer, affordable housing sponsor or owner, this responsibility should be discussed. Affirmative marketing includes conducting regional outreach and advertising for available affordable units. Advertising costs may also be delegated to the developer, but this must be established by ordinance and a condition of approval of the Planning Board or Zoning Board.

Accept applications from interested households. In response to marketing initiatives or by referral from the Municipal Housing Liaison, interested households will contact the Administrative Agent. The Administrative Agent will supply applicants with

applications, provide additional information on available units and accept completed applications.

Conduct random selection of applicants for sale and resale of restricted units. The Administrative Agent is responsible for conducting the random selection in accordance with the Affirmative Marketing Plan and any related local ordinances, and as described in the Operating Manual.

Create and maintain a pool of applicant households. This includes reaching out to households in the applicant pool to determine continued interest and/or changes in household size and income.

Determine eligibility of households. The task of collecting application materials and documentation from applicant households and analyzing it for eligibility is the responsibility of an Administrative Agent. A written determination on a household's eligibility must be provided within twenty (20) days of the Administrative Agent's determination of eligibility or non-eligibility. Whether or not the household is determined to be eligible for a unit, it is an Administrative Agent's responsibility to secure all information provided by the household in individual files and to maintain strict confidentiality of all information regarding that household. An Administrative Agent is required to ensure that all certified applicants execute a Disclosure Statement acknowledging the rights and requirements of owning an affordable unit, in the form of Appendix J of UHAC, as applicable.

Establish and maintain effective communication with owners and property managers. Owners and property managers of restricted units should be instructed and regularly reminded that the Administrative Agent is their primary point of contact. The Administrative Agent must immediately inform all owners and property managers of any changes to the Administrative Agent's contact information or business hours. The Administrative Agent must create and distribute annual mailings to all Owners of affordable units reminding them of the rights and requirements of owning an affordable unit.

Owners should be instructed to immediately contact the Administrative Agent in the following circumstances:

- If they are considering or have decided to sell their home.
- In the event they wish to refinance their mortgage or take out a home equity loan and, consequently, will be seeking a subordination of their mortgage.
- If they are seeking an increase in the sales price of their unit due to capital improvements.
- If they are seeking a Hardship Waiver to allow them to rent their unit.

Preserve affordability controls during the sale of restricted units. Immediately upon being notified of an Owner's intent to sell their property, an Administrative Agent should inform the Owner of the Owner's role in the marketing and sale of the home. An

Administrative Agent is responsible for extinguishing the affordability controls with the Seller and re-establishing them with the Buyer. An Administrative Agent is responsible for providing closing attorneys/agents with the appropriate legal instruments.

Ensure cancellations of Recapture Mortgages are effectuated. It is the Administrative Agent's responsibility to ensure that Recapture Mortgages are cancelled at the conclusion of the control period when the Recapture Mortgage is satisfied. If the Recapture Mortgage is being cancelled due to a sale of the property during the control period, then the Administrative Agent may wish to cancel the original Recapture Mortgage only after the Recapture Mortgage with the new Owner has been recorded.

Send out annual mailings about restrictions. Administrative Agents must annually mail to all Owners of affordable housing units a reminder of their rights and responsibilities as Owners of an affordable unit.

Ensure unit has Continuing Certificate of Occupancy at final transfer. To help ensure a healthy and safe living environment for all families, an Administrative Agent is responsible for obtaining an inspection or a certified statement from the local Building Inspector at the first sale after the expiration of the minimum affordability control period.

Serve as the custodian of all legal documents. An Administrative Agent is responsible for maintaining originals of all legal instruments for the units in their portfolio. Throughout the duration of a control period, an Administrative Agent must maintain a file containing its affordability control documents. This includes, but is not limited to, the recorded Declarations of Covenants, Conditions and Restrictions, Deed Restrictions, Deeds, Recapture Mortgages, Recapture Mortgage Notes and Disclosure Statement (Appendix J).

Serve as point of contact on all matters relating to affordability controls. It is recommended that the Administrative Agent develop a system to be notified by lenders when a unit is at risk of foreclosure. In the event of a foreclosure, the Administrative Agent should work with the foreclosing institution to ensure that the affordability controls are maintained. The Administrative Agent should seek the counsel of the municipality's attorney on legal matters that threaten the durability of the affordability controls.

Provide annual activity reports to Municipal Housing Liaison for use in the annual monitoring report. An Administrative Agent is responsible for collecting the reporting data on each unit in the Administrative Agent's portfolio.

Maintain and distribute information on HUD-approved Housing Counseling Programs.

Responsibilities of the Municipal Attorney

The Municipal Attorney assists the municipality with developing, administering, and enforcing affordability controls, including but not limited to:

- Assisting the Municipal Housing Liaison with the review of the affordable housing provisions of any Master Deed and Public Offering for consistency with UHAC regulations, before they are recorded and submitted to DCA for approval.
- Providing all reasonable and necessary assistance in support of the Administrative Agent's efforts to ensure compliance with the housing affordability controls, including reviewing legal documents and legal actions required on foreclosures and violations.

Responsibilities of Developers

When a new affordable unit or series of units is in the planning process, the developer of affordable housing should contact the Municipal Housing Liaison, who shall coordinate a meeting with the Administrative Agent, where applicable, and the developer, affordable housing sponsor or owner.

The purpose of this initial meeting is to develop a clear division of labor between the parties and to transmit any components of the Operating Manual – including copies of all municipal-related local ordinances -- that have already been adopted by the municipality.

If provided for by ordinance and made a condition of the approval of the planning board or zoning board of adjustment, the developer may be responsible for the costs of advertising affordable units.

The Administrative Agent will secure from the developer written acknowledgement that no restricted unit can be offered or in any other way committed to any person other than a household duly certified by the Administrative Agent.

Responsibilities of an Owner

Owners should read annual mailings from the Administrative Agent, and cooperate with any and all requests for information from either the Municipal Housing Liaison or the Administrative Agent.

The Owner may sell the unit only to a household that has been approved in advance and in writing by the Administrative Agent. No sale of the unit shall be lawful unless approved in advance and in writing by the Administrative Agent. No sale shall be for a consideration greater than the maximum resale price, as determined by the Administrative Agent.

When an Owner wishes to sell an affordable unit, it is the Owner's responsibility to notify the Administrative Agent and to execute a "Notice of Intent to Sell". If a potential, certified Buyer makes an offer of the maximum resale price of an affordable unit, then the Owner is obligated to enter into a sales contract with that Buyer for the sale of that unit or withdraw the "Notice of Intent to Sell".

An Owner may not rent out the Owner's unit to any other person, not even to members of the Owner's family.

The Owner shall at all times maintain the unit as his or her principal place of residence, defined as residing at the unit at least 260 days out of each calendar year.

An Owner shall make no improvements to the unit that would affect its bedroom configuration or to increase the maximum permitted resale price, except for improvements approved in advance and in writing by the Administrative Agent.

The Owner shall pay all taxes and public assessments and assessments by the condominium association levied upon or assessed against the unit, or any part thereof, when they become due and before penalties accrue.

The Owner shall pay all charges of any utility authority when they become due and before penalties accrue.

The Owner shall not permit any lien, except those approved by the Administrative Agent, to attach and remain on the property for more than 60 days.

The Owner must have approval of the Administrative Agent if they wish to refinance their mortgage or take out a home equity loan and, consequently, will be seeking a subordination of their mortgage.

In the event that any first mortgagee or other creditor of an Owner of a low- and moderate-income unit exercises its contractual or legal remedies available in the event of default or nonpayment by the Owner of a low- and moderate-income unit, the Owner shall notify the Administrative Agent in writing within 10 days of such exercise by the first mortgagee or creditor and no later than 10 days after service of any summons and complaint.

An Owner shall notify the Administrative Agent within 10 days, in writing, of any default in the performance by the Owner of any obligation under either the master deed of the condominium association, including the failure to pay any lawful and proper assessment by the condominium association, or any mortgage or other lien against the low- and moderate-income unit, which default is not cured within 60 days of the date upon which the default first occurs.

AFFIRMATIVE MARKETING

Overview of the Requirements of an Affirmative Marketing Plan

All affordable units are required to be affirmatively marketed using the Borough of Bound Brook's Affirmative Marketing Plan. An Affirmative Marketing Plan is a regional marketing strategy designed to attract households of all majority and minority groups, regardless of race, creed, color, national origin, ancestry, marital or familial status, gender, affect ional or sexual orientation, disability, age, or number of children to housing units which are being marketed by an Administrative Agent or a developer, sponsor, owner or property manager of affordable housing. The primary objectives of an Affirmative Marketing Plan are to target households who are least likely to apply for affordable housing, and to target households throughout the entire housing region in which the units are located.

Every Affirmative Marketing Plan must include all of the following:

- Publication of at least one advertisement in a newspaper of general circulation within the housing region; and
- Broadcast of at least one advertisement by radio or television throughout the housing region.
- At least one additional regional marketing strategy such as a neighborhood newspaper, religious publication, organizational newsletter, advertisement(s) with major employer(s), or notification through community and regional organizations such as non-profit, religious and civic organizations.

Costs of advertising affordable units are to be a developer's responsibility. Such a requirement must be a condition of the municipal planning board or zoning board approval and required by ordinance. If required by ordinance, the Operating Manual should include this requirement and outline a process to bill the developer for the advertising costs.

For each affordable housing opportunity within the municipality, the Affirmative Marketing Plan must include the following information:

- The address of the project and development name, if any
- The number of units, including number of sale units
- The price ranges of the sale units
- The name and contact information of the Municipal Housing Liaison, Administrative Agent or property manager
- A description of the Random Selection method that will be used to select applicants for affordable housing.
- Disclosure of required application fees, if any.

Advertisements must contain the following information for each affordable housing opportunity:

- The location of and directions to the units
- A range of prices for the housing units
- The bedroom size(s) of the units
- The maximum income permitted to qualify for the housing units

- The locations of applications for the housing units
- The business hours when interested households may obtain an application for a housing unit
- Application fees, if any

Regional Preference

The Borough of Bound Brook has by ordinance provided that households that live or work in Housing Region 3 comprised of the following counties Hunterdon, Middlesex and Somerset Counties shall be selected for an affordable housing unit before households from outside this region. Units that remain unoccupied after households who live or work in the region are exhausted, may be offered to the households outside the region.

Implementation of the Affirmative Marketing Plan

The affirmative marketing process for affordable units shall begin at least four months prior to expected occupancy. In implementing the marketing program, the Borough Administrative Agent shall undertake all of the strategies outlined in the Borough of Bound Brook Affirmative Marketing Plan. Advertising and outreach shall take place during the first week of the marketing program and each month thereafter until all the units have been sold. Applications for affordable housing shall be available in several locations in accordance with the Affirmative Marketing Plan. The time period when applications will be accepted will be posted with the applications. Applications shall be mailed to prospective applicants upon request.

An applicant pool will be maintained by the Borough of Bound Brook Administrative Agent for re-sales.

When a resale affordable unit becomes available, the applicants will be selected from the applicant pool and, if necessary, the unit will be affirmatively marketed as described above.

The selection of applicants from the applicant pool is described in more detail in this manual under Random Selection & Applicant Pool(s).

Developer, Affordable Housing Sponsor

If permitted by the municipality, the developer or affordable housing sponsor may be responsible for advertising the affordable housing in accordance with the municipality's adopted Affirmative Marketing Plan. Prior to publication or broadcast, draft copies of the marketing material must be submitted to the Municipal Housing Liaison for approval. Proof of publication must be submitted, including a copy of the final advertisements with a copy of the paid bill. Public Service Announcements shall be submitted by the municipality.

RANDOM SELECTION & APPLICANT POOL(S)

Initial Randomization

Applicants are selected at random before income-eligibility is determined, regardless of household size or desired number of bedrooms. The process is as follows:

After advertising is implemented, applications are accepted for 60 days.

At the end of the period, sealed applications are selected one-by-one through a lottery (unless fewer applications are received than the number of available units, then all eligible households will be placed in a unit).

The Administrative Agent may also pre-qualify applicants as soon as applications are received, and only place preliminarily income-eligible applications in the lottery, provided that applicants are notified in writing of eligibility and non-eligibility in advance of the lottery.

Households are informed of the date, time and location of the lottery and invited to attend. The Municipal Housing Liaison shall also be invited to attend.

An applicant pool is created by listing applicants in the order selected.

Applications are reviewed for income-eligibility. Ineligible households are informed that they are being removed from the applicant pool or given the opportunity to correct and/or update income and household information.

Eligible households are matched to available units based upon the number of bedrooms needed and any other special requirements, such as regional preference or the need for an accessible unit.

If there are sufficient names remaining in the pool to fill future resales, the applicant pool shall be closed.

When the applicant pool is close to being depleted, the Administrative Agent will re-open the pool and conduct a new random selection process after fulfilling the affirmative marketing requirements. The new applicant pool will be added to the remaining list of applicants.

Alternatively, for future resales only, the Administrative Agent can keep the applicant pool open after the initial lottery and add names to the existing list based on time and date of submission. This procedure may only be followed if the Administrative Agent engages in ongoing monthly affirmative marketing efforts according to the approved Affirmative Marketing Plan to ensure outreach to the housing region.

Randomization After Certification

Random selection is conducted when a unit is available, and only certified households seeking the type and bedroom size of the available unit are placed in the lottery. The process is as follows:

After advertising is implemented, applications are accepted for 60 days.

All applications are reviewed, and households are either certified or informed of non-eligibility. The certification is valid for 180 days and may be renewed by updating income-verification information.

Eligible households are placed in applicant pools based upon the number of bedrooms needed (and any other special requirements, such as [regional preference or] the need for an accessible unit).

It is important to note that applicants need not be present at the random selection, and that there is no advantage given those applicants who do attend.

When a unit is available, only the certified households in need of that type of unit are selected for a lottery.

Households are informed of the date, time, and location of the lottery and invited to attend.

After the lottery is conducted, the first household selected is given days to express interest or disinterest in the unit. (If the first household is not interested in the unit, this process continues until a certified household selects the unit.)

Applications are accepted on an ongoing basis, certified households are added to the pool for the appropriate household income and size categories, and advertising and outreach is ongoing, according to the Affirmative Marketing Plan.

MATCHING HOUSEHOLDS TO AVAILABLE UNITS

In referring certified households to specific restricted units, to the extent feasible, and without causing an undue delay in occupying the unit, the Administrative Agent shall strive to implement the following policies:

- Provide an occupant for each unit bedroom;
- Provide children of different sex with separate bedrooms;
- Prevent more than two persons from occupying a single bedroom;
- Require that all the bedrooms be used as bedrooms; and

- Require that a couple requesting a two-bedroom unit provide a doctor's note justifying such request.

The Administrative Agent cannot require an applicant household to take an affordable unit with a greater number of bedrooms, as long as overcrowding is not a factor.

A household can be eligible for more than one unit category and should be placed in the applicant pool for all categories for which it is eligible.

APPLICATION FEES

The Administrative Agent's fee schedule shall be fixed by ordinance adopted by the Governing Body.

HOUSEHOLD CERTIFICATION

Before any household can purchase a restricted unit, the Administrative Agent must certify the household as eligible. Certification of a household involves the verification of two critical pieces of data: 1) Household size and composition, including gender; and 2) The total income and assets for all household members over 18 years of age. The certification process begins with the applicant completing an application in its entirety and providing the required backup documentation. Once eligibility documents and data have been collected, the Administrative Agent can begin the process of calculating the household's income.

Procedure for Income-Eligibility Certification

The Administrative Agent shall require each member of an applicant household who is 18 years of age or older to provide documentation to verify their income. 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 print out letter
 - Unemployment – verification of Unemployment Benefits

- Welfare -TANF³ current award letter
- Disability - Worker's compensation letter
- 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. Restricted units constructed with Federal funds should consult the appropriate regulations, for example, HUD Section 42, to ensure compliance with applicable Federal regulations.

Income

1. Wages, salaries, tips, commissions
2. Alimony
3. Regularly scheduled overtime
4. Pensions
5. Social security

³ TANF – Temporary Assistance for Needy Families

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. Non-tuition stipends for living expenses for students.
15. Non-Governmental financial support
16. 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 persons 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 who is enrolled in a degree seeking program for 12 credit hours or more per semester; and part-time income is income earned on less than a 35-hour workweek.

The Real Estate Asset Limit

Except for federal programs, if an applicant's primary residence, which is to be sold upon purchase of an affordable unit, has no mortgage debt and is valued at or above the regional asset limit as published annually by HUD with HUD's Annual Regional Income Limits Chart, the household must be determined ineligible for certification.

However, if the applicant's existing monthly housing costs including taxes, homeowner insurance, and condominium or homeowner association fees exceed 38 percent of the household's eligible monthly income, the household will be exempt from the asset limit.

An applicant must provide a recent, Market Value Appraisal or Realtor Comparative Market Analysis, on the home they own unless the applicant has mortgage debt on the home or can demonstrate that the existing monthly housing costs exceed 38 percent of the household's eligible monthly income, in which case the applicant is exempt from the asset limit.

Before obtaining a professional appraisal, the applicant should review the property's tax appraisal and the current market value and compare it to the asset limit to avoid any unnecessary expense.

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.

Maximum Monthly Payments

The percentage of funds that a household can contribute toward housing expenses is limited. However, an applicant may qualify for an exception based on the household's

current housing cost (see below). The Administrative Agent will strive to place an applicant in a unit with a monthly housing cost equal to or less than the applicant's current housing cost.

A certified household is not permitted to purchase a unit that would require more than 33 percent of the verified household income to pay principal, interest, taxes, homeowner and private mortgage insurance and condominium or homeowner association fees, as applicable. However, at the discretion of the Administrative Agent, this limit can be exceeded if the applicant:

- Obtains a firm mortgage loan commitment at the higher level from a licensed financial institution, under terms consistent with the requirements of the New Jersey Home Ownership Security Act of 2002, N.J.S.A. 46:10B-22 et seq.; and
- Submits a certification from a non-profit counselor approved by HUD or the New Jersey Department of Banking and Insurance that the household has received counseling on the advisability of the loan transaction.

Housing Counseling

The Administrative Agent is responsible for providing housing counseling, or providing referrals for counseling, as a part of the Affirmative Marketing Plan and during the application process. Although housing counseling is recommended, a household is only required to attend counseling if their monthly housing expense exceeds UHAC standards. A HUD-approved housing counseling agency, or a counseling agency approved by the NJ Department of Banking and Insurance, meets UHAC's requirements for an experienced Housing Counseling Agency. If the Administrative Agent is not approved by HUD or by the NJ Department of Banking and Insurance, the Agent will make referrals to one of the HUD-approved housing counseling agencies in New Jersey. This counseling to low- and moderate-income housing applicants will focus on subjects such as budgeting, credit issues, and mortgage qualification, and is free of charge. A list of non-profit counselors approved by HUD and/or the New Jersey Department of Banking and Insurance is available from the Administrative Agent.

The Applicant Interview

Ideally, the prospective applicant will be available to meet with the Administrative Agent to review the certification and random selection processes in detail and ask any questions they may have about the project or the process. However, scheduling time off from work may prove burdensome to the applicant. Applicants may also have mobility issues or special needs that also pose an obstacle to an interview. Therefore, the Administrative Agent is prepared to complete the certification process via telephone and mail. If an interview is to be conducted, the Administrative Agent will attempt to achieve the following objectives:

- Confirm and update all information provided on the application.
- Explain program requirements, procedures used to verify information, and penalties for providing false information. Ask the head of household, co-head,

spouse and household members over age 18 to sign the Authorization for Release of Information forms and other verification requests.

- Review the applicant's identification and financial information and documentation, ask any questions to clarify information on the application, and obtain any additional information needed to verify the household's income.
- Make sure the applicant has reported all sources for earned and benefit income and assets (including assets disposed of for less than fair market value in the past two years). Require the applicant to give a written certification as to whether any household member did or did not dispose of any assets for less than fair market value during the past two years.
- Explain the requirement of obtaining a mortgage commitment in for-sale properties.

Records Documents 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
- Alien Registration Card

Approving or Rejecting a Household

Administrative Agents must notify applicant households of their eligibility within twenty (20) days of the Administrative Agent's determination.

Households with a verified total household income that exceeds 80 percent of the regional income limit for the appropriate family size are ineligible for purchase or rental of restricted units. A letter rejecting the household's application shall be mailed to the household.

Similarly, households with a verified total household income that is within the income limits, but too low to afford any of the units administered by the Administrative Agent shall be sent a letter rejecting the household's application, and/or referring them to housing counseling service or the local Affordability Assistance Program.

Households with a verified total household income of less than 80 percent shall be issued a letter certifying eligibility. This certification is valid for 180 days. If the Administrative

Agent is unable to place the household in a restricted unit at the conclusion of 180 days, an extension may be granted once the household's eligibility is verified.

Once the applicant is certified and matched to an available unit, the Administrative Agent must secure from the applicant a signed and notarized acknowledgement of their requirements and responsibilities in purchasing a restricted unit. UHAC's Disclosure Statement (Appendix J) shall be forwarded to the applicants.

In addition to non-eligibility based on income, the Administrative Agent may deny a certification because of the household's failure or inability to document household composition, income, assets, sufficient funds for down payment, or any other required facts and information. A household may also be denied certification if the Administrative Agent determines that there was a willful or material misstatement of fact made by the applicant.

Dismissal of Applications

Applications can be dismissed for the following reasons:

1. The application is not signed or submitted on time.
2. The applicant commits fraud, or the application is not truthful or complete.
3. The applicant cannot or does not provide documentation to verify their income or other required information when due.
4. The household income does not meet the minimum or maximum income requirements for a particular property.
5. The applicant owns assets that exceed the Asset Limit.
6. The applicant fails to respond to any inquiry in a timely manner.
7. The applicant is non-cooperative or abusive with the staff, property manager, landlords or the Sellers of affordable units.
8. The applicant changes address or other contact information without informing the Administrative Agent in writing.
9. The applicant is unable to obtain suitable and legitimate financing for a sale unit or fails to verify attendance in a homebuyer credit counseling program when required to do so by the program rules.
10. The applicant does not respond to periodic update inquiry in a timely fashion.
11. The applicant fails to sign the Compliance Certification, Certificate for Applicant, Contract for Sale, Deed Restriction as may be required.
12. The applicant, once approved, fails to close on a sale in a timely manner.

Applicants will also be removed from all lists held by the Administrative Agent once they have been approved for an affordable unit. However, these applicants may re-apply for other opportunities in that municipality once they have occupied their unit.

Applicants who are dismissed must re-apply. A minimum time period of six months applies in most situations where the applicant has been withdrawn for fraud, poor credit, uncooperative behavior or other serious matters.

Applicants are not automatically removed from sales lists if they do not respond to a Notice of Availability.

Applications may be held in abeyance for a period not to exceed 60 days if there is an error on the credit report, so that the applicant can correct the error and re-apply. Units will not be held open for that applicant. However, once the credit report is corrected, the applicant will be given a priority for the next opportunity at that property.

DETERMINING AFFORDABLE SALES PRICES

To determine the affordable sale prices the Administrative Agent uses the AHPN calculators located at <https://ahpnj.org/resources/updated-coah-calculators>.

Development Considerations and Compliance Issues

There are several regulations that must be considered from the development perspective before the sales prices of individual units can be calculated. These requirements should be discussed at the first meeting between the Municipal Housing Liaison, Administrative Agent and developer or affordable housing sponsor. The following is a summary of the requirements for ownership projects.

Bedroom Distribution. The standards on the distribution of unit sizes for affordable developments require that:

- The combined number of efficiency and one-bedroom units may be no greater than 20 percent of the total low- and moderate-income units;
- At least 30 percent of all low- and moderate-income units must be two-bedroom units;
- At least 20 percent of all low- and moderate-income units are three-bedroom units; and
- The remainder, if any, may be allocated at the discretion of the developer.

Age-restricted Units. Affordable age-restricted units are not held to these bedroom distribution standards. For affordable age-restricted units, the number of age-restricted low- and moderate-income bedrooms must be equal to or greater than the number of age-restricted units within the development. In other words, the average bedroom size in an

age-restricted development must be equal to or greater than one bedroom per unit. For example, if the overall age-restricted development is 25 percent efficiencies, and 50 percent one-bedroom units, and 25 percent two-bedroom units, that equals an overall development bedroom size of exactly one bedroom per unit. An age-restricted development can meet this standard by creating all one-bedroom units or by creating a two-bedroom unit for each efficiency unit, or any other combination that will equal a minimum of one bedroom per unit.

Pricing by Household Size. Initial sales prices and rents are based on targeted “model” household sizes for each size home as determined by the number of bedrooms. Initial sales prices and rents must adhere to the following rules. These maximum sales prices and rents are based on HUD’s Annual Regional Income Limits Chart at the time of occupancy:

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

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

The above rules are only to be used for setting initial sales prices. They are not guidelines for matching household sizes with unit sizes. The pricing of age-restricted units may not exceed affordability based on a two-person household.

Determining Maximum Initial Sales Price

To determine the affordable sale prices the Administrative Agent uses the regulations set forth in UHAC.

The maximum sales price for an ownership unit is determined by first calculating the amount that an appropriately sized household can afford for housing expenses at various income ranges. Several related expenses (homeowner insurance, private mortgage insurance (PMI), association fees and taxes) will then be subtracted from the household’s maximum monthly contribution toward housing expenses to arrive at the maximum monthly mortgage payment. The calculated mortgage amount, a five percent down payment, and the current lending rate will be used to arrive at the maximum sales price.

Additional Regulations for an Ownership Development

In addition to the regulations in the previous Section entitled **Development Considerations and Compliance Issues**, ownership developments must also comply with the following regulations:

Division of Units: Low- and Moderate-income. In each affordable ownership development, at least 50 percent of all affordable units must be affordable to low-income households. The remaining affordable units must be affordable to moderate-income households.

Affordability Average. Each affordable development must achieve an affordability average of no more than 55 percent of the regional median income for restricted ownership units. In achieving this affordability average, moderate-income ownership units must be available for at least three different prices for each bedroom type, and low-income ownership units must be available for at least two different prices for each bedroom type.

Maximum Initial Sales Price. The maximum initial sales price of restricted ownership units within each affordable development shall be affordable to households earning no more than 70 percent of the regional median income.

Condominium/Homeowner Association Fees. The master deeds of affordable developments shall provide no distinction between the condominium or homeowner association fees and special assessments paid by low- and moderate-income purchasers and those paid by market purchasers.

Determining Resale Prices

Calculating the maximum resale price (MRP) for an ownership unit involves applying the annual percentage increase corresponding with each calendar year since the Seller bought the house. No increase is permitted during the balance of the calendar year immediately after the sale. The Administrative Agent shall determine the MRP by selecting the proper county and inputting the year the home was purchased, along with the price the current Owner paid for the home. The MRP will also include a calculation to determine the maximum amount a homeowner may refinance, which requires the approval of the Administrative Agent.

Requests for Increases in Maximum Sales Price

The Seller of an ownership unit may ask the Administrative Agent to increase the sales price of their home beyond the maximum sales price under limited circumstances. Only those improvements “that render the unit suitable for a larger household or that add an additional bathroom” can increase the calculated maximum sales price. In no event shall the maximum sales price of an improved housing unit exceed the limits of affordability for the larger households.

Determining the Recapture Mortgage Amount

The amount that the Mortgage Note recaptures is the difference between the fair market value and the restricted maximum sales price. Fair market value is based on either an appraisal of its unrestricted price or the unit's equalized assessed value of its unrestricted price, at the time of each purchase. For example, if the restricted sales price of the unit is \$110,000 and the appraised unrestricted market value of the unit is \$200,000, the Recapture Mortgage Note would be for \$90,000. The Borough of Bound Brook has determined to use the appraised value to establish the amount of the Recapture Mortgage.

WAIVERS AND EXEMPTIONS

Hardship and Income Waivers

An Owner may not rent out the Owner's unit to any other person, not even to members of the Owner's family. The Administrative Agent may grant a Hardship Waiver for the following extenuating circumstances:

- The Owner's employer is temporarily sending the Owner to a work place a great distance from the Owner's home.
- The Owner is called up for military service

An Owner of a low-income unit may request that the unit be sold to a household whose income exceeds the established income eligibility criteria for a low-income household by submitting a written request for an Income Waiver to the Administrative Agent. The Owner must demonstrate that this request is consistent with the following reasons for an Income Waiver:

- The Owner has made a good faith effort to sell the unit to a certified household for 120 days in accordance with procedures required by the Administrative Agent and no certified household has made a "reasonable" offer during the 120-day period. (A "reasonable" offer is any offer at or above the maximum sale price for a new unit at the original range of affordability at the time of the current sale)
- The Owner has demonstrated a willingness to consider price offers lower than the maximum allowable resale price, taking into account current market conditions and the marketability of the unit.
- The Owner has advertised the unit's availability in newspapers and other locations likely to be noticed by potential purchasers.

The Administrative Agent may grant an Income Waiver upon demonstration that the Owner has made a good faith effort to sell the unit and subject to Administrative Agent's determining that there is an insufficient number of low-income purchasers in the market to permit prompt occupancy of the unit.

Upon receipt of a request for an Income Waiver,⁴ the municipality shall have first option to purchase the unit at the approved resale price and holding, renting or conveying it to a certified household. The municipality shall have 30 days in which to exercise this option.

The Administrative Agent shall approve or deny a Hardship Waiver in writing within 30 days of receipt all requested verification.

The Administrative Agent shall approve or deny an Income Waiver in writing within 30 days of receipt of all requested verification from the Owner that there are an insufficient number of low-income purchasers in the market to permit prompt occupancy of the units. The Income Waiver shall be provided to the Owner with a copy to the Buyer at the time of closing. The original shall be filed with the Deed. The Income Waiver is only valid for the designated resale transaction. All future resales will be in accordance with the Deed restrictions and sold to income eligible households for no more than the approved indexed resale price.

The approval of an Income Waiver for a particular resale does not guarantee receipt of the maximum resale price to the Owner.

If the Administrative Agent denies a Hardship Waiver or Income Waiver, the Owner may appeal the decision of the Administrative Agent within 30 days from the date of notification of the decision of the Administrative Agent (see **Appeals**). If a written request has not been received within 30 days following the household's receipt of notification, the denial will be final. Owners shall be required to produce documentation to support their claim.

Exempt Transactions

The following title transactions shall be deemed "non-sales" and the Administrative Agent shall provide the Owner receiving title with written confirmation of the exemption to those restrictions that determine occupancy of the unit.

- Transfer of ownership between former spouses ordered as a result of a judicial decrees of divorce or judicial decree of separation (but not including sales to third parties);
- Transfer of ownership between family members by will or intestate succession;
- Transfer of ownership through an Executor's Deed to a Class A beneficiary; and
- Transfer of ownership by Court Order.

An exempt transfer of ownership does not terminate the resale restrictions or existing liens on the property. All liens must be satisfied in full prior to subsequent resale and all subsequent resale prices must be calculated using the resale price index in compliance with the term of the affordable housing regulations.

The exempt transaction shall not be considered as a recorded transaction in calculating subsequent resale prices.

The Owner shall notify the Administrative Agent in writing of any proposed transaction that requires approval as an exempt transaction. The Owner shall supply the Administrative Agent with all necessary documentation to demonstrate that the transaction qualifies as an exemption as defined above. The Administrative Agent shall approve or deny in writing a request for a Certificate of Exemption within 15 days of the receipt of the request.

If the Administrative Agent denies the exemption, the Owner may appeal the decision of the Administrative Agent within 30 days from the date of notification of the decision of the Administrative Agent (see Appeals). If a written request has not been received within 30 days following the household's receipt of notification, the denial will be final. Owners shall be required to produce documentation to support their claim.

A Certificate of Exemption shall be filed with the Deed at the time of transfer of title.

VIOLATIONS, DEFAULTS AND REMEDIES

In the event of a threatened breach of any of the regulations governing the affordable unit by an Owner, the Administrative Agent shall have all the remedies provided at law or equity, including the right to seek injunctive relief or specific performance, it being recognized by both parties that it will cause irreparable harm to the municipality, in light of the public policies set forth in the Fair Housing Act and the obligation for the provision of low- and moderate-income housing.

Upon the occurrence of a breach of any of the regulations governing the affordable unit by an Owner, the municipality shall have all remedies provided at law or equity, including but not limited to foreclosure, acceleration of all sums due under a mortgage, recoupment of any funds from a sale in the violation of the regulations, injunctive relief to prevent further violation of the regulations, entry on the premises, and specific performance.

MAINTENANCE OF RECORDS AND APPLICANT FILES

Pursuant to N.J.A.C. 5:80-26.14(a)8, N.J.A.C. 5:80-26.15(c) and N.J.A.C. 5:80-26.17 current records must be maintained by the Administrative Agent and outdated records must be given to the municipality for safe-keeping. A file must be created and maintained on each restricted unit for its control period.

Administrative Agents maintain detailed records on all marketing initiatives.

Files To Be Maintained on Every Applicant

The Administrative Agent 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.
- Income Verification
- Letter of Certification of Eligibility or Letter of Determination of Ineligibility.

Individual files will be maintained throughout the process [*Insert if applicable* and submitted to the municipality upon termination of the program].

Files To Be Maintained on Every Unit

The Administrative Agent will maintain files on every unit for the length of the affordability controls. The unit file will contain at a minimum:

- Base sales prices
- Identification as low- or moderate-income
- Description of number of bedrooms and physical layout
- Floor plan
- Original deed restriction
- Affordability control documents, including Declarations of Covenants, Conditions and Restrictions, Deed Restrictions, Deeds, Recapture Mortgages, Recapture Mortgage Notes, Disclosure Statement (Appendix J)
- Application materials, verifications and certifications of all present owners, pertinent correspondence, any documentation of home improvement, hardship or income waivers or other approvals granted by an AA, certificate of exemption

Files To Be Maintained on Every Project

The Administrative Agent will maintain files on every project for the length of the affordability controls. The project file will contain at a minimum:

- Condominium Master Deed
- Condominium Public Offering
- Crediting Information

Files To Be Maintained on The Applicant Pool

- Any changes to the applicant pool
- Any action taken with regard to the applicant pool
- Any activity that occurs that affects a particular applicant
- Current applications for all applicants whose status is active in the applicant pool
- The application, the initial rejection notice, the applicant's reply to the notice, a copy of the Administrative Agent's final response to the applicant, and all documentation of the reason the applicant's name was removed from the applicant pool.

Monitoring

A sample Deed must be submitted for each project. Additionally, the current annual monitoring information required to be maintained and reported annually to the Municipal Housing Liaison.

The information required for each unit includes but is not limited to:

- Street Address
- Block/Lot/Qualifier/Unit Number
- Housing Type
- Income: Very Low/Low/Moderate
- Initial Sale Price
- % of affordability
- Bedroom Type
- Age-restricted
- Handicap accessible/adaptable
- Co #, date
- Effective date of affordability controls
- Length of affordability controls (yrs)
- Date Affordability controls removed
- 95/5 unit

For-sale Housing Program Audit Checklist

<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 Display 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	
<input type="checkbox"/>	Preliminary Application.	
<input type="checkbox"/>	Application Form.	
<input type="checkbox"/>	Income Verification, including spreadsheet to calculate applicant's income	
<input type="checkbox"/>	Letter of Certification of Eligibility or	
<input type="checkbox"/>	Letter of Determination of Ineligibility	
	Files To Be Maintained on Every Unit	
<input type="checkbox"/>	Base sales prices	
<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"/>	Original deed restriction	
<input type="checkbox"/>	Affordability control documents, including Declarations of Covenants, Conditions and Restrictions, Deed Restrictions, Deeds, Recapture Mortgages, Recapture Mortgage Notes, Disclosure Statement (Appendix J)	
<input type="checkbox"/>	Application materials, verifications and certifications of all present owners, pertinent correspondence, any documentation of home improvement, hardship or income waivers or other approvals granted by an AA, certificate of exemption	
	Files to Be Maintained on Every Project	
<input type="checkbox"/>	Condominium Master Deed	
<input type="checkbox"/>	Condominium Public Offering	
<input type="checkbox"/>	Crediting Information	
	MONITORING INFORMATION	
<input type="checkbox"/>	Complete Monitoring Reporting Forms	

DRAFT



Operating Manual
For the Administration of Affordable Housing
Rental Units In Accordance with the Uniform
Housing Affordability Controls Regulations (UHAC)

June 12, 2025

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INTRODUCTION

This Operating Manual has been prepared to assist in the administration of rental units in the Borough of Bound Brook Affordable Housing 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 initial rental process and in the re-rental process. It describes the eligibility requirements for participation in the program, record keeping and overall program administration.

Implementation of any procedure, even if it is not included in this Operating Manual, shall be in accordance with the Federal Fair Housing Act and Equal Opportunities laws¹, the Uniform Housing Affordability Controls (UHAC) N.J.A.C. 5:80-26.1 et seq.², N.J.A.C. 5:93 and the affordable housing regulations of the Borough of Bound Brook (hereafter referred to as the “Regulations”).



In accordance with the Federal Fair Housing Act and Equal Opportunities laws it is unlawful to discriminate against any person making application to buy or rent a home with regard to age, race, religion, national origin, sex, handicapped or familial status.

WHAT IS AFFORDABLE HOUSING?

Affordable housing, unlike market rate housing, has affordability controls limiting the price for at least 40 years. UHAC regulations considers housing “affordable” if the household pays approximately 28% or less of the household’s gross income on housing costs. Affordable housing is priced to be affordable to households earning up to 80% of the area median income for the region in which the affordable housing is located.

¹ <http://www.hud.gov/offices/fheo/FHLaws/index.cfm>

² <http://www.nj.gov/dca/affiliates/coah/regulations/uhac.html>

WHO QUALIFIES FOR AFFORDABLE HOUSING?

In order to be eligible for affordable housing in New Jersey, a household's income must be below the income limit for the region in which the affordable housing is located, either for low or moderate levels. A moderate-income household is classified as earning between 50 percent and 80 percent of the area median income. A low-income household is classified as earning less than 50 percent of area median income. Very low-income households are classified as earning less than 30 percent of area median income.

The six affordable housing regions are as follows:

Regions	Counties
1	Bergen, Hudson, Bergen, Sussex
2	Essex, Morris, Union, Warren
3	Hunterdon, Middlesex, Somerset
4	Mercer, Monmouth, Ocean
5	Burlington, Camden, Gloucester
6	Atlantic, Cape May, Cumberland, Salem

Income eligibility is established annually for each region and will be based on the criteria established by HUD for Region 3 or the applicable State of New Jersey regulatory entity should the State resume promulgation of regional income limits.

An applicant does not have to currently live in the region in which the applicant is interested in applying for an affordable unit. An applicant's income qualification is determined by the Region Income Limits for where the applicant wants to live.

LOCAL AFFORDABLE HOUSING PROGRAMS AND OPPORTUNITIES

Opportunities for affordable housing are outlined in the adopted Borough of Bound Brook Housing Element and Fair Share Plan as amended from time to time which is available at the Borough Hall located at: 230 Hamilton Street, Bound Brook, NJ or online at: <https://www.boundbrook-nj.org>.

OTHER AFFORDABLE HOUSING PROGRAMS AND OPPORTUNITIES

Individuals interested in applying for affordable housing should contact the Borough of Bound Brook Municipal Housing Liaison.

The New Jersey Housing and Mortgage Finance Agency has established New Jersey's Housing Resource Center, an on-line, searchable database of affordable housing in the State. The Housing Resource Center provides a listing posted by developers, landlords, and municipalities of available affordable housing. Available units are listed with contact and application information. Look for the Housing Resource Center at www.njhousing.gov.

Applicants who do not have access to the Internet should call the Borough of Bound Brook for assistance.

Affordable housing throughout the State of New Jersey is administered by a wide variety of organizations and agencies. Further information can be found at <http://www.nj.gov/dca/affiliates/coah/resources/looking.html>.

Individuals interested in applying for affordable housing should contact the Municipal Housing Liaison in the municipality in which they are interested in living. Each municipality has a Municipal Housing Liaison who is responsible for administering the municipality's affordable housing program. Some municipalities administer their own affordable housing and have their own application process. If not, the Municipal Housing Liaison can direct applicants to developers, nonprofit agencies, State agencies or consultants that may administer the affordable housing within the municipality. A list of Municipal Housing Liaisons can be found at:

http://www.nj.gov/dca/divisions/lps/hss/admin_files/muniliaisons.pdf

The New Jersey Housing and Mortgage Finance Agency has established New Jersey's Housing Resource Center, an on-line, searchable database of affordable housing in the State. The Housing Resource Center provides a listing posted by developers, landlords, and municipalities of available affordable housing. Available units are listed with contact and application information. Look for the Housing Resource Center at www.njhrc.gov.

The New Jersey Guide to Affordable Housing, which can be found at <http://www.state.nj.us/dca/divisions/codes/publications/guide.html>, is a listing compiled by the New Jersey Department of Community Affairs Division of Codes and Standards. It lists all types of affordable housing by county. The housing units on the list have a variety of qualification requirements, including age-restricted housing and housing for the developmentally disabled. Applicants who do not have access to the Internet should call 211 for assistance.

FAIR HOUSING AND EQUAL HOUSING OPPORTUNITIES

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

For more information on discrimination or if anyone feels they are a victim of discrimination, please contact the New Jersey Division on Civil Rights at 1-866-405-3050 or <https://www.njoag.gov/>

OVERVIEW OF THE AFFORDABLE HOUSING ADMINISTRATION PROCESS

- The Municipal Housing Liaison serves as an initial point of contact for unsolicited calls to the municipality about affordable housing and where appropriate directs applicants to an Administrative Agent, who may be developers, nonprofit agencies, State agencies or consultants that may administer the affordable housing within the municipality.
- The Administrative Agent implements the municipality's Affirmative Marketing Plan.
- The Administrative Agent serves as the initial point of contact for all inquiries generated by the affirmative marketing efforts and sends out pre-applications to interested callers.
- The Administrative Agent, the developer or the affordable housing sponsor will accept these returned pre-applications for a specific period of time, for example, 30 to 90 days. At the end of this time period, all applications will go to the Administrative Agent where these applications will be randomly selected, through a lottery, to create a pool of applicants.
- The Administrative Agent pre-qualifies applicants in the applicant pool for income eligibility and sends either a rejection letter to those over income or a preliminary approval letter to those who appear income-eligible.

- When a unit becomes available, the Administrative Agent will interview the applicant households and proceed with the income qualification process.
- The Administrative Agent must notify applicant households in writing of certification or denial within 20 days of the determination.
- Once certified, households are further screened to match household size to bedroom size.
- Certified households that are approved for a rental affordable housing unit will sign a Disclosure Statement (UHAC Appendix K) and any other applicable documents, which are held in the applicant file. Applicants then make an appointment with the leasing agent. Applicant households seeking rental units proceed with a credit check, which is generally conducted by the developer, affordable housing sponsor or landlord. If approved, the applicant will sign the lease, pay the first month's rent and the security deposit and receive the keys.
- The certified household moves into the affordable rental unit.

ROLES AND RESPONSIBILITIES

Responsibilities of the Municipal Housing Liaison

The Municipal Housing Liaison is responsible for coordinating all the activities of the municipal government as it relates to the creation and administration of affordable housing units, in conjunction with the Municipal Attorney, where appropriate (see **Responsibilities of the Municipal Attorney**). The primary purpose of the Municipal Housing Liaison is to ensure that all affordable housing projects are established and administered according to the Regulations as outlined in an Operating Manual. The duties of the Municipal Housing Liaison include the following duties, and may include the responsibilities for providing administrative services as described in the next Section under, **Responsibilities of an Administrative Agent**.

Monitor the status of all restricted units in the municipality's Fair Share Plan. Regardless of any arrangements the municipality may have with one or more Administrative Agents, however, it is the Municipal Housing Liaison's responsibility to know the status of all restricted units in their community.

Serve as the municipality's primary point of contact for all inquiries from the State, Administrative Agents, developers, affordable housing sponsors, owners, property managers, and interested households. The Municipal Housing Liaison serves as the municipality's primary point of contact on affordable housing issues. Interested applicants should be provided with information on the types of affordable units within the municipality and, where applicable, the name of the Administrative Agent that manages the units and the contact information for the Administrative Agent.

Compile, verify and submit annual reporting. Administrative Agents are responsible for collecting much of the data that is ultimately included in an annual monitoring report. However, it is the Municipal Housing Liaison's responsibility to collect and verify this data and consolidate it into the annual report. Any requests for additional information or corrections will be directed to the Municipal Housing Liaison.

Coordinate meetings with Administrative Agents and Developers/Affordable Housing Sponsors/Owners. When a new affordable unit or series of units is in the planning process, the Municipal Housing Liaison should coordinate a meeting between the Administrative Agent and the developer, affordable housing sponsor or owner. The developer, affordable housing sponsor or owner may serve as their own Administrative Agent, if they meet the applicable requirements and are approved by the municipality and COAH or successor entity. The purpose of this initial meeting is to develop a clear division of labor between the parties and to transmit any components of the Operating Manual – including copies of all affordable housing ordinances -- that have already been adopted by the municipality.

It is the responsibility of the Municipal Housing Liaison, in conjunction with the Municipal Attorney, to have the affordable housing provisions of any Master Deed and Public Offering reviewed for consistency with affordable housing and UHAC regulations, before they are recorded and submitted to DCA for approval.

Provide Administrative Services, unless those services are contracted out. The responsibilities for providing administrative services are described in the next Section under, **Responsibilities of an Administrative Agent.**

Responsibilities of an Administrative Agent

The primary responsibility of an Administrative Agent is to establish and enforce affordability controls and ensure that units in their portfolio are rented to eligible households. Administrative Agents must:

Secure written acknowledgement from all developers, affordable housing sponsors and owners that no restricted unit can be offered or in any other way committed to any person other than a household duly certified by the Administrative Agent.

Create and adhere to an Operating Manual. Administrative Agents are required to follow the policies and procedures of an Operating Manual, as applicable to the scope of services they have been contracted to perform.

Implement the municipality's Affirmative Marketing Plan. The Administrative Agent, the developer, affordable housing sponsor or owner could be responsible for implementing the Affirmative Marketing Plan adopted by the municipality. At the first meeting with the Municipal Housing Liaison, Administrative Agent and the developer, affordable housing sponsor or owner, this responsibility should be discussed. Affirmative marketing includes conducting regional outreach and advertising for available affordable units. .

Accept applications from interested households. In response to marketing initiatives or by referral from the Municipal Housing Liaison, interested households will contact the Administrative Agent. The Administrative Agent will supply applicants with applications, provide additional information on available units and accept completed applications.

Conduct random selection of applicants for rental of restricted units. The Administrative Agent is responsible for conducting the random selection in accordance with the Affirmative Marketing Plan and any related local ordinances, and as described in the Operating Manual.

Create and maintain a pool of applicant households. This includes reaching out to households in the applicant pool to determine continued interest and/or changes in household size and income.

Determine eligibility of households. The task of collecting application materials and documentation from applicant households and analyzing it for eligibility is the responsibility of an Administrative Agent. A written determination on a household's eligibility must be provided within twenty (20) days of the Administrative Agent's determination of eligibility or non-eligibility. Whether or not the household is determined to be eligible for a unit, it is an Administrative Agent's responsibility to secure all information provided by the household in individual files and to maintain strict confidentiality of all information regarding that household. An Administrative Agent is required to ensure that all certified applicants execute a Disclosure Statement acknowledging the rights and requirements of renting an affordable unit, in the form set forth in the UHAC Appendices.

Establish and maintain effective communication with property managers and landlords. Property managers and landlords of restricted units should be instructed and regularly reminded that the Administrative Agent is their primary point of contact. The Administrative Agent must immediately inform all property managers and landlords of any changes to the Administrative Agent's contact information or business hours.

Property managers and landlords should be instructed to immediately contact the Administrative Agent:

- Immediately upon learning that an affordable rental unit will be vacated.
- For review and approval of annual rental increases.

Provide annual notification of maximum rents. Each year when low- and moderate-income limits are released, rental households must be notified of the new maximum rent that may be charged for their unit. The Administrative Agent's contact information must be included on such notification in case the tenant is being overcharged.

Serve as the custodian of all legal documents. An Administrative Agent is responsible for maintaining originals of all legal instruments for the units in their portfolio. Throughout the duration of a control period, an Administrative Agent must maintain a file containing its affordability control documents. This includes, but is not limited to, the recorded Declarations of Covenants, Conditions and Restrictions, Deed Restrictions, Deeds, Recapture Mortgages, Recapture Mortgage Notes and applicable UHAC Appendix .

Serve as point of contact on all matters relating to affordability controls. It is recommended that the Administrative Agent develop a system to be notified by lenders when a unit is at risk of foreclosure. In the event of a foreclosure, the Administrative Agent should work with the foreclosing institution to ensure that the affordability controls are maintained. The Administrative Agent should seek the counsel of the municipality's attorney on legal matters that threaten the durability of the affordability controls.

Provide annual activity reports to Municipal Housing Liaison for use in the annual monitoring report. An Administrative Agent is responsible for collecting the reporting data on each unit in the Administrative Agent's portfolio.

Maintain and distribute information on HUD-approved Housing Counseling Programs.

Responsibilities of the Municipal Attorney

The Municipal Attorney assists the municipality with developing, administering, and enforcing affordability controls, including but not limited to:

- Assisting the Municipal Housing Liaison with the review of the affordable housing provisions of any Master Deed and Public Offering for consistency with affordable housing and UHAC regulations before they are recorded and submitted to DCA for approval.
- Providing all reasonable and necessary assistance in support of the Administrative Agent's efforts to ensure compliance with the housing affordability controls, including reviewing legal documents and legal actions required on foreclosures and violations.

Responsibilities of Developers

When a new affordable unit or series of units is in the planning process, the developer of affordable housing should contact the Municipal Housing Liaison who shall coordinate a meeting with the Administrative Agent, where applicable, and the developer, affordable housing sponsor or owner.

The purpose of this initial meeting is to develop a clear division of labor between the parties and to transmit any components of the Operating Manual – including copies of all

affordable housing-related local ordinances -- that have already been adopted by the municipality.

The Administrative Agent will secure from the developer written acknowledgement that no restricted unit can be offered or in any other way committed to any person other than a household duly certified by the Administrative Agent.

Responsibilities of Owners of Rental Developments

Open and direct communication between the Owners of rental developments, the Municipal Housing Liaison and the Administrative Agent is essential to ongoing administration of affordability controls. Although the Administrative Agent is required to serve as the primary point of contact with households, the Owner must provide the Municipal Housing Liaison and Administrative Agent with information on vacancies. Owners of rental developments are also responsible for working with the Administrative Agent to ensure that the Municipal Housing Liaison has all necessary information to complete the annual monitoring reports.

Responsibilities of Landlords and Property Managers

Landlords and property managers must place a notice in all rental properties annually informing residents of the rent increase for the year and the contact information for the Administrative Agent.

AFFIRMATIVE MARKETING

Overview of the Requirements of an Affirmative Marketing Plan

All affordable units are required to be affirmatively marketed using the Borough of Bound Brook's Affirmative Marketing Plan. An Affirmative Marketing Plan is a regional marketing strategy designed to attract households of all majority and minority groups, regardless of race, creed, color, national origin, ancestry, marital or familial status, gender, affectional or sexual orientation, disability, age, or number of children to housing units which are being marketed by an Administrative Agent or a developer, sponsor, owner or property manager of affordable housing. The primary objectives of an Affirmative Marketing Plan are to target households who are least likely to apply for affordable housing, and to target households throughout the entire housing region in which the units are located.

Every Affirmative Marketing Plan must include all of the following:

- Publication of at least one advertisement in a newspaper of general circulation within the housing region; and

- Broadcast of at least one advertisement by radio or television throughout the housing region.
- At least one additional regional marketing strategy such as a neighborhood newspaper, religious publication, organizational newsletter, advertisement(s) with major employer(s), or notification through community and regional organizations such as non-profit, religious and civic organizations.

Costs of advertising affordable units are to be a developer's responsibility.

For each affordable housing opportunity within the municipality, the Affirmative Marketing Plan must include the following information:

- The address of the project and development name, if any
- The number of rental units
- The price ranges of the rental units
- The name and contact information of the Municipal Housing Liaison, Administrative Agent, property manager or landlord
- A description of the Random Selection method that will be used to select applicants for affordable housing.
- Disclosure of required application fees, if any.

Advertisements must contain the following information for each affordable housing opportunity:

- The location of and directions to the units
- A range of prices for the housing units
- The bedroom size(s) of the units
- The maximum income permitted to qualify for the housing units
- The locations of applications for the housing units
- The business hours when interested households may obtain an application for a housing unit
- Application fees, if any.

Regional Preference

The Borough of Bound Brook has by ordinance provided that households that live or work in Housing Region 3 comprised of the following counties: Middlesex, Hunterdon and Somerset Counties shall be selected for an affordable housing unit before households from outside this region. Units that remain unoccupied after households who live or work in the region are exhausted, may be offered to the households outside the region.

Implementation of the Affirmative Marketing Plan

The affirmative marketing process for affordable units shall begin at least four months prior to expected occupancy. In implementing the marketing program, the City Administrative Agent shall undertake all of the strategies outlined in the Borough of Bound Brook Affirmative Marketing Plan. Advertising and outreach shall take place during the first week of the marketing program and each month thereafter until all the units have been sold. Applications for affordable housing shall be available in several locations in accordance with the Affirmative Marketing Plan. The time period when applications will be accepted will be posted with the applications. Applications shall be mailed to prospective applicants upon request.

An applicant pool will be maintained by the Borough of Bound Brook Administrative Agent for re-rentals.

When a re-rental affordable unit becomes available, applicants will be selected from the applicant pool and, if necessary, the unit will be affirmatively marketed as described above.

The selection of applicants from the applicant pool is described in more detail in this manual under **Random Selection & Applicant Pool(s)**.

Developer, Affordable Housing Sponsor, Landlord, Property Manager

If permitted by the municipality, the developer, affordable housing sponsor, landlord or property manager may be responsible for advertising the affordable housing in accordance with the municipality's adopted Affirmative Marketing Plan. Prior to publication or broadcast, draft copies of the marketing material must be submitted to the Municipal Housing Liaison for approval. Proof of publication must be submitted, including a copy of the final advertisements with a copy of the paid bill. Public Service Announcements shall be submitted by the municipality.

RANDOM SELECTION & APPLICANT POOL(S)

Initial Randomization

Applicants are selected at random before income-eligibility is determined, regardless of household size or desired number of bedrooms. The process is as follows:

After advertising is implemented, applications are accepted for 60 days. The applications are prescreened for eligibility. Applicants that are deemed, at this stage, to be ineligible are sent a notice and given an opportunity to clarify or correct any information. This will be done in writing.

The Administrative Agent may also pre-qualify applicants as soon as applications are received, and only place preliminarily income-eligible applications in the lottery, provided that applicants are notified in writing of eligibility and non-eligibility in advance of the lottery.

Prescreened applications are entered into a data base and sorted by the unit size and affordability type that is appropriate. Applicants are sent letters as to their eligibility during this preliminary application stage.

Prior to the randomized selection, a list of applicants will be sent to the Municipal Housing Liaison (MHL) in the order to which the random numbers will be applied. This list should be maintained in the file so that the MHL can verify the establishment of the order of the list in advance of the random selection.

Applicants do not have to be present at the random selection, and that there is no advantage given to those applicants who do attend.

At the end of the period, sealed applications are selected one-by-one through a lottery (unless fewer applications are received than the number of available units, then all eligible households will be placed in a unit).

Households are informed of the date, time and location of the lottery and invited to attend. The Municipal Housing Liaison shall also be invited.

An applicant pool is created by listing applicants in the order selected.

Applications are reviewed for income-eligibility. Ineligible households are informed that they are being removed from the applicant pool or given the opportunity to correct and/or update income and household information.

Eligible households are matched to available units based upon the number of bedrooms needed (and any other special requirements, such as regional preference or the need for an accessible unit).

If there are sufficient names remaining in the pool to fill future re-rental, the applicant pool shall be closed.

When the applicant pool is close to being depleted, the Administrative Agent will re-open the pool and conduct a new random selection process after fulfilling the affirmative marketing requirements. The new applicant pool will be added to the remaining list of applicants.

Alternatively, for future re-rentals only, the Administrative Agent can keep the applicant pool open after the initial lottery and add names to the existing list based on time and date of submission. This procedure may only be followed if the Administrative Agent engages in ongoing monthly affirmative marketing efforts according to the approved Affirmative Marketing Plan to ensure outreach to the housing region.

Randomization after Certification

Random selection is conducted when a unit is available, and only certified households seeking the type and bedroom size of the available unit are placed in the lottery. The process is as follows:

After advertising is implemented, applications are accepted for 60 days.

All applications are reviewed, and households are either certified or informed of non-eligibility. (The certification is valid for 180 days and may be renewed by updating income-verification information.)

Eligible households are placed in applicant pools based upon the number of bedrooms needed (and any other special requirements, such as [regional preference or] the need for an accessible unit)

When a unit is available, only the certified households in need of that type of unit are selected for a lottery.

Households are informed of the date, time, and location of the lottery and invited to attend.

After the lottery is conducted, the first household selected is given 7 days to express interest or disinterest in the unit. (If the first household is not interested in the unit, this process continues until a certified household selects the unit.)

Applications are accepted on an ongoing basis, certified households are added to the pool for the appropriate household income and size categories, and advertising and outreach is ongoing, according to the Affirmative Marketing Plan.

MATCHING HOUSEHOLDS TO AVAILABLE UNITS

In referring certified households to specific restricted units, to the extent feasible, and without causing an undue delay in occupying the unit, the Administrative Agent shall strive to implement the following policies:

- Provide an occupant for each unit bedroom;
- Provide children of different sex with separate bedrooms;
- Prevent more than two persons from occupying a single bedroom;
- Require that all the bedrooms be used as bedrooms; and

The Administrative Agent cannot require an applicant household to take an affordable unit with a greater number of bedrooms, as long as overcrowding is not a factor.

A household can be eligible for more than one unit category, and should be placed in the applicant pool for all categories for which it is eligible.

A household is placed only on one unit list for eligibility. A household may chose to change the unit type for which they are eligible within the scope of the program.

HOUSEHOLD CERTIFICATION

Before any household can rent a restricted unit, the Administrative Agent must certify the household as eligible. Certification of a household involves the verification of two critical pieces of data: 1) Household size and composition, including gender; and 2) The total income and assets for all household members over 18 years of age. The certification process begins with the applicant completing an application in its entirety and providing the required backup documentation. Once eligibility documents and data have been collected, the Administrative Agent can begin the process of calculating the household's income.

Procedure for Income-Eligibility Certification

The Administrative Agent shall require each member of an applicant household who is 18 years of age or older to provide documentation to verify their income. 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 print out letter
 - Unemployment – verification of Unemployment Benefits
 - Welfare -TANF³ 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. Restricted

³ TANF – Temporary Assistance for Needy Families

units constructed with Federal funds should consult the appropriate regulations, for example, HUD Section 42, to ensure compliance with applicable Federal regulations.

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 persons 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.

Deduction from Income

Court ordered payments for alimony or child support paid to another household shall be deducted from gross annual income

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 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.

The Real Estate Asset Limit

Except for federal programs, if an applicant's primary residence, which is to be sold upon purchase of an affordable unit, has no mortgage debt and is valued at or above the regional asset limit as published annually by AHPNJ or any successor entity as may be provided by law with Annual Regional Income Limits Chart, the household must be determined ineligible for certification.

However, if the applicant's existing monthly housing costs including taxes, homeowner insurance, and condominium or homeowner association fees exceed 38 percent of the household's eligible monthly income, the household will be exempt from the asset limit.

An applicant must provide a recent, Market Value Appraisal or Realtor Comparative Market Analysis, on the home they own unless the applicant has mortgage debt on the home or can demonstrate that the existing monthly housing costs exceed 38 percent of the household's eligible monthly income, in which case the applicant is exempt from the asset limit.

Before obtaining a professional appraisal, the applicant should review the property's tax appraisal and the current market value and compare it to the asset limit to avoid any unnecessary expense.

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.

Maximum Monthly Payments

The percentage of funds that a household can contribute toward housing expenses is limited. However, an applicant may qualify for an exception based on the household's current housing cost (see below). The Administrative Agent will strive to place an applicant in a unit with a monthly housing cost equal to or less than the applicant's current housing cost.

UHAC states that a certified household is not permitted to lease a restricted rental unit that would require more than 35 percent of the verified household income (40 percent for age-restricted units) to pay rent and utilities. However, at the discretion of the Administrative Agent, this limit may be exceeded if:

- The household currently pays more than 35 percent (40 percent for households eligible for age-restricted units) of its gross household income for rent and the proposed rent will reduce the household's housing costs;
- The household has consistently paid more than 35 percent (40 percent for households eligible for age-restricted units) of eligible monthly income for rent in the past and has proven its ability to pay;
- The household is currently in substandard or overcrowded living conditions;
- The household documents the existence of assets, with which the household proposes to supplement the rent payments; or

- The household documents proposed third party assistance from an outside source such as a family member in a form acceptable to the Administrative Agent and the Owner of the unit; and
- The household receives budget counseling.

Housing Counseling

The Administrative Agent is responsible for providing housing counseling, or providing referrals for counseling, as a part of the Affirmative Marketing Plan and during the application process. Although housing counseling is recommended, a household is only required to attend counseling if their monthly housing expense exceeds UHAC standards. A HUD-approved housing counseling agency, or a counseling agency approved by the NJ Department of Banking and Insurance, meets UHAC's requirements for an experienced Housing Counseling Agency. If the Administrative Agent is not approved by HUD or by the NJ Department of Banking and Insurance, the Agent will make referrals to one of the HUD-approved housing counseling agencies in New Jersey. This counseling to low- and moderate-income housing applicants will focus on subjects such as budgeting, credit issues, and mortgage qualification, and is free of charge. A list of non-profit counselors approved by HUD and/or the New Jersey Department of Banking and Insurance is included on COAH's website and is available from the Administrative Agent.

The Applicant Interview

Ideally, the prospective applicant will be available to meet with the Administrative Agent to review the certification and random selection processes in detail and ask any questions they may have about the project or the process. However, scheduling time off from work may prove burdensome to the applicant. Applicants may also have mobility issues or special needs that also pose an obstacle to an interview. Therefore, the Administrative Agent is prepared to complete the certification process via telephone and mail. If an interview is to be conducted, the Administrative Agent will attempt to achieve the following objectives:

- Confirm and update all information provided on the application.
- Explain program requirements, procedures used to verify information, and penalties for providing false information. Ask the head of household, co-head, spouse and household members over age 18 to sign the Authorization for Release of Information forms and other verification requests.
- Review the applicant's identification and financial information and documentation, ask any questions to clarify information on the application, and obtain any additional information needed to verify the household's income.
- Make sure the applicant has reported all sources for earned and benefit income and assets (including assets disposed of for less than fair market value in the past two

years). Require the applicant to give a written certification as to whether any household member did or did not dispose of any assets for less than fair market value during the past two years.

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
- Alien Registration Card

Approving or Rejecting a Household

Administrative Agents must notify applicant households of their eligibility within twenty (20) days of the Administrative Agent's determination.

Households with a verified total household income that exceeds 80 percent of the regional income limit for the appropriate family size are ineligible for purchase or rental of restricted units. A letter rejecting the household's application shall be mailed to the household.

Similarly, households with a verified total household income that is within the income limits, but too low to afford any of the units administered by the Administrative Agent shall be sent a letter rejecting the household's application, and/or referring them to housing counseling [*Insert if applicable* or the local Affordability Assistance Program].

Households with a verified total household income of less than 80 percent shall be issued a letter certifying eligibility. This certification is valid for 180 days. If the Administrative Agent is unable to place the household in a restricted unit at the conclusion of 180 days, an extension may be granted once the household's eligibility is verified.

Once the applicant is certified and matched to an available unit, the Administrative Agent must secure from the applicant a signed and notarized acknowledgement of their requirements and responsibilities in renting a restricted unit. UHAC's Disclosure Statement shall be forwarded to the applicants.

In addition to non-eligibility based on income, the Administrative Agent may deny a certification because of the household's failure or inability to document household composition, income, assets, sufficient funds for down payment, or any other required facts and information. A household may also be denied certification if the Administrative Agent determines that there was a willful or material misstatement of fact made by the applicant.

Dismissal of Applications

Applications can be dismissed for the following reasons:

1. The application is not signed or submitted on time.
2. The applicant commits fraud, or the application is not truthful or complete.
3. The applicant cannot or does not provide documentation to verify their income or other required information when due.
4. The household income does not meet the minimum or maximum income requirements for a particular property.
5. The applicant owns assets that exceed the Asset Limit.
6. The applicant fails to respond to any inquiry in a timely manner.
7. The applicant is non-cooperative or abusive with the staff, property manager or landlord.
8. The applicant changes address or other contact information without informing the Administrative Agent in writing.
9. The applicant does not meet the credit standard or other requirement set forth by managers of rental properties.
10. The applicant fails to verify attendance in a credit counseling program when required to do so by the program rules.
11. The applicant does not respond to periodic update inquiry in a timely fashion.
12. The applicant fails to sign the Compliance Certification, Certificate for Applicant, Lease Document, as may be required.
13. The applicant, once approved, fails to sign the lease in a timely manner.
14. Applicants will also be removed from all lists held by the Administrative Agent once they have been approved for an affordable unit. However, these applicants

may re-apply for other opportunities in that municipality once they have occupied their unit.

Applicants who are dismissed must re-apply. A minimum time period of six months applies in most situations where the applicant has been withdrawn for fraud, poor credit, uncooperative behavior or other serious matters.

Applicants are not automatically removed from rental lists if they do not respond to a Notice of Availability.

Applications may be held in abeyance for a period not to exceed 60 days if there is an error on the credit report, so that the applicant can correct the error and re-apply. Units will not be held open for that applicant. However, once the credit report is corrected, the applicant will be given a priority for the next opportunity at that property.

DETERMINING AFFORDABLE RENTS

To determine the affordable rents the Administrative Agent uses the AHPNJ calculators located at <https://ahpnj.org/resources/updated-coah-calculators>.

Development Considerations and Compliance Issues

There are several regulations that must be considered from the *development perspective* before the rents of individual units can be calculated. These requirements should be discussed at the first meeting between the Municipal Housing Liaison, Administrative Agent and developer or affordable housing sponsor. The following is a summary of the requirements for ownership projects.

Bedroom Distribution. The standards on the distribution of unit sizes for affordable developments require that:

- The combined number of efficiency and one-bedroom units may be no greater than 20 percent of the total low- and moderate-income units;
- At least 30 percent of all low- and moderate-income units must be two-bedroom units;
- At least 20 percent of all low- and moderate-income units are three-bedroom units; and
- The remainder, if any, may be allocated at the discretion of the developer.

Age-restricted Units. Affordable age-restricted units are not held to these bedroom distribution standards. For affordable age-restricted units, the number of age-restricted low- and moderate-income bedrooms must be equal to or greater than the number of age-restricted units within the development. In other words, the average bedroom size in an

age-restricted development must be equal to or greater than one bedroom per unit. For example, if the overall age-restricted development is 25 percent efficiencies, and 50 percent one-bedroom units, and 25 percent two-bedroom units, that equals an overall development bedroom size of exactly one bedroom per unit. An age-restricted development can meet this standard by creating all one-bedroom units or by creating a two-bedroom unit for each efficiency unit, or any other combination that will equal a minimum of one bedroom per unit.

Pricing by Household Size. Initial rents are based on targeted “model” household sizes for each size home as determined by the number of bedrooms. Initial rents must adhere to the following rules. These maximum sales prices and rents are based on COAH’s Annual Regional Income Limits Chart at the time of occupancy:

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

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

The above rules are only to be used for setting initial rents. They are not guidelines for matching household sizes with unit sizes. The pricing of age-restricted units may not exceed affordability based on a two-person household.

Determining Initial Rents

To determine the initial rents the Administrative Agent uses the AHPNJ calculators located at <https://ahpnj.org/resources/updated-coah-calculators>.

Additional Regulations for a Rental Development

In addition to the regulations covered earlier in the Section **Development Considerations and Compliance Issues**, rental projects must also comply with the following regulations:

Split Between Low- and Moderate-income Rental Units. At least 50 percent (of the affordable units within each bedroom distribution (unit size) must be low-income units and at least 13 percent of the affordable units within each bedroom distribution must be

affordable to households earning no more than 30 percent of the regional median income. The remainder of the affordable units must be affordable to moderate-income households.

Affordability Average. The average rent for all affordable units cannot exceed 52 percent of the regional median income. At least one rent for each bedroom type must be offered for both low-income and moderate-income units

Maximum Rent. The maximum rent of restricted rental units within each affordable development shall be affordable to households earning no more than 60 percent of the regional median income.

Determining Rent Increases

Annual rent increases are permitted in affordable units. Rent increases are permitted at the anniversary of tenancy according to NJAHP Annual Regional Income Limits Chart, available at <https://ahpnj.org/resources/updated-coah-calculators>.

These increases must be filed with and approved by the Administrative Agent. Property managers or landlords who have charged less than the permissible increase may use the maximum allowable rent with the next tenant with permission of the Administrative Agent. The maximum allowable rent would be calculated by starting with the rent schedule approved as part of initial lease-up of the development, and calculating the annual approved increase from the initial lease-up year to the present. Rents may not be increased more than once a year, may not be increased by more than one approved increment at a time, and may not be increased at the time of new occupancy if this occurs less than one year from the last rental. No additional fees may be added to the approved rent without the express written approval of the Administrative Agent.

VIOLATIONS, DEFAULTS AND REMEDIES

In the event of a threatened breach of any of the regulations governing the affordable unit by an Owner of a rental development, the Administrative Agent shall have all the remedies provided at law or equity, including the right to seek injunctive relief or specific performance, it being recognized by both parties that it will cause irreparable harm to the municipality, in light of the public policies set forth in the Fair Housing Act and the obligation for the provision of low- and moderate-income housing.

Upon the occurrence of a breach of any of the regulations governing the affordable units by an Owner of a rental development, the municipality shall have all remedies provided at law or equity, including but not limited to foreclosure, acceleration of all sums due under a mortgage, recoupment of any funds from a sale in the violation of the regulations, injunctive relief to prevent further violation of the regulations, entry on the premises, and specific performance.

MAINTENANCE OF RECORDS AND APPLICANT FILES

Pursuant to N.J.A.C. 5:80-26.14(a)8, N.J.A.C. 5:80-26.15(c) and N.J.A.C. 5:80-26.17 current records must be maintained by the Administrative Agent and outdated records must be given to the municipality for safe-keeping. A file must be created and maintained on each restricted unit for its control period.

Administrative Agents maintain detailed records on all marketing initiatives.

Files To Be Maintained on Every Applicant

The Administrative Agent 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
- Income Verification
- Letter of Certification of Eligibility or Letter of Determination of Ineligibility.

Files To Be Maintained on Every Unit

The Administrative Agent will maintain files on every unit for the length of the affordability controls. The unit file will contain at a minimum:

- Base rent
- Identification as low- or moderate-income
- Description of number of bedrooms and physical layout
- Floor plan
- Application materials, verifications and certifications of all present owners, pertinent correspondence
- Copy of lease
- Disclosure Statement

Files to Be Maintained on Every Project

The Administrative Agent will maintain files on every project for the length of the affordability controls. The project file will contain at a minimum:

- Condominium Master Deed
- Condominium Public Offering
- Crediting Information

- Original deed restriction
- Affordability control documents, including Declarations of Covenants, Conditions and Restrictions, Deed Restrictions, Deeds, Recapture Mortgages, Recapture Mortgage Notes, Disclosure Statement

Files To Be Maintained on The Applicant Pool

- Any changes to the applicant pool
- Any action taken with regard to the applicant pool
- Any activity that occurs that affects a particular applicant
- Current applications for all applicants whose status is active in the applicant pool
- The application, the initial rejection notice, the applicant's reply to the notice, a copy of the Administrative Agent's final response to the applicant, and all documentation of the reason the applicant's name was removed from the applicant pool.

Monitoring

A sample Deed must be submitted for each project. The information required for each unit includes but is not limited to:

- A sample Deed for each project.
- Street Address
- Block/Lot/Qualifier/Unit Number
- Housing Type
- Income: Very Low/Low/Moderate
- Initial Rental Price
- % of affordability
- Bedroom Type
- Age-restricted
- Handicap accessible/adaptable
- Co #, date
- Effective date of affordability controls
- Length of affordability controls (yrs)
- Date Affordability controls removed

Rental Housing Program Audit Checklist

<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 Display 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	
<input type="checkbox"/>	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	
	Files To Be Maintained on Every Unit	
<input type="checkbox"/>	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"/>	Disclosure Statement (Appendix K)	
	Files to Be Maintained on Every Project	
<input type="checkbox"/>	Condominium Master Deed	
<input type="checkbox"/>	Condominium Public Offering	
<input type="checkbox"/>	Crediting Information	
<input type="checkbox"/>	Original deed restriction	
<input type="checkbox"/>	Affordability control documents, including Declarations	
<input type="checkbox"/>	of Covenants, Conditions and Restrictions, Deed	
<input type="checkbox"/>	Restrictions, Deeds, Recapture Mortgages, Recapture	
<input type="checkbox"/>	Mortgage Notes, Appendix J	
	MONITORING INFORMATION	
<input type="checkbox"/>	Complete Monitoring Reporting Forms	

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BOROUGH OF BOUND BROOK

Housing Rehabilitation Program

Policy and Procedure Manual

June 12, 2025

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Introduction

This Rehabilitation Program Operating Manual has been prepared to assist in the administration of the Borough of Bound Brook Rehabilitation Program. It will serve as a guide to the program staff and applicants.

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.

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 1-866-405-3050 or <http://www.state.nj.us/lps/dcr/index.html>.

Section 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 very-low, low-, or moderate-income households and that the units are determined to be substandard. Owners of rental properties do not have to be very-low, 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 very-low, 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 Somerset County by the Affordable Housing Professionals of New Jersey (AHPNJ) or the applicable State of New Jersey regulatory entity should the State resume promulgation of regional income limits.

For owner-occupied units, the carrying costs of the unit (taxes, mortgage, insurance [including the rehabilitation repayment mortgage]) should meet COAH 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 program must be located in the Borough of Bound Brook.

D. CERTIFICATION OF SUBSTANDARD

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:

1. Roof
2. Plumbing (including wells)
3. Heating
4. Electrical
5. Sanitary plumbing (including septic systems)
6. Load bearing structural systems
7. Lead paint abatement
8. 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.

Section II. Available Benefits

A. PROGRAM FINANCING

Up to Twenty-five thousand and 00/100 dollars (\$25,000.00) per unit may be available for improvements to eligible owner-occupied and renter-occupied units. Municipal rehabilitation investments shall average at least \$10,000.00 for a major system. Administrative costs will be covered in accordance with the provisions of N.J.A.C. 5:93.

B. OWNER-OCCUPIED UNITS

Financing will be provided by way of a ten (10) year, interest free, forgivable loan, with funds provided from Borough Development Fees currently held by the Borough's Affordable Housing Trust Fund. If the homeowner resides in his/her unit for the ten-year period after completion of rehabilitation improvements, the loan will be forgiven. If an owner-occupied housing unit is sold prior to the end of the controls on affordability, at least part of the loan shall be recaptured and used to rehabilitate another housing unit, unless the unit is sold to a very-low, low or moderate income household at an affordable price pursuant to N.J.A.C. 5:93. In the event of the death of the homeowner, the loan is an immediate obligation of the estate and/or beneficiary of the estate unless the beneficiary meets the required income-eligibility guidelines and resides in the unit or rents to an income eligible household. Funding shall be secured by a mortgage and mortgage note to the municipality.

Paydown of Grant/Loan

The rehabilitation program of the Borough of Bound Brook and all of the requirements of the program are incorporated herein by reference.

Repayment During Year(s)	Amount of Loan/Grant to be Repaid
1 and 2	100%
3	90%
4	80%
5	65%
6	50%
7	35%
8	20%
9	10%
Ten Years and After	No Payment Required

C. RENTER-OCCUPIED UNITS

If the homeowner consents to the work being performed and signs off on the Bound Brook Rehabilitation Program and the renter meets the criteria set forth for the program, financing will be provided by way of a ten-year (10), interest free, forgivable loan, with funds provided from Borough Development Fees currently held in the Borough's Affordable Housing Trust Fund. If a renter-occupied housing unit is sold prior to the end of the controls on affordability, at least part of the loan shall be recaptured and used to rehabilitate another housing unit, unless the unit is sold to a very-low, low or moderate income household at an affordable price pursuant to N.J.A.C. 5:93. In the event of the death of the homeowner, the loan is an immediate obligation of the estate and/or beneficiary of the estate unless the beneficiary meets the required income-eligibility guidelines and resides in the unit or rents to an income eligible household. Funding shall be secured by a mortgage and mortgage note to the municipality.

D. PROGRAM AFFORDABILITY CONTROLS

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

E. OWNER-OCCUPIED AFFORDABILITY CONTROLS

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

F. 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. 5:93. Rents in rehabilitated units may increase annually based on the standards in N.J.A.C. 5:93.

G. SUBORDINATION

The municipality may agree to subordination of a loan if the mortgage company supplies an appraisal showing that the new loan plus the balance on the old loan does not exceed 95% of the appraised value of the unit. Additionally, for an owner occupied unit, the household must be re-certified as low- or moderate-income.

Section III. Eligible Property Improvements

A. ELIGIBLE 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 sewer connections and wells)
- Heating
- Electrical and cooling systems (includes hot water heater)
- Sanitary plumbing (including septic systems)
- Load bearing structural systems
- Lead paint abatement
- 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
- Exterior rain carrying system repair

B. INELIGIBLE IMPROVEMENTS

Work not eligible for program funding includes but is not limited to luxury improvements (improvements which are 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 OF 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.

Section 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:

1. The Borough of Bound Brook Building Department
2. The Borough of Bound Brook Library
3. The Borough website

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 regional income limits or, for owner occupied units, if the carrying costs of the unit (taxes, mortgage, insurance[,including the rehabilitation repayment mortgage]) exceed 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 (50%) 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 or a higher percentage) 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 a committee established by the Mayor and Council consisting of three (3) members of the Council for a hearing. Said committee 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. Said committee decision will be binding on both the applicant and the contractor.

L. FINAL INSPECTION

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.

Section 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 test¹). 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 print out letter
 - Unemployment – verification of Unemployment Benefits
 - Welfare -TANF² 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.

¹ Asset Test – N.J.A.C. 5:80-26.16(b)3 which provides that if an applicant household owns a primary residence with no mortgage on the property valued at or above the regional asset limit as published annually by COAH, a certificate of eligibility shall be denied by the administrative agent, unless the applicant’s existing monthly housing costs ...exceed 38 percent of the household’s eligible monthly income.

² TANF – Temporary Assistance for Needy Families

- 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
- Alien Registration Card

C. APPLICATION FORM

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 Dispute Resolution Program.

Section 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 Borough's 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.³ 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 fourteen (14) days. The contract will be awarded to the lowest bidder⁴, 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 ten percent (10%) of the cost estimate.

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.

³ 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.

⁴ 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.

Section 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 WILL ALSO CONTAIN THE FOLLOWING ADDITIONAL INFORMATION

- 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 FOR THE PROGRAM WHERE THE APPLICANTS CHOOSE

- 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 if applicable, 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

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	
<input type="checkbox"/>	Files To Be Maintained on Every Applicant	
<input type="checkbox"/>	Preliminary Application	
<input type="checkbox"/>	Application 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 Property	
<input type="checkbox"/>	Housing Inspection Report.	
<input type="checkbox"/>	Photographs – Before Certification of Property	
<input type="checkbox"/>	Homeowner’s Insurance	
<input type="checkbox"/>	Property Deed	
<input type="checkbox"/>	Eligibility or Determination of Ineligibility	
<input type="checkbox"/>	Work Write-Up/Cost Estimate.	
<input type="checkbox"/>	Applicant/Contractor Contract Agreement.	
<input type="checkbox"/>	Mortgage/Lien Documents.	
<input type="checkbox"/>	Copies of All Required Permits.	
<input type="checkbox"/>	Contractor Requests for Progress Payments.	
<input type="checkbox"/>	Progress Payment Inspection Reports.	
<input type="checkbox"/>	Progress Payment Vouchers.	
<input type="checkbox"/>	Change Orders (If Needed).	
<input type="checkbox"/>	Final Inspection Report.	
<input type="checkbox"/>	Photographs - After	
<input type="checkbox"/>	Certification of Completion.	
<input type="checkbox"/>	Certification of Release of Contractor’s Bond.	
<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,	
<input type="checkbox"/>	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 For 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	
<input type="checkbox"/>	Files To Be Maintained on Every Applicant	
<input type="checkbox"/>	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	
<input type="checkbox"/>	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	
<input type="checkbox"/>	Deed	

INTRODUCTION

Introduction

The purpose of this manual is to describe the policies and procedures of the Affordability Assistance Program for the Borough of Bound Brook. This manual explains what is needed for residents of the Borough to qualify for the program, in addition to outlining the operation of the program.

The Affordability Assistance Program is designed to help low and moderate-income households acquire funding to secure income restricted affordable housing within the Borough by providing a one-time deferred payment loan to offset the initial costs of securing adequate housing. This housing may be either owner occupied dwelling units or rental dwelling units.

This program provides the following options for affordability assistance:

1. Security deposit assistance – Funding equal to the required security deposit for a rental dwelling unit may be available to be paid directly to the landlord on behalf of a very low-, low-, or moderate-income tenant. This is a loan to the landlord. At the end of the duration of a lease, the security deposit shall be returned to the Borough rather than the tenant.
2. Emergency rental assistance – Funding equal to the required contract rent may be available to be paid directly to the landlord on behalf of a low or very-low-income tenant household. This is a grant payment and no repayment is required.
 - a. Emergency rental assistance is limited to a maximum of one payment per term of the lease for a low-income households, and a maximum of two payments per year for a very-low-income household.
 - b. The emergency rental assistance program shall not be available for moderate income renter households.
3. Down payment / Closing cost assistance – Funding of up to \$10,000.00 per applicant may be applied to offset the up-front costs of purchasing a home or condominium unit in Bound Brook. These funds would be a no-interest loan to

the prospective buyer, and if the buyer remains in the home for a period of at least 5 years, the loan will be forgivable.

All dwellings purchased with funds from the Affordability Assistance Program shall be subject to a thirty (30) year deed restriction to remain affordable to low- and moderate-income households.

Administration

The Affordable Housing Assistance Program will be managed by the Borough's Affordable Housing Administrative Agent. Funding provided by this program shall be distributed from the Borough's Affordable Housing Trust Fund in accordance with the Borough's adopted Affordable Housing Trust Fund Spending Plan.

ELIGIBILITY

Applications submitted for the Program will be provided and reviewed on a first-come-first-served basis according to the following criteria. The following criteria must be met in order for an applicant to be deemed eligible for this Program. Eligibility does not guarantee that any funding will be provided to applicants from this Program.

1. There are affordability assistance funds remaining in the budget for the year.
2. The applicant has not received affordability assistance from this program in the past year.
3. The applicant must qualify as a low- or moderate-income household in accordance with the most current regional income limits established by the Affordable Housing Professionals of New Jersey (AHPNJ) or the applicable State of New Jersey regulatory entity should the State resume promulgation of regional income limits for Region 1 which consists of Somerset, Hudson, Somerset and Sussex Counties.
4. For the Security Deposit Assistance Program, the applicant must lease a dwelling unit within the Borough of Bound Brook that they will maintain as their primary residence.
5. For the Emergency Rental Assistance Program, the applicant must be a low, or very low-income household and lease a deed restricted affordable dwelling unit within the Borough of Bound Brook that they maintain as their primary residence. For the Down Payment or Closing Cost Assistance Program, the applicant must be in the process of purchasing a deed-restricted affordable dwelling in the Borough;

6. For the Down Payment or Closing Cost Assistance Program, the applicant must be the owner of the property after purchase and occupy the dwelling unit as their primary residence.

PROGRAMS

Down Payment & Closing Cost Assistance Program Procedures

1. An application for funding through the Affordability Assistance Program shall be filed with the Borough's Affordable Housing Administrative Agent.
2. The Administrative Agent shall review and process the application.
3. If an applicant is certified and approved, the Administrative Agent shall notify the Borough's financial department of the intent to award the loan, and confirm the availability of funds.
4. The Administrative Agent shall prepare a draft resolution authorizing the award of the loan, specifying the amount of funds, the location and type of unit, and the specific affordability controls on the unit.
5. The Borough shall release the funds from the Affordable Housing Trust Fund to the escrow account following the approval of the resolution.
6. A Repayment Agreement, Mortgage Note, and Mortgage shall be executed at closing, and recorded by the title company.
7. The Administrative Agent shall notify the applicant of the awarding of funds, and record the assistance, and terms of the assistance, in the file for the affordable unit.

Loan Amount and Period

The maximum amount of assistance that may be provided per applicant is \$10,000.00. The loan period shall be five (5) years.

Loan Terms and Agreement

All funds are distributed at closing. The funds are sent via bank wire to either the participant's attorney or closing agent trust account. The attorney or trust account must have a business registration certificate and W-9 Tax Identification Form. The Borough must be given notice of the closing five (5) business days ahead of the closing date.

Loans for applicants to the Program shall be secured through a mortgage and mortgage note in favor of the Borough and executed by the property owner when required. The

mortgage and mortgage note, as well as a deed restriction, will be executed at closing. The terms of the mortgage are in the mortgage note, which is not recorded. The original mortgage note shall be retained by the Program Administrator and kept in the unit file. The administrative agent shall send the mortgage and deed restriction requiring recording to the Borough. Upon receipt, the Borough will file said documents with the Somerset County Clerk's office upon the completion of the closing of title.

All loans are deferred payment loans and are due in full at zero percent (0%) interest upon sale, or change in title, if said sale or change in title occurs within five (5) years of the date of closing. All repayment of loans shall be paid to the Borough's Affordable Housing Trust Fund. If the applicant remains the owner and occupant of the dwelling at the end of the five (5) year duration period of the loan, the loan shall be forgiven in full.

Insurance Requirements

The applicant must provide proof of homeowner's insurance and proof that the insurance has been paid. The homeowner's insurance must list the Borough of Bound Brook and the Borough of Bound Brook Affordability Assistance Program as additional insureds, loss payees, or additional mortgagees for the entire 5-year period of the mortgage.

All prospective applicants must have Title Insurance naming the Borough of Bound Brook and Borough of Bound Brook Affordability Assistance Program as additional insureds, loss payees, or additional mortgagees.

If the home is associated with a Condominium Association or a substantially similar entity, the Borough of Bound Brook and the Borough of Bound Brook Affordability Assistance Program shall be listed as additional insureds, loss payees, or additional mortgagees on the blanket insurance policy for the Association's property.

In the event that the property is located in a Flood Zone, flood insurance will be required listing the Borough of Bound Brook and Borough of Bound Brook Affordability Assistance Program as additional insureds, loss payees, or additional mortgagees.

Affordability Controls

All homes purchased by qualified low- or moderate-income households with assistance from the Borough's Affordability Assistance Program shall include a deed restriction which provides affordability controls indicating that the unit must remain affordable to a low- or moderate-income household for a period of at least thirty (40) years, in

accordance with the Uniform Housing Affordability Controls (UHAC) at N.J.A.C. 5:80-16.1 et seq.

Security Deposit Assistance Program Procedures

1. An application for funding through the Affordability Assistance Program shall be filed with the Borough's Affordable Housing Administrative Agent.
2. The Administrative Agent shall review and process the application.
3. In the event that there are more income-qualified applicants than there are funds available, preference shall be given to very-low-income households.
4. If an applicant is certified and approved, the Administrative Agent shall notify the Borough's financial department of the intent to award the loan, and confirm the availability of funds.
5. The Administrative Agent shall prepare a draft resolution authorizing the award of the loan, specifying the amount of funds, the location and type of unit, and the specific affordability controls on the unit.
6. The Borough shall release the funds from the Affordable Housing Trust Fund to the participating landlord following the approval of the resolution.
7. The Administrative Agent shall notify the applicant of the awarding of funds, and record the assistance, and terms of the assistance, in the file for the affordable unit.

Loan Amount and Period

The maximum amount of assistance that may be provided per applicant shall be equal to one and one-half month's contract rent, or \$2,500.00, whichever is lesser. The loan period shall be the duration of the applicant's occupancy of the dwelling unit.

Loan Terms & Repayment Agreement

All funds distributed for a security deposit shall be deposited by the landlord in an escrow account in accordance with applicable state laws. Upon the end of the applicant's tenancy in the dwelling unit, the landlord shall repay the security deposit to the Borough of Bound Brook's Affordable Housing Trust Fund.

In the event that monies are deducted from the security deposit due to damages to the dwelling unit, the tenant shall be responsible for repaying any monies deducted to the Borough's Affordable Housing Trust Fund.

Emergency Rental Assistance Program Procedures

1. An application for funding through the Affordability Assistance Program shall be filed with the Borough's Affordable Housing Administrative Agent.
2. The Administrative Agent shall review and process the application.
3. In the event that there are more income-qualified applicants than there are funds available, preference shall be given to very-low-income households.
4. If an applicant is certified and approved, the Administrative Agent shall notify the Borough's financial department of the intent to award the grant, and confirm the availability of funds.
5. The Administrative Agent shall prepare a draft resolution authorizing the award of the grant, specifying the amount of funds, the location and type of unit, and the specific affordability controls on the unit.
6. The Borough shall release the funds from the Affordable Housing Trust Fund to the participating landlord following the approval of the resolution.
7. The Administrative Agent shall notify the applicant of the awarding of funds, and record the assistance, and terms of the assistance, in the file for the affordable unit.

Funding Amount and Period

The maximum amount of assistance that may be provided per applicant shall be equal to the contracted rent for one month. As this is a grant, there is no period of repayment. For low-income households, a maximum of one award per term of the lease, or calendar year shall be permitted. For very low-income households, a maximum of two awards per term of the lease, or calendar year, shall be permitted.

Terms of Repayment Agreement

All funds distributed for emergency rental assistance shall be paid directly to the landlord and serve as payment for one month's contracted rent. No repayment of emergency rental assistance funding shall be required.

Property Eligibility

Any property that will serve as the prospective homebuyer's or renter's primary residence, and is located within the Borough of Bound Brook is an eligible property type, including but not limited to the following:

1. A single-family property (one-unit)
2. A two- to four-unit property
 - (a) If affordable housing trust funds are used to assist a purchaser to acquire one unit in a two- to four-unit property, and that unit will be the principal residence of the purchaser, the long-term affordability requirements apply to the assisted ownership unit only.
 - (b) If affordable housing trust funds are used to help a purchaser acquire one or more rental units along with the homeownership unit, then rental affordability requirements shall apply to the rental units in addition.
3. An apartment within a multi-family property
4. A condominium unit
5. A cooperative unit or a unit in a mutual housing project
6. A manufactured house
 - (a) At the time of completion, the manufactured housing must be connected to permanent utility hook-ups.
 - (b) The manufactured housing unit must be located on land that is owned by the manufactured housing unit owner, or on land for which the manufactured housing unit owner has a lease.

INCOME ELIGIBILITY AND CERTIFICATION PROCEDURE

In order to be eligible for assistance, applicants must be determined to be income eligible. All adult members of the applying household 18 years of age and older must be fully certified as income-eligible before they can receive any assistance from the Program. The Program will income qualify applicants in accordance with the Uniform Housing Affordability Controls (UHAC) at N.J.A.C. 5:80-16.1 et seq., except for the asset test. The applicant's monthly housing payment shall not exceed 40% of the applicant's adjusted monthly gross income.

Qualified Income Sources

The following are considered income and shall be included in the determination of the applicant's income eligibility:

- Wages, salaries, tips, commissions
- Interest income from assets such as savings, certificates of deposit, money market accounts, mutual funds, stocks, bonds

DRAFT



BOROUGH OF BOUND BROOK
Affirmative Marketing Program
Somerset County, New Jersey

June 12, 2025

BOROUGH OF BOUND BROOK
AFFIRMATIVE FAIR HOUSING MARKETING PLAN
For Affordable Housing in **(REGION 3)**

I. APPLICANT AND PROJECT INFORMATION

(Complete Section I individually for all developments or programs within the municipality.)

1a. Administrative Agent Name, Address, Phone Number TBD		1b. Development or Program Name, Address Borough of Bound Brook Affordable Housing Program	
1c. Number of Affordable Units: TBD Number of Rental Units: TBD Number of For-Sale Units: TBD	1d. Price or Rental Range From: TBD To: TBD	1e. State and Federal Funding Sources (if any) N/A	
1f. <input type="checkbox"/> Age Restricted <input checked="" type="checkbox"/> Non-Age Restricted	1g. Approximate Starting Dates Advertising: As Needed Occupancy: AS Appropriate		
1h. County Middlesex, Hunterdon & Somerset		1i. Census Tract(s): TBD	
1j. Managing/Sales Agent's Name, Address, Phone Number: – TBD			
1k. Application Fees (if any): TBD			

(Sections II through IV should be consistent for all affordable housing developments and programs within the municipality. Sections that differ must be described in the approved contract between the municipality and the administrative agent and in the approved Operating Manual.)

II. RANDOM SELECTION

2. Describe the random selection process that will be used once applications are received.

The Administrative Agent will assign random numbers to each affordable housing applicant for each Borough of Bound Brook affordable housing project through a computerized random number generator. Following the City's initial lottery for a given project, the lottery numbers in any subsequent lottery will begin after the last existing lottery number on the City waiting list for that project. Applicants with existing lottery numbers will retain their lottery numbers.

After the list of applications submitted for a specific project during the initial lottery period is exhausted, the priority of preliminary applications is established by the date the household submitted their preliminary application (Preapplication Date) - first come, first served.

In addition to the random number assigned to the household and/or the Preapplication date, there are other factors impacting waiting priority which are described below.

- **Regional Preference:** Applicants that indicated that they lived or work in the Borough of Bound Brook Affordable Housing Region 3 (Middlesex, Hunterdon and Somerset Counties) will be contacted first. Once those applicants are exhausted, New Jersey resident applicants outside Region 3 will be contacted. Once all New Jersey resident applicants are exhausted, applicants not living in New Jersey will be contacted.
- **Household Size:** Whenever possible, there will be at least one person for each bedroom. If the waiting list is exhausted and there are no in-region households with a person for each bedroom size, units will be offered to smaller sized in-region households that do not have a person for each bedroom. The Administrative Agent cannot require an applicant household to take an affordable unit with a greater number of bedrooms, as long as overcrowding is not a factor. A household can be eligible for more than one unit size category.
- **Fully Accessible Units:** A household with a person with physical disabilities will get preference on the waiting list for the very limited number of accessible units that might be included in a given affordable housing project. If there is more than one household with a person with physical disabilities on the waiting list, in-region households with a person for each bedroom will be contacted first. Applicants must provide a letter from their doctor stating what kind of accommodation they require as a result of their disability.

WEB SITES:

New Jersey Housing Resource Center: (<https://www.nj.gov/njhrc/>) A free online listing of affordable housing

Bound Brook: <https://www.boundbrook-nj.org> A link from municipal website

III. MARKETING

3a. Direction of Marketing Activity: (indicate which group(s) in the housing region are least likely to apply for the housing without special outreach efforts because of its location and other factors)			
<input type="checkbox"/> White (non-Hispanic) <input checked="" type="checkbox"/> Black (non-Hispanic) <input checked="" type="checkbox"/> Hispanic <input type="checkbox"/> American Indian or Alaskan Native			
<input type="checkbox"/> Asian or Pacific Islander <input type="checkbox"/> Other group:			
3b. HOUSING RESOURCE CENTER (www.njhousing.gov) A free, online listing of affordable housing			
<input checked="" type="checkbox"/>			
3c. Commercial Media (required) (Check all that applies)			
	DURATION & FREQUENCY OF OUTREACH	NAMES OF REGIONAL NEWSPAPER(S)	CIRCULATION AREA
TARGETS ENTIRE HOUSING REGION 3			
Daily Newspaper			
<input checked="" type="checkbox"/>	Once at the start of the affirmative marketing process	Star-Ledger	Northern and Central New Jersey
TARGETS PARTIAL HOUSING REGION 3			
Daily Newspaper			
<input type="checkbox"/>		Record, The	Bergen
<input type="checkbox"/>		Jersey Journal	Hudson
<input type="checkbox"/>		Herald News	Passaic
<input type="checkbox"/>		New Jersey Herald	Sussex
TARGETS PARTIAL HOUSING REGION 3			
Non-Daily Newspaper			
	DURATION & FREQUENCY OF OUTREACH	NAMES OF REGIONAL NEWSPAPER(S)	CIRCULATION AREA
<input type="checkbox"/>		Bayonne Community News	Hudson
<input type="checkbox"/>		Northern Valley Suburbanite	Northern Bergen
<input type="checkbox"/>		Teaneck Suburbanite	Teaneck, Bergen
<input type="checkbox"/>		Twin Boro News	Northern Bergen
<input type="checkbox"/>		Shopper News	Bergen
<input type="checkbox"/>		The Ramsey Reporter	Ramsey, Bergen
<input type="checkbox"/>		The Town Journal	Franklin Lakes, Bergen
<input type="checkbox"/>		The Village Gazette	Ridgewood, Bergen
<input type="checkbox"/>		Messenger	Garfield, Bergen

<input type="checkbox"/>		Observer	Hasbrouck Heights, Bergen
<input type="checkbox"/>		Weekly News	Hasbrouck Heights, Bergen
<input type="checkbox"/>		Hawthorne Press	Hawthorne, Passaic
<input type="checkbox"/>		Journal America	Passaic
<input type="checkbox"/>		Hoboken Reporter	Hoboken, Hudson
<input type="checkbox"/>		Hudson Current	Hudson
<input type="checkbox"/>		Jersey City Register	Hudson
<input type="checkbox"/>		The Shoppers' Friend	Sussex
<input type="checkbox"/>		The Commercial Leader	Lyndhurst, Bergen
<input type="checkbox"/>		North Bergen Register	Hudson
<input type="checkbox"/>		Secaucus Reporter	Secaucus, Hudson
<input type="checkbox"/>		Weehawken Reporter	Weehawken, Hudson
<input type="checkbox"/>		West New York/Union City Reporter	West New York/Union City, Hudson
<input type="checkbox"/>		Observer	Hudson
<input type="checkbox"/>		The Commercial Leader	Lyndhurst, Bergen
<input type="checkbox"/>		The Leader Free Press	Lyndhurst, Bergen
<input type="checkbox"/>		News Leader of Rutherford	Rutherford, Bergen
<input type="checkbox"/>		North Arlington Leader	North Arlington, Bergen
<input type="checkbox"/>		Our Town	Maywood, Bergen
<input type="checkbox"/>		The Ridgewood Times – Zone 2	Midland Park/Ridgewood, Bergen
<input type="checkbox"/>		The Villadom Times Midland Park	Midland Park/Ridgewood, Bergen
<input type="checkbox"/>		The Palisadian	Bergen
<input type="checkbox"/>		Aim Community News/Aim Action Ads	Passaic
<input type="checkbox"/>		Shoppers Guide to Sussex County	Sussex
<input type="checkbox"/>		Bergen News	Bergen
<input type="checkbox"/>		Press Journal	Palisades Park, Bergen
<input type="checkbox"/>		Korean Bergen News	Bergen
<input type="checkbox"/>		Sun Bulletin	Bergen
<input type="checkbox"/>		News Beacon	Paramus
<input type="checkbox"/>		Slovak Catholic Falcon	(Slovak/English) Passaic
<input type="checkbox"/>		Independence News	Passaic

<input type="checkbox"/>		Home and Store News	Bergen
<input type="checkbox"/>		Our Town	Northern Bergen
<input type="checkbox"/>		The Glen Rock Gazette	Glen Rock, Bergen
<input type="checkbox"/>		Ridgewood News	Ridgewood, Bergen
<input type="checkbox"/>		Suburban News	Northern Bergen
<input type="checkbox"/>		Town News	Northern Bergen
<input type="checkbox"/>		Wyckoff Suburban News	Wyckoff, Bergen
<input type="checkbox"/>		The South Bergenite	Southern Bergen
<input type="checkbox"/>		Secaucus Home News	Secaucus, Hudson
<input type="checkbox"/>		The Advertiser	Sussex
<input type="checkbox"/>		The Advertiser News	Sussex
<input type="checkbox"/>		Sparta Independent	Sparta, Sussex
<input type="checkbox"/>		Sussex County Chronicle	Sparta, Sussex
<input type="checkbox"/>		The Connection Newspaper	Southern Bergen
<input type="checkbox"/>		Jewish Community News	(Jewish) Bergen
<input type="checkbox"/>		Jewish Standard	(Jewish) Bergen
<input type="checkbox"/>		Avance	(Spanish) Hudson
<input type="checkbox"/>		Continental	(Spanish) Hudson
<input type="checkbox"/>		La Tribuna de North Jersey	(Spanish) Hudson
<input type="checkbox"/>		The Argus	West Paterson, Passaic
<input type="checkbox"/>		Suburban Life	Passaic
<input type="checkbox"/>		Today Newspaper	Passaic
<input type="checkbox"/>		Community Life	Northern Bergen
<input type="checkbox"/>		Wood Ridge Independent	Wood Ridge

TARGETS ENTIRE HOUSING REGION 3

	DURATION & FREQUENCY OF OUTREACH	NAMES OF REGIONAL TV STATION(S)	CIRCULATION AREA AND/OR RACIAL/ETHNIC IDENTIFICATION OF READERS/AUDIENCE
<input type="checkbox"/>		2 WCBS-TV Cbs Broadcasting Inc.	NYC Metropolitan Area
<input type="checkbox"/>		4 WNBC NBC Telemundo License Co. (General Electric)	NYC Metropolitan Area
<input type="checkbox"/>		5 WNYW Fox Television Stations, Inc. (News Corp.)	NYC Metropolitan Area

<input type="checkbox"/>		7 WABC-TV American Broadcasting Companies, Inc (Walt Disney)	NYC Metropolitan Area
<input type="checkbox"/>		11 WPIX Wpix, Inc. (Tribune)	NYC Metropolitan Area
<input type="checkbox"/>		13 Wpix, Inc. (Tribune) Educational Broadcasting Corporation	NYC Metropolitan Area
<input type="checkbox"/>		25 WNYE-TV New York City Dept. Of Info Technology & Telecommunications	NYC Metropolitan Area
<input type="checkbox"/>		31 WPXN-TV Paxson Communications License Company, Llc	NYC Metropolitan Area
<input type="checkbox"/>		41 WXTV Wxtv License Partnership, G.p. (Univision Communications Inc.)	NYC Metropolitan Area, Spanish-language
<input type="checkbox"/>		47 WNJU NBC Telemundo License Co. (General Electric)	NYC Metropolitan Area, Spanish-language
<input type="checkbox"/>		50 WNJN New Jersey Public Broadcasting Authority	New Jersey
<input type="checkbox"/>		62 WRNN-TV Wrnn License Company, Llc	Hudson Valley
<input type="checkbox"/>		63 WMBC-TV Mountain Broadcating Corporation	Northern New Jersey, Various ethnic
<input type="checkbox"/>		66 WFME-TV Family Stations Of New Jersey, Inc.	Northern New Jersey, Christian
<input type="checkbox"/>		68 WFUT-TV Univision New York Llc	NYC Metropolitan Area, Spanish-language
TARGETS PARTIAL HOUSING REGION 3			
<input type="checkbox"/>		8 WTNH Wtnh Broadcasting, Inc. (LIN TV Corp.)	Bergen
<input type="checkbox"/>		49 WEDW Connecticut Public Broadcasting, Inc.	Bergen
<input type="checkbox"/>		17 WEBR-CA K Licensee, Inc.	Bergen, Hudson (Christian)
<input type="checkbox"/>		26 WNXV-LP Island Broadcasting Company	Bergen, Hudson
<input type="checkbox"/>		32 WXNY-LP Island Broadcasting Company	Bergen, Hudson
<input type="checkbox"/>		35 WNYX-LP Island Broadcasting Company	Bergen, Hudson
<input type="checkbox"/>		39 WNYN-LP Island Broadcasting Company	Bergen, Hudson (Spanish)
<input type="checkbox"/>		21 WLIW Educational Broadcasting Corporation	Bergen, Hudson, Passaic
<input type="checkbox"/>		60 W60AI Ventana Television, Inc.	Bergen, Hudson, Passaic
<input type="checkbox"/>		6 WNYZ-LP Island Broadcasting Co.	Bergen, Sussex
<input type="checkbox"/>		22 WMBQ-CA Renard Communications Corp.	Hudson
<input type="checkbox"/>		34 WPXO-LP	Hudson

		Paxson Communications License Company, Llc	
<input type="checkbox"/>		42 WKOB-LP Nave Communications, Llc	Hudson (Christian)
<input type="checkbox"/>		3 WBQM-LP Renard Communications Corp.	Hudson, Sussex
<input type="checkbox"/>		52 WNJT New Jersey Public Broadcasting Authority	Hudson, Sussex
<input type="checkbox"/>		28 WBRE-TV Nexstar Broadcasting, Inc.	Passaic, Sussex
<input type="checkbox"/>		36 W36AZ New Jersey Public Broadcasting Authority	Passaic, Sussex
<input type="checkbox"/>		16 WNEP-TV New York Times Co.	Sussex
<input type="checkbox"/>		22 WYOU Nexstar Broadcasting, Inc.	Sussex
<input type="checkbox"/>		23 W23AZ Centenary College	Sussex
<input type="checkbox"/>		38 WSWB Mystic Television of Scranton Llc	Sussex
<input type="checkbox"/>		39 WLVT-TV Lehigh Valley Public Telecommunications Corp.	Sussex
<input type="checkbox"/>		44 WVIA-TV Ne Pa Ed Tv Association	Sussex
<input type="checkbox"/>		49 W49BE New Jersey Public Broadcasting Authority	Sussex
<input type="checkbox"/>		56 WOLF-TV Wolf License Corp	Sussex
<input type="checkbox"/>		60 WBPH-TV Sonshine Family Television Corp	Sussex
<input type="checkbox"/>		64 WQPX Paxson Communications License Company, Llc (Ion Media Networks)	Sussex
<input type="checkbox"/>		69 WFMZ-TV Maranatha Broadcasting Company, Inc.	Sussex

	DURATION & FREQUENCY OF OUTREACH	NAMES OF CABLE PROVIDER(S)	BROADCAST AREA
TARGETS PARTIAL HOUSING REGION 3			
<input type="checkbox"/>		Time Warner Cable of Bergen & Hudson Counties	Partial Bergen
<input type="checkbox"/>		Comcast of the Meadowlands	Partial Bergen
<input type="checkbox"/>		Cablevision of New Jersey, Oakland, Ramapo, and Rockland	Partial Bergen
<input type="checkbox"/>		US Cable of Paramus-Hillsdale	Partial Bergen
<input type="checkbox"/>		Cablevision of NJ (Bayonne System), Hudson	Partial Hudson
<input type="checkbox"/>		Comcast of Jersey City, Meadowlands, NJ (Union System)	Partial Hudson

<input type="checkbox"/>		Time Warner Cable of Bergen & Hudson Counties	Partial Hudson
<input type="checkbox"/>		Cablevision of Oakland, Paterson	Partial Passaic
<input type="checkbox"/>		Hometown Online	Partial Passaic
<input type="checkbox"/>		Cable Vision of Morris, Warwick	Partial Sussex
<input type="checkbox"/>		Hometown Online	Partial Sussex
<input type="checkbox"/>		Service Electric Broadband Cable	Partial Sussex

	DURATION & FREQUENCY OF OUTREACH	NAMES OF REGIONAL RADIO STATION(S)	BROADCAST AREA AND/OR RACIAL/ETHNIC IDENTIFICATION OF READERS/AUDIENCE
TARGETS ENTIRE HOUSING REGION 3			
AM			
<input type="checkbox"/>		WFAN 660	
<input type="checkbox"/>		WOR 710	
<input type="checkbox"/>		WABC 770	
<input type="checkbox"/>		WCBS 880	
<input type="checkbox"/>		WBBR 1130	
FM			
<input type="checkbox"/>		WFNY-FM 92.3	
<input type="checkbox"/>		WPAT-FM 93.1	Spanish
<input type="checkbox"/>		WNYC-FM 93.9	
<input type="checkbox"/>		WFME 94.7	Christian
<input type="checkbox"/>		WPLJ 95.5	
<input type="checkbox"/>		WQXR-FM 96.3	
<input type="checkbox"/>		WQHT 97.1	
<input type="checkbox"/>		WSKQ-FM 97.9	Spanish
<input type="checkbox"/>		WAWZ 99.1	Christian
<input type="checkbox"/>		WBAI 99.5	
<input type="checkbox"/>		WHTZ 100.3	
<input type="checkbox"/>		WHUD 100.7	
<input type="checkbox"/>		WCBS-FM 101.1	
<input type="checkbox"/>		WQCD 101.9	
<input type="checkbox"/>		WNEW 102.7	

<input type="checkbox"/>		WKTU 103.5	
<input type="checkbox"/>		WAXQ 104.3	
<input type="checkbox"/>		WWPR-FM 105.1	
<input type="checkbox"/>		WLTW 106.7	
<input type="checkbox"/>		WBLS 107.5	
TARGETS PARTIAL HOUSING REGION 3			
AM			
<input type="checkbox"/>		WEEX 1230	Bergen
<input type="checkbox"/>		WKDM 1380	Bergen, Hudson (Chinese/ Mandarin)
<input type="checkbox"/>		WMCA 570	Bergen, Hudson, Passaic (Christian)
<input type="checkbox"/>		WNYC 820	Bergen, Hudson, Passaic
<input type="checkbox"/>		WRKL 910	Bergen, Hudson, Passaic (Polish)
<input type="checkbox"/>		WPAT 930	Bergen, Hudson, Passaic (Caribbean, Mexican, Mandarin)
<input type="checkbox"/>		WWDJ 970	Bergen, Hudson, Passaic (Christian)
<input type="checkbox"/>		WINS 1010	Bergen, Hudson, Passaic
<input type="checkbox"/>		WEPN 1050	Bergen, Hudson, Passaic
<input type="checkbox"/>		WVNJ 1160	Bergen, Hudson, Passaic
<input type="checkbox"/>		WLIB 1190	Bergen, Hudson, Passaic (Christian)
<input type="checkbox"/>		WADO 1280	Bergen, Hudson, Passaic (Spanish)
<input type="checkbox"/>		WWRV 1330	Bergen, Hudson, Passaic (Spanish)
<input type="checkbox"/>		WNSW 1430	Bergen, Hudson, Passaic (Portuguese)
<input type="checkbox"/>		WZRC 1480	Bergen, Hudson, Passaic (Chinese/Cantonese)
<input type="checkbox"/>		WQEW 1560	Bergen, Hudson, Passaic
<input type="checkbox"/>		WWRL 1600	Bergen, Hudson, Passaic
<input type="checkbox"/>		WWRU 1660	Bergen, Hudson, Passaic (Korean)
<input type="checkbox"/>		WMTR 1250	Passaic
<input type="checkbox"/>		WGHT 1500	Passaic
<input type="checkbox"/>		WNNJ 1360	Sussex
FM			
<input type="checkbox"/>		WSOU 89.5	Bergen, Hudson
<input type="checkbox"/>		WCAA 105.9	Bergen, Hudson (Latino)
<input type="checkbox"/>		WBGO 88.3	Bergen, Hudson, Passaic

<input type="checkbox"/>		WFDU 89.1	Bergen, Hudson, Passaic
<input type="checkbox"/>		WKCR-FM 89.9	Bergen, Hudson, Passaic
<input type="checkbox"/>		WNYU-FM 89.1	Bergen, Hudson, Passaic
<input type="checkbox"/>		WFUV 90.7	Bergen, Hudson, Passaic
<input type="checkbox"/>		WFMU 91.1	Bergen, Hudson, Passaic
<input type="checkbox"/>		WNYE 91.5	Bergen, Hudson, Passaic
<input type="checkbox"/>		WRKS 98.7	Bergen, Hudson, Sussex
<input type="checkbox"/>		WRTN 93.5	Bergen, Hudson, Sussex
<input type="checkbox"/>		WHCR-FM 90.3	Bergen, Passaic
<input type="checkbox"/>		WPSC-FM 88.7	Passaic
<input type="checkbox"/>		WRHV 88.7	Passaic
<input type="checkbox"/>		WNJP 88.5	Sussex
<input type="checkbox"/>		WNTI 91.9	Sussex
<input type="checkbox"/>		WCTO 96.1	Sussex
<input type="checkbox"/>		WSUS 102.3	Sussex
<input type="checkbox"/>		WNNJ-FM 103.7	Sussex
<input type="checkbox"/>		WDHA -FM 105.5	Sussex
<input type="checkbox"/>		WWYY 107.1	Sussex

3d. Other Publications (such as neighborhood newspapers, religious publications, and organizational newsletters) (Check all that applies)				
	NAME OF PUBLICATIONS	OUTREACH AREA	RACIAL/ETHNIC IDENTIFICATION OF READERS/AUDIENCE	
TARGETS ENTIRE HOUSING REGION 3				
Bi-weekly				
<input type="checkbox"/>		Al Manassah		Arab-American
Monthly				
<input type="checkbox"/>		Sino Monthly	North Jersey/NYC area	Chinese-American

TARGETS PARTIAL HOUSING REGION 1				
Daily				
<input type="checkbox"/>		24 Horas	Bergen, Essex, Hudson, Middlesex, Passaic, Union Counties	Portuguese-Language
Weekly				
<input type="checkbox"/>		Arab Voice Newspaper	North Jersey/NYC area	Arab-American
<input type="checkbox"/>		La Voz	Hudson, Union, Middlesex Counties	Cuban community
<input type="checkbox"/>		Italian Tribune	North Jersey/NYC area	Italian community
<input type="checkbox"/>		Jewish Standard	Bergen, Passaic, Hudson Counties	Jewish community
<input type="checkbox"/>		El Especialito	Union City	Spanish-Language
<input type="checkbox"/>		El Nuevo	Hudson County	Spanish-Language
<input type="checkbox"/>		La Tribuna Hispana	Basking Ridge, Bound Brook, Clifton, East Rutherford, Elizabeth, Fort Lee, Greebrook, Linden, Lydenhurst, Newark, North Plainfield, Orange, Passaic, Paterson, Plainfield, Roselle, Scotch Plains, Union, Union City, West NY	Spanish-Language
X		Su Guia	Bergen and Passaic	Spanish-Language
<input type="checkbox"/>		Banda Oriental Latinoamérica	North Jersey/NYC area	South American community
<input type="checkbox"/>		Ukranian Weekly	New Jersey	Ukranian community

3e. Employer Outreach (names of employers throughout the housing region that can be contacted to post advertisements and distribute flyers regarding available affordable housing) (Check all that applies)			
DURATION & FREQUENCY OF OUTREACH		NAME OF EMPLOYER/COMPANY	LOCATION
Hudson County			
<input checked="" type="checkbox"/>	A flyer will be mailed once at the start of the affordable marketing process	United Parcel Service Inc. NY Corp	492 County Ave, Secaucus, NJ 07094
<input checked="" type="checkbox"/>	A flyer will be mailed once at the start of the affordable marketing process	USPS	80 County Road, Jersey City, Nj 07097
<input type="checkbox"/>		Liz Claiborne Inc	1 Claiborne Ave, North Bergen
<input type="checkbox"/>		Credit Suisse First Boston LLC	1 Pershing Plz Jersey City
<input type="checkbox"/>		HealthCare Staffing and Consult	26 Journal Square, Jersey City
<input type="checkbox"/>		Ritter Sysco Food Service	20 Theodore Conrad Dr. Jersey City
<input type="checkbox"/>		Jersey City Medical Center Inc.	50 Grand St, Secaucus
<input type="checkbox"/>		Marsh USA Inc.	121 River St, Hoboken
<input type="checkbox"/>		National Retail Systems Inc.	2820 16th St North Bergen
<input type="checkbox"/>		Community Corrections Corp	Lincoln Hwy Kearny
<input type="checkbox"/>		Marine Personnel & Provisioning Inc.	1200 Harbor Blvd Weehawken
<input checked="" type="checkbox"/>		Port Authority of NY and NJ	241 Erie St. Jersey City and 120 Academy St. Jersey City, 07097
<input type="checkbox"/>		Christ Hospital Health Service	176 Palisade Ave, Jersey City
<input type="checkbox"/>		Bayonne Hospital	29th Street and Ave E, Bayonne
<input type="checkbox"/>		Salson Logistics Inc.	2100 88th St.and 7373 West Side Ave, North Bergen, NJ
<input type="checkbox"/>		National Financial Service	1000 Plaza, Jersey City
<input type="checkbox"/>		Fleet NJ Company Development Corp.	10 Exchange Place, Jersey City
<input type="checkbox"/>		Maidenform Inc	154 Ave E, Bayonne
<input type="checkbox"/>		Lord Abbett & Company	90 Hudson City, Jersey City
<input type="checkbox"/>		Liberty Health Plan Inc.	50 Baldwin Ave Jersey City
<input type="checkbox"/>		Port Imperial Ferry Corp.	Pershing Rd Secaucus
<input type="checkbox"/>		Hudson News	1305 Paterson Plank Rd, North Bergen
<input type="checkbox"/>		Palisades General Hospital	7600 River Rd North Bergen, NJ
<input type="checkbox"/>		Equiserve Inc.	525 Washington Blvd Jersey city
<input type="checkbox"/>		Ciricorp Data Systems Incorporated	1919 Park Ave Secaucus
<input type="checkbox"/>		Meadowlands Hospital Medical Center	Meadowlands Pkwy Secaucus
<input type="checkbox"/>		Retailers & Manufacturers Dist Marking Serv.	50 Metro Way Secaucus
<input type="checkbox"/>		Dynamic Delivery Corp	125 Pennsylvania Ave Kearny, NJ

<input type="checkbox"/>		Bowne Business Communications Inc.	215 County Ave Secaucus
<input type="checkbox"/>		North Hudson Community Action Corp.	5301 Broadway West New York 07093
<input type="checkbox"/>		Goya Foods Inc.	100 Seaview Dr. Secaucus
<input type="checkbox"/>		Cristi Cleaning Service	204 Paterson Plank Rd Union, NJ

Bergen County			
X	A flyer will be mailed once at the start of the affordable marketing process	Hackensack University Medical Center	30 Prospect Ave, Hackensack, NJ 07601
<input type="checkbox"/>		Professional Employer Group Service	2050 Center Ave Ste 336 Fort Lee
<input type="checkbox"/>		County of Bergen, NJ	1 Bergen County Plaza Hackensack, NJ 07601
<input type="checkbox"/>		Society of the Valley Hospital	223 N Van Dien Ave Ridgewood
X	A flyer will be mailed once at the start of the affordable marketing process	NJ Sports & Expo Authority	One Decorte Park Plaza PO Box 640 Lyndhurst, NJ 07071
<input type="checkbox"/>		Merck-Medco Managed Care LLC	100 Parsons Pond Dr. Franklin Lakes 07417
<input type="checkbox"/>		Quest Diagnostics Incorporated	1 Malcolm Ave Teterboro ,NJ 07608
<input type="checkbox"/>		AT&T	15 E Midland Ave Paramus
X	A flyer will be mailed once at the start of the affordable marketing process	Englewood Hospital and Medical Center	350 Engle St., Englewood, NJ 07631
X	A flyer will be mailed once at the start of the affordable marketing process	Aramark Services Management of NJ Inc	50 Route 120 East Rutherford, NJ 07073
<input type="checkbox"/>		Holy Name Hospital	718 Teaneck Road, Teaneck
<input type="checkbox"/>		Doherty Enterprises Inc	7 Pearl Ct Allendale
X	A flyer will be mailed once at the start of the affordable marketing process	Bergen Regional Medical Center	230 East Ridgewood Ave., Paramus, NJ 07652
<input type="checkbox"/>		Inserra supermarkets, Inc.	20 Ridge Rd Mahwah
<input type="checkbox"/>		Howmedica Osteonics Corp	59 Route 17 Allendale
<input type="checkbox"/>		Becton Dickinson & Company Corp	1 Becton Dr. Franklin Lakes
<input type="checkbox"/>		Pearson Education, Inc.	1 Lake St. Upper Saddle River
Passaic County			
<input type="checkbox"/>		D&E Pharmaceutical Co.	206 Macoprin Rd Bloomingdale, NJ 07403
<input type="checkbox"/>		Acme Markets	467 AllWood Rd Clifton, NJ 07012
X	A flyer will be mailed once at the start of the affordable marketing process	St. Mary's Hospital	350 Boulevard Passaic, NJ 07055
<input type="checkbox"/>		Merry Maids	14 Riverside Square Mall, Bloomingdale, NJ 07403

<input type="checkbox"/>		Health Center at Bloomingdale	255 Union Ave Bloomingdale, NJ 07403
<input type="checkbox"/>		Sommers Plastic Product Co. Inc.	31 Styertowne Rd Clifton, NJ 07012
X	A flyer will be mailed once at the start of the affordable marketing process	St. Joseph's Hospital	703 Main St. Paterson, NJ 07503
<input type="checkbox"/>		BAE Systems	164 Totowa Rd, Wayne, NJ 07470
X	A flyer will be mailed once at the start of the affordable marketing process	Drake Bakeries Inc	75 Demarest Dr, Wayne, NJ 07470
<input type="checkbox"/>		Toys R Us National Headquarters	1 Geoffrey Way, Wayne, NJ 07470
<input type="checkbox"/>		GAF Materials Corporation	1361 Alps Rd, Wayne, NJ 07470
<input type="checkbox"/>		Valley National Bank Headquarters	1455 Valley Road Wayne, New Jersey 07470

Sussex County			
<input type="checkbox"/>		Selective Insurance	40 Wantage Ave, Branchville, NJ
X	A flyer will be mailed once at the start of the affordable marketing process	Andover Subacute and Rehab Center	99 Mulford Rd Bldg 2, Andover, NJ 07821
<input type="checkbox"/>		Mountain Creek Resorts	200 State Rt 94, Vernon, NJ
<input type="checkbox"/>		County of Sussex	One Spring Street, Newton, NJ 07860
X	A flyer will be mailed once at the start of the affordable marketing process	Newton Memorial Hospital Inc.	175 High St, Newton, NJ 07860
<input type="checkbox"/>		Vernon Township Board of Education	539 State Rt 515, Vernon, NJ
<input type="checkbox"/>		F.O. Phoenix (Econo-Pak)	1 Wiebel Plz, Sussex, NJ
<input type="checkbox"/>		Hopatcong Board of Education	2 Windsor Ave, Hopatcong, NJ
X	A flyer will be mailed once at the start of the affordable marketing process	Saint Clare's Hospital	20 Walnut St, Sussex, NJ 07461
X	A flyer will be mailed once at the start of the affordable marketing process	Ames Rubber Corp	19 Ames Blvd, Hamburg, NJ 07419

3f. Community Contacts (names of community groups/organizations throughout the housing region that can be contacted to post advertisements and distribute flyers regarding available affordable housing)			
Name of Group/Organization	Outreach Area	Racial/Ethnic Identification of Readers/Audience	Duration & Frequency of Outreach
Fair Share Housing Center	Statewide	Low income minorities	1 notice when units are first available
Latino Action Network	Statewide	Latino	1 notice when units are first available
New Jersey State Conference of NAACP	Statewide	African American	1 notice when units are first available
Mexican American Progress Movement	Bergen-Passaic	Latino	1 notice when units are first available
The New Jersey State Conference of the NAACP	Statewide	African American	1 notice when units are first available

Bergen County NAACP	Bergen	African American	1 notice when units are first available
Jersey City NAACP	Union	African American	1 notice when units are first available
Paterson NAACP	Passaic	African American	1 notice when units are first available
Passaic NAACP	Passaic	African American	1 notice when units are first available
Hoboken NAACP	Union	African American	1 notice when units are first available
The Bergen County Housing Authority	Bergen	Low income minorities	1 notice when units are first available
Northeast New Jersey Legal Services	Bergen-Passaic	Low income minorities	1 notice when units are first available
Bergen Urban League	Bergen	African American	1 notice when units are first available
Garden State Episcopal CDC	Statewide	Low income minorities	1 notice when units are first available
Mount Olive Baptist Church	Bergen	African American	1 notice when units are first available
Urban League Affordable Housing & CDC	Statewide	African American	1 notice when units are first available
Bergen County Housing Coalition	Bergen	Low income minorities	1 notice when units are first available
Fair Housing Council of Northern New Jersey	Region 3	Low income minorities	1 notice when units are first available
New Jersey Community Development Corp.	Passaic	Low income minorities	1 notice when units are first available
Advance Housing, Paterson Habitat for Humanity	Passaic	Low income minorities	1 notice when units are first available
Family Promise of Bergen County	Bergen	Low income minorities	1 notice when units are first available
Saint Paul's Community Develop Corp	Passaic	Low income minorities	1 notice when units are first available
Supportive Housing Associates of New Jersey	Statewide	Low income minorities	1 notice when units are first available
Islamic Center of Passaic and Paterson	Passaic	Islamic minorities	1 notice when units are first available
Monarch Housing Associates	Statewide	Low income minorities	1 notice when units are first available

IV. APPLICATIONS

Applications for affordable housing for the above units will be available at the following locations:		
4a. County Administration Buildings and/or Libraries for all counties in the housing region (list county building, address, contact person) (Check all that applies)		
	BUILDING	LOCATION
X	Sussex County Main Library	125 Morris Turnpike, Newton, NJ 07860
X	Hudson County Administration Building	595 Newark Avenue, Jersey City, NJ 07306
X	Passaic County Administration Building	401 Grand Street, Paterson, NJ 07505 (973) 225-3632
X	Bergen County Administration Building	One Bergen County Plaza, Hackensack, NJ 07601 (201)336-6000
4b. Municipality in which the units are located (list municipal building and municipal library, address, contact person)		
4c. Sales/Rental Office for units (if applicable) Will vary based on development		

V. CERTIFICATIONS AND ENDORSEMENTS

<p>I hereby certify that the above information is true and correct to the best of my knowledge. I understand that knowingly falsifying the information contained herein may affect the (select one: <u>Municipality's</u> <u>Compliance Certification</u> or DCA Balanced Housing Program funding or HMFA UHORP/MONI/CHOICE funding).</p>	
<p>Name (Type or Print)</p> <p>TBD Borough Municipal Housing Liaison Borough of Bound Brook</p>	
<p>_____ Title/Municipality</p>	
<p>_____ Signature</p>	<p>_____ Date</p>

Draft



Affordability Assistance Program Policies and
Procedures Manual

June 12, 2025

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INTRODUCTION

Introduction

The purpose of this manual is to describe the policies and procedures of the Affordability Assistance Program for the Borough of Bound Brook. This manual explains what is needed for residents of the Borough to qualify for the program, in addition to outlining the operation of the program.

The Affordability Assistance Program is designed to help low and moderate-income households acquire funding to secure income restricted affordable housing within the Borough by providing a one-time deferred payment loan to offset the initial costs of securing adequate housing. This housing may be either owner occupied dwelling units or rental dwelling units.

This program provides the following options for affordability assistance:

1. Security deposit assistance – Funding equal to the required security deposit for a rental dwelling unit may be available to be paid directly to the landlord on behalf of a very low-, low-, or moderate-income tenant. This is a loan to the landlord. At the end of the duration of a lease, the security deposit shall be returned to the Borough rather than the tenant.
2. Emergency rental assistance – Funding equal to the required contract rent may be available to be paid directly to the landlord on behalf of a low or very-low-income tenant household. This is a grant payment and no repayment is required.
 - a. Emergency rental assistance is limited to a maximum of one payment per term of the lease for a low-income households, and a maximum of two payments per year for a very-low-income household.
 - b. The emergency rental assistance program shall not be available for moderate income renter households.
3. Down payment / Closing cost assistance – Funding of up to \$10,000.00 per applicant may be applied to offset the up-front costs of purchasing a home or condominium unit in Bound Brook. These funds would be a no-interest loan to

the prospective buyer, and if the buyer remains in the home for a period of at least 5 years, the loan will be forgivable.

All dwellings purchased with funds from the Affordability Assistance Program shall be subject to a thirty (30) year deed restriction to remain affordable to low- and moderate-income households.

Administration

The Affordable Housing Assistance Program will be managed by the Borough's Affordable Housing Administrative Agent. Funding provided by this program shall be distributed from the Borough's Affordable Housing Trust Fund in accordance with the Borough's adopted Affordable Housing Trust Fund Spending Plan.

ELIGIBILITY

Applications submitted for the Program will be provided and reviewed on a first-come-first-served basis according to the following criteria. The following criteria must be met in order for an applicant to be deemed eligible for this Program. Eligibility does not guarantee that any funding will be provided to applicants from this Program.

1. There are affordability assistance funds remaining in the budget for the year.
2. The applicant has not received affordability assistance from this program in the past year.
3. The applicant must qualify as a low- or moderate-income household in accordance with the most current regional income limits established by the Affordable Housing Professionals of New Jersey (AHPNJ) or the applicable State of New Jersey regulatory entity should the State resume promulgation of regional income limits for Region 1 which consists of Somerset, Hudson, Somerset and Sussex Counties.
4. For the Security Deposit Assistance Program, the applicant must lease a dwelling unit within the Borough of Bound Brook that they will maintain as their primary residence.
5. For the Emergency Rental Assistance Program, the applicant must be a low, or very low-income household and lease a deed restricted affordable dwelling unit within the Borough of Bound Brook that they maintain as their primary residence. For the Down Payment or Closing Cost Assistance Program, the applicant must be in the process of purchasing a deed-restricted affordable dwelling in the Borough;

6. For the Down Payment or Closing Cost Assistance Program, the applicant must be the owner of the property after purchase and occupy the dwelling unit as their primary residence.

PROGRAMS

Down Payment & Closing Cost Assistance Program Procedures

1. An application for funding through the Affordability Assistance Program shall be filed with the Borough's Affordable Housing Administrative Agent.
2. The Administrative Agent shall review and process the application.
3. If an applicant is certified and approved, the Administrative Agent shall notify the Borough's financial department of the intent to award the loan, and confirm the availability of funds.
4. The Administrative Agent shall prepare a draft resolution authorizing the award of the loan, specifying the amount of funds, the location and type of unit, and the specific affordability controls on the unit.
5. The Borough shall release the funds from the Affordable Housing Trust Fund to the escrow account following the approval of the resolution.
6. A Repayment Agreement, Mortgage Note, and Mortgage shall be executed at closing, and recorded by the title company.
7. The Administrative Agent shall notify the applicant of the awarding of funds, and record the assistance, and terms of the assistance, in the file for the affordable unit.

Loan Amount and Period

The maximum amount of assistance that may be provided per applicant is \$10,000.00. The loan period shall be five (5) years.

Loan Terms and Agreement

All funds are distributed at closing. The funds are sent via bank wire to either the participant's attorney or closing agent trust account. The attorney or trust account must have a business registration certificate and W-9 Tax Identification Form. The Borough must be given notice of the closing five (5) business days ahead of the closing date.

Loans for applicants to the Program shall be secured through a mortgage and mortgage note in favor of the Borough and executed by the property owner when required. The

mortgage and mortgage note, as well as a deed restriction, will be executed at closing. The terms of the mortgage are in the mortgage note, which is not recorded. The original mortgage note shall be retained by the Program Administrator and kept in the unit file. The administrative agent shall send the mortgage and deed restriction requiring recording to the Borough. Upon receipt, the Borough will file said documents with the Somerset County Clerk's office upon the completion of the closing of title.

All loans are deferred payment loans and are due in full at zero percent (0%) interest upon sale, or change in title, if said sale or change in title occurs within five (5) years of the date of closing. All repayment of loans shall be paid to the Borough's Affordable Housing Trust Fund. If the applicant remains the owner and occupant of the dwelling at the end of the five (5) year duration period of the loan, the loan shall be forgiven in full.

Insurance Requirements

The applicant must provide proof of homeowner's insurance and proof that the insurance has been paid. The homeowner's insurance must list the Borough of Bound Brook and the Borough of Bound Brook Affordability Assistance Program as additional insureds, loss payees, or additional mortgagees for the entire 5-year period of the mortgage.

All prospective applicants must have Title Insurance naming the Borough of Bound Brook and Borough of Bound Brook Affordability Assistance Program as additional insureds, loss payees, or additional mortgagees.

If the home is associated with a Condominium Association or a substantially similar entity, the Borough of Bound Brook and the Borough of Bound Brook Affordability Assistance Program shall be listed as additional insureds, loss payees, or additional mortgagees on the blanket insurance policy for the Association's property.

In the event that the property is located in a Flood Zone, flood insurance will be required listing the Borough of Bound Brook and Borough of Bound Brook Affordability Assistance Program as additional insureds, loss payees, or additional mortgagees.

Affordability Controls

All homes purchased by qualified low- or moderate-income households with assistance from the Borough's Affordability Assistance Program shall include a deed restriction which provides affordability controls indicating that the unit must remain affordable to a low- or moderate-income household for a period of at least thirty (40) years, in

accordance with the Uniform Housing Affordability Controls (UHAC) at N.J.A.C. 5:80-16.1 et seq.

Security Deposit Assistance Program Procedures

1. An application for funding through the Affordability Assistance Program shall be filed with the Borough's Affordable Housing Administrative Agent.
2. The Administrative Agent shall review and process the application.
3. In the event that there are more income-qualified applicants than there are funds available, preference shall be given to very-low-income households.
4. If an applicant is certified and approved, the Administrative Agent shall notify the Borough's financial department of the intent to award the loan, and confirm the availability of funds.
5. The Administrative Agent shall prepare a draft resolution authorizing the award of the loan, specifying the amount of funds, the location and type of unit, and the specific affordability controls on the unit.
6. The Borough shall release the funds from the Affordable Housing Trust Fund to the participating landlord following the approval of the resolution.
7. The Administrative Agent shall notify the applicant of the awarding of funds, and record the assistance, and terms of the assistance, in the file for the affordable unit.

Loan Amount and Period

The maximum amount of assistance that may be provided per applicant shall be equal to one and one-half month's contract rent, or \$2,500.00, whichever is lesser. The loan period shall be the duration of the applicant's occupancy of the dwelling unit.

Loan Terms & Repayment Agreement

All funds distributed for a security deposit shall be deposited by the landlord in an escrow account in accordance with applicable state laws. Upon the end of the applicant's tenancy in the dwelling unit, the landlord shall repay the security deposit to the Borough of Bound Brook's Affordable Housing Trust Fund.

In the event that monies are deducted from the security deposit due to damages to the dwelling unit, the tenant shall be responsible for repaying any monies deducted to the Borough's Affordable Housing Trust Fund.

Emergency Rental Assistance Program Procedures

1. An application for funding through the Affordability Assistance Program shall be filed with the Borough's Affordable Housing Administrative Agent.
2. The Administrative Agent shall review and process the application.
3. In the event that there are more income-qualified applicants than there are funds available, preference shall be given to very-low-income households.
4. If an applicant is certified and approved, the Administrative Agent shall notify the Borough's financial department of the intent to award the grant, and confirm the availability of funds.
5. The Administrative Agent shall prepare a draft resolution authorizing the award of the grant, specifying the amount of funds, the location and type of unit, and the specific affordability controls on the unit.
6. The Borough shall release the funds from the Affordable Housing Trust Fund to the participating landlord following the approval of the resolution.
7. The Administrative Agent shall notify the applicant of the awarding of funds, and record the assistance, and terms of the assistance, in the file for the affordable unit.

Funding Amount and Period

The maximum amount of assistance that may be provided per applicant shall be equal to the contracted rent for one month. As this is a grant, there is no period of repayment. For low-income households, a maximum of one award per term of the lease, or calendar year shall be permitted. For very low-income households, a maximum of two awards per term of the lease, or calendar year, shall be permitted.

Terms of Repayment Agreement

All funds distributed for emergency rental assistance shall be paid directly to the landlord and serve as payment for one month's contracted rent. No repayment of emergency rental assistance funding shall be required.

Property Eligibility

Any property that will serve as the prospective homebuyer's or renter's primary residence, and is located within the Borough of Bound Brook is an eligible property type, including but not limited to the following:

1. A single-family property (one-unit)
2. A two- to four-unit property
 - (a) If affordable housing trust funds are used to assist a purchaser to acquire one unit in a two- to four-unit property, and that unit will be the principal residence of the purchaser, the long-term affordability requirements apply to the assisted ownership unit only.
 - (b) If affordable housing trust funds are used to help a purchaser acquire one or more rental units along with the homeownership unit, then rental affordability requirements shall apply to the rental units in addition.
3. An apartment within a multi-family property
4. A condominium unit
5. A cooperative unit or a unit in a mutual housing project
6. A manufactured house
 - (a) At the time of completion, the manufactured housing must be connected to permanent utility hook-ups.
 - (b) The manufactured housing unit must be located on land that is owned by the manufactured housing unit owner, or on land for which the manufactured housing unit owner has a lease.

INCOME ELIGIBILITY AND CERTIFICATION PROCEDURE

In order to be eligible for assistance, applicants must be determined to be income eligible. All adult members of the applying household 18 years of age and older must be fully certified as income-eligible before they can receive any assistance from the Program. The Program will income qualify applicants in accordance with the Uniform Housing Affordability Controls (UHAC) at N.J.A.C. 5:80-16.1 et seq., except for the asset test. The applicant's monthly housing payment shall not exceed 40% of the applicant's adjusted monthly gross income.

Qualified Income Sources

The following are considered income and shall be included in the determination of the applicant's income eligibility:

- Wages, salaries, tips, commissions
- Interest income from assets such as savings, certificates of deposit, money market accounts, mutual funds, stocks, bonds

- Regularly scheduled overtime
- Unemployment Compensation (verify # of weeks eligible to receive)
- Disability
- Verified regular child support (received)
- TANF (Temporary Assistance for Needy Families)
- Imputed interest (using a current average annual rate of 2%) from non-income producing assets, such as equity in real estate. Rent from real estate is considered income, after deduction of any mortgage payment, real estate taxes, property owner's insurance.
- Social Security
- Pensions
- Alimony
- Rent from real estate is considered income
- Net income from business or real estate
- Any other forms of regular income reported to the Internal Revenue Service

Unqualified Income Sources

The following are not considered income and shall not be included in the determination of the applicant's income eligibility:

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

Income Verification

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

1. Four current consecutive pay stubs, including bonuses, overtime or tips, or a letter from the employer stating the present annual income figure, or if self-employed, a current Certified Profit & Loss Statement and Balance Sheet.
2. A signed copy of regular IRS Form 1040 (Tax computation form), 1040A, or 1040EZ (as applicable) and state income tax returns filed for the last three years prior to the date of interview or notarized tax waiver letter for respective tax year(s).
3. A form 1040 Tax Summary for the past three tax years can be requested from the local IRS Center or by calling 800-829-1040
4. If applicable, a letter or appropriate reporting form verifying monthly benefits such as:
 - (a) Social Security or SSI – current awards letter or computer printout letter
 - (b) Unemployment – verification of unemployment benefits
 - (c) Welfare – TANF current award letter
 - (d) Disability – Worker’s compensation letter, or
 - (e) Pension income (monthly or annually) – a pension letter
 - (f) A letter or appropriate reporting to verify any other sources of income claimed by the applicant such as alimony or child support – copy of court order or recent original letter from the court (includes separation agreement or divorce papers) or education scholarship/stipends – current award letter.
5. Reports from the last two consecutive months that verify income from assets to be submitted by banks or other financial institutions managing savings and checking accounts (bank statements and passbooks), trust funds, money market accounts, certificate of deposit, stocks or bonds (in brokerage accounts – most recent statements and/or in certificate form – photocopy of certificates)

Examples: copies of all interest and dividend statements for savings accounts, interest and non-interest-bearing checking accounts, and investments.
6. Evidence or reports of income from directly held assets, such as real estate or businesses owned by any household member 18 years and older.

7. Interest in a corporation or partnership – Federal tax returns for each of the preceding three tax years.
8. Current reports of assets – Market Value Appraisal or Realtor Comparative Market Analysis and Bank/Mortgage Co. Statement indicating current mortgage balance. For rental property attach copies of all leases.

Verifying Student Income and Income From Real Estate

1. **Student Income** – Only full-time income of full-time students is included in the income calculation. A full-time student is a member of the household reported to the IRS as a dependent who is enrolled in a degree seeking program for 12 or more credit hours per semester; and part-time income is income earned on less than a 35-hour work week.
2. **Income from Real Estate** – If real estate owned by an applicant to the Program is a rental property, the rent is considered income. After deduction of any mortgage interest, real estate taxes, property owner insurance, and reasonable property management expenses as reported to the IRS, the remaining amount shall be counted as income.

OTHER ELIGIBILITY REQUIREMENTS

Applicants must also submit the following in the application package as applicable:

1. Recorded deed to the property to be assisted;
2. If you are a widow or widower, copy of Death Certificate should be included;
3. Signed release form to verify eligibility determination from third party sources;
4. Copy of any and all other liens recorded against property; and
5. Personal identification (a copy of any of the following: Driver's license, Passport, Birth Certificate, Social Security Card, Adoption Papers, Alien Registration card, etc.) for each household member.

Eligibility Certification

After the Administrative Agent determines that the household is income eligible and meets all other eligibility requirements, the Administrative Agent will complete and sign the eligibility certification. This certification is valid for twelve (12) months starting from the date of eligibility certification.