

# **Rental Housing Rehabilitation Program**

Policies and Procedures Manual

***Township of Wyckoff***  
*New Jersey*

Created September 17, 2020

Prepared by:



**CGP&H**

Community Grants, Planning & Housing  
*Good People. Great Results. Since 1993.*

1249 South River Road, Suite 301  
Cranbury, NJ 08512-3633  
609/664-2769 [www.cgph.net](http://www.cgph.net)

# Rental Housing Rehabilitation Program

<b>I. INTRODUCTION .....</b>	<b>3</b>
A. Fair Housing and Equal Housing Opportunities .....	3
<b>II. ELIGIBLE PARTICIPANTS .....</b>	<b>4</b>
A. Program area .....	4
B. Categories of Participants .....	4
C. Income Limits .....	4
D. Application Selection .....	5
<b>III. ELIGIBLE ACTIVITIES.....</b>	<b>6</b>
A. Eligible Improvements.....	6
B. Ineligible Improvements .....	7
C. Rehabilitation Standards .....	7
D. Certifications of Substandard/Standard.....	7
<b>IV. FUNDING TERMS .....</b>	<b>8</b>
A. Terms and Conditions on Owner-Occupied Multi-Family Properties including Tenant Units .....	8
B. Terms and Conditions on Investor-Owned Single and Multi-Family Rental Units .....	10
C. Special Needs Waivers for Higher Cost Rehabilitation Projects .....	11
D. Use of Recaptured Program Funds.....	11
<b>V. IMPLEMENTATION PROCESS .....</b>	<b>11</b>
A. Application/Interview .....	11
B. Eligibility Certification .....	12
C. What is Considered Income .....	13
D. What is Not Considered Income.....	13
E. How to Verify Income .....	14
F. Additional Income Verification Procedures .....	15
G. Other Eligibility Requirements .....	15
H. Requirements of Property Taxes and Municipal Utilities Paid Current.....	16
I. Sufficient Equity .....	16
J. House Conditions:.....	16
K. Eligibility Scenarios of Multi-Family Structures.....	16

L. Eligibility Certification .....	17
M. Housing Inspection/Substandard Certification/Work Write Up/Cost Estimate .....	17
N Contractor Selection.....	18
O. Pre-Construction Conference/Contract Signing.....	19
P Initiate Township Voucher .....	19
Q. Progress Inspections.....	20
R Change Orders .....	20
S. Final Inspection.....	21
T Payment Structure and Process .....	22
U. Standard Certification .....	23
V Record Mortgage Documentation.....	23
W. File Closing.....	23
X. Requests for Subordination or Program Loan Payoff .....	23
<b>VI. CONTRACTOR REQUIREMENTS AND RECRUITMENT .....</b>	<b>24</b>
A. Marketing.....	24
B. Contractor Qualifications .....	24
<b>VII. LEAD BASED PAINT (LBP):.....</b>	<b>25</b>
<b>VIII. RENTAL PROCEDURES:.....</b>	<b>25</b>
A. Determining Initial Affordable Rents .....	26
B. Pricing by Household Size.....	26
C. Determining Rent Increases .....	27
<b>IX. MARKETING STRATEGY.....</b>	<b>27</b>
<b>X. MAINTENANCE OF RECORDS AND CLIENT FILES .....</b>	<b>28</b>
A. Programmatic Recording.....	28
B. Participant Record keeping .....	28
C. Reporting .....	30
D. Financial Recordkeeping.....	30
<b>XI. HOUSING ADVISORY COMMITTEE AND APPEALS PROCESS.....</b>	<b>30</b>
<b>XII. CONCLUSION .....</b>	<b>31</b>
<b>APPENDIX B – Court-Approved Calculation of Annual Increases to Income Limits, Resale Prices and Rents .....</b>	<b>33</b>

# Rental Housing Rehabilitation Program

## *Policies & Procedures Manual*

### I. INTRODUCTION

The purpose of this document is to establish policies, guidelines and procedures which will govern the Wyckoff Rental Housing Rehabilitation Program (RHRP). The RHRP is being created by the Township to assist rental properties occupied by very low, low and moderate-income households to correct existing interior and exterior health, safety and code violations in conformity with the standards of the New Jersey State Housing Code, N.J.A.C. 5:28 and the Rehabilitation Subcode, N.J.A.C. 5:23-6. Additionally, the RHRP was designed to fulfill Wyckoff Township's rental rehabilitation obligation, as found in the Township's Settlement Agreement entered into with the Fair Share Housing Center (FSHC) executed June 2018. The RHRP is guided by N.J.A.C. 5:93-5.2 and is subject to all laws, regulations, ordinances, and codes of the New Jersey Department of Community Affairs (DCA) and the Township of Wyckoff<sup>1</sup>. The Township of Wyckoff intends to contract with Community Grants, Planning & Housing LLC (CGP&H), a private consulting firm specializing in the implementation of publicly-funded housing rehabilitation programs, to manage and administer the RHRP. Initially the program's funding source will be municipal affordable housing trust funds. If the funding source changes, the manual will be updated to reflect the change as well as changes to regulation requirements, if any. Owner-occupied single-family rehabilitation will continue to be served by the Bergen County Community Development Rehabilitation Program and the RHRP program will focus all its resources on implementing the rental rehabilitation program component.

#### **A. Fair Housing and Equal Housing Opportunities**

It is unlawful to discriminate against any person making application to participate in the rehabilitation program or rent a unit with regard to race, creed, color, national origin, ancestry, age, marital status, affectional or sexual orientation, familial status, disability, nationality, sex, gender identity or expression or source of lawful income used for mortgage or rental payments. For more information on discrimination or if anyone feels they are a victim of discrimination, please contact the New Jersey Division on Civil Rights at 1-866-405-3050 or <http://www.state.nj.us/lps/dcr/index.html>. Fair Housing and Equal Housing Opportunities apply to both Owner and Tenant applications.



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

## II. ELIGIBLE PARTICIPANTS

### A. Program area

The RHRP is a Township wide program aimed at rehabilitating rental housing units occupied by very-low, low and moderate-income households throughout the Township of Wyckoff.

### B. Categories of Participants

Landlords of renter-occupied housing units are eligible to receive funding for rehabilitation if the units are determined to be occupied by very low, low- or moderate-income households, and the units are determined to be substandard. However, owner-occupants 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 eligible, occupies one unit, funding may be provided for the rehabilitation of the rest of the units that do qualify, and a pro-rata share of common items. Rents must be affordable to low- or moderate-income households.

### C. Income Limits

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

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

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

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

#### **D. Application Selection**

The program will process new applicants added to the waiting list/applicant pool on a first-come, first served basis, to qualified applicants. The goal is to have a minimum of 50% of the properties assisted comprised of low income households. The RHRP will establish the waiting list from the program marketing efforts identified in Section IX of this manual.

Non-profit affordable, deed-restricted rental developments constructed in Rounds 1 and 2 will receive priority assistance. The non-profit will be responsible to provide current income certifications for the applicable eligible units.

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

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

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

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

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

Please note that the loan agreement will state that if the Owner/Landlord takes the emergency funds to abate the safety/health hazards and then subsequently decides to voluntarily remove themselves from participation in this Township's rehabilitation program to complete the non-emergency substandard code violation components of their project, essentially negating any opportunity for the municipality to gain credit for a fully rehabilitated unit, those public funds used for the emergency may be immediately due and payable back to the Township. There will also be a statement indicating that the Township will place a lien on the rental rehab properties to recapture the funds to be repaid at a low interest rate. The ten-year deed restriction for all rehabilitated rental units will run with the land to ensure compliance, which deed restriction will be filed with the County Clerk.

### III. ELIGIBLE ACTIVITIES

#### A. Eligible Improvements

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

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

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

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

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

## **B. Ineligible Improvements**

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

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

## **C. Rehabilitation Standards**

Funds are to be used for work and repairs required to make the unit standard and abate all interior and exterior violations of the New Jersey State Housing Code, N.J.A.C. 5:28, the Rehabilitation Subcode, N.J.A.C. 5:23-6, and the Township of Wyckoff Chapter 152 Property Maintenance Code adopted by the municipality by Ordinance No. 880 (of which the more restrictive requirements will apply), conserve energy and remove health and/or safety hazards; and any other work or repairs, including finishing and painting, which are directly related to the above listed objectives. For projects that require construction permits, the rehabilitated unit shall be considered complete at the date of final approval pursuant to the Uniform Construction Code.

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

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

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



## IV. FUNDING TERMS

Funding may be provided on the following terms:

### A. Terms and Conditions on Owner-Occupied Multi-Family Properties including Tenant Units

Table 1 Funding Terms & Conditions

<b>Owner-Occupied Multi-Family Including Tenant Unit(s) Terms and Conditions of Loan</b>	
<b>Minimum Loan Amount</b>	The municipality may rehabilitate substandard units that require less than \$10,000 of work, provided the municipal rehabilitation activity shall average at least \$10,000 per unit.
<b>Maximum Loan Amount</b>	\$18,000 per unit
<b>Interest Rate</b>	0% (No monthly payments)
<b>Payment Terms</b>	100% forgivable loan for all rental units, if remains in compliance throughout the ten-year deed restriction period. Original Principal is immediately due if not in compliance with rental affordability controls. Rental restrictions on the rental unit(s) transfer with property. See Restrictions below.
<b>Mechanism for Securing Loan</b>	Mortgage, Mortgage Note and Deed Restriction recorded on property

Assisted unit(s) must be occupied by, and affordable to a household(s) that is(are) certified as low or moderate income as per either the latest Income Limits by Region, or in compliance with the Township's Settlement Agreement and Court Order, when applicable.

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

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

For Tenant units, the maximum permitted rent is determined pursuant to UHAC and subject to annual adjustment. If a unit is vacant upon initial rental subsequent to rehabilitation, or if a renter-occupied unit is re-rented prior to the end of controls on affordability, the Deed Restriction shall require the unit to be rented to a very low, low- or moderate- income

household at an affordable rental price and will be affirmatively marketed in accordance with the Township of Wyckoff's Affordable Housing Affirmative Marketing Plan. CGP&H will be the presumed Administrative Agent for all new affordable sale and rental properties in Wyckoff Township. Landlords are responsible to pay income certification fees and affirmative marketing costs for re-rentals.

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

## B. Terms and Conditions on Investor-Owned Single and Multi-Family Rental Units

Table 3 Investor-Owned Terms & Conditions

<b>Investor-Owned Single or Multi-Family Rental Property Terms and Conditions of Loan</b>	
Minimum Loan Amount	The municipality may rehabilitate substandard units that require less than \$10,000 of work, provided the municipal rehabilitation activity shall average at least \$10,000 per unit.
Maximum Loan Amount	\$18,000 per rental unit
Interest Rate	0% (No monthly payments)
Payment Terms	Owner pays 50% of rehab cost at construction agreement signing. 50% balance forgiven if in compliance with rental restrictions. The 50% rehab cost is waived for non-profit owned rentals. Rental restrictions transfer with property during the ten-year deed restriction period. See restrictions below.
Mechanism for Securing Loan	Mortgage, Mortgage Note and Deed Restriction recorded against property

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

The assisted housing unit(s) must be occupied by and affordable to a household that is certified as an income eligible household as per either the latest Income Limits by Region, or in compliance with the municipality's Settlement Agreement and Court Order, whichever is applicable and as designated by unit in the Deed Restriction. The maximum permitted rent is determined by the Township's Administrative Agent and is pursuant to UHAC and subject to annual adjustment. A copy of the income figures for 2020, and the methodology for going forward, until the reinstatement of COAH or another state entity performing this function is included in Appendix B of this document.

Throughout the ten year affordability controls, if a rental unit is vacant upon initial rental subsequent to rehabilitation, or if a renter-occupied unit is re-rented prior to the end of controls on affordability, the Deed Restriction shall require the unit to be rented to a very low-, low- or moderate- income household (as designated by unit in the Deed Restriction) at an

affordable price and will be affirmatively marketed in accordance with the Township of Wyckoff Affordable Housing Affirmative Marketing Plan by the Township's current Administrative Agent at the rates and terms defined within that Agreement. Landlords are responsible to pay income certification fees and affirmative marketing costs for re-rentals. Existing affordable rental properties that participate in this program, and are already using another approved Administrative Agent may choose to continue to do so. The approved Administrative Agent will provide the Township or CGP&H with all requested information as may be required for reporting or oversight purposes.

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

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

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

### **C. Special Needs Waivers for Higher Cost Rehabilitation Projects**

In cases of documented rehabilitation needs greater than the Program cap:

- The Program will get confirmation of whether the Owner can contribute additional personal funding, beyond required percentage to meet the funding gap.
- If no viable options, the case will have to be terminated.
- The Borough may consider other situations for special needs waivers. Individual files will be reviewed on a case-by-case basis. Upon Program and Borough approval, a Special Needs Funding Limit Waiver may be issued.

### **D. Use of Recaptured Program Funds**

All recaptured funds will be deposited into the Wyckoff Affordable Housing Trust Fund account in accordance with N.J.A.C. 5:93-8.15.

## **V. IMPLEMENTATION PROCESS**

### **A. Application/Interview**

For each prospective Landlord, the applicant process can begin with a landlord contacting CGP&H. CGP&H will then recommend an in-person meeting or a phone conference, the landlord's choice, after addressing all questions and providing an overview via telephone or email. This initiative will be taken to fully and carefully explain all rules, requirements and program

benefits, since unlike single family owner-occupied rehabilitation, there are many additional requirements and obligations. CGP&H key staff will meet with interested landlords to review all program details and address all questions.

If the Owner passes the preliminary criteria review, program information, guidelines, and an application package will be provided to the applicant when their name is reached on the program's waiting list.

Each prospective applicant is to complete the application and return it to the Case Manager, along with the required verification documents. Upon receipt of the completed application package, a case file will be opened for the applicant and a case file number will be assigned. The Case Manager will be available via a direct phone line to assist applicants during this and all other phases of the process. Additionally, as needed, a Case Manager will be available for face to face prescheduled appointments. Once a case is assigned a number, the cases are processed in the order of receipt of completed applications.

#### **B. Eligibility Certification**

To be eligible for assistance, households in each unit to be assisted must be determined to be income eligible. All adult members of households, 18 years of age and older, must be fully certified as income-eligible before any assistance will be provided by the Program. The RHRP will income qualify the occupants of each unit that the Landlord/Owner wants to include in the program. Applicants will be evaluated for eligibility 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 which does not apply to the rehab program.

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

### **C. What is Considered Income**

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

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

### **D. What is Not Considered Income**

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

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

### **E. How to Verify Income**

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

1. Four current consecutive pay stubs, including bonuses, overtime or tips, or a letter from the employer stating the present annual income figure or if self-employed, a current Certified Profit & Loss Statement and Balance Sheet.
2. A signed copy of regular IRS Form 1040 (Tax computation form), 1040A or 1040EZ (as applicable) and state income tax returns filed for the last three years prior to the date of interview or notarized tax waiver letter for respective tax year(s)- A Form 1040 Tax Summary for the past three tax years can be requested from the Internal Revenue Service Center by calling 1-800-829-1040 or visiting irs.gov to either obtain an online printout or to request a copy by mail, the latter which takes five to ten calendar days.
3. If applicable, a letter or appropriate reporting form verifying monthly benefits such as:
  - Social Security or SSI – Current award letter or computer printout letter
  - Unemployment – verification of Unemployment Benefits
  - Welfare -TANF current award letter
  - Disability - Worker's compensation letter or
  - Pension income (monthly or annually) – a pension letter
4. A letter or appropriate reporting form verifying any other sources of income claimed by the applicant, such as alimony or child support – copy of court order or recent original letters from the court (includes separation agreement or divorce papers) or education scholarship/stipends – current award letter;
5. Reports from at least the last two consecutive months that verify income from assets to be submitted by banks or other financial institutions managing savings and checking accounts (bank statements and passbooks), trust funds, money market accounts, certificate of deposit, stocks or bonds (In brokerage accounts – most recent statements and/or in certificate form – photocopy of certificates), whole life insurance. Examples include copies of all interest and dividend statements for savings accounts, interest and non-interest bearing checking accounts, and investments;
6. Evidence or reports of income from directly held assets, such as real estate or businesses owned by any household member 18 years and older.

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

## **F. Additional Income Verification Procedures**

### ***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 occupant household 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 occupant household owns real estate with mortgage debt, which is not to be used as rental housing, the Program Case Manager should determine the imputed interest from the value of the property. The Program Case Manager should deduct outstanding mortgage debt from the documented market value established by a market value appraisal. Based on current money market rates, interest will be imputed on the determined value of the real estate.

## **G. Other Eligibility Requirements**

Landlord/Homeowner Applicants to submit the following in the application package for the property requesting assistance via Program funds:

- Copy of current Owner's insurance declarations page (not the entire policy or receipt)
- Proof of flood insurance, if property is located in a flood zone
- Copy of recorded deed to the property to be assisted
- If you are a widow or widower, of spouse's Death Certificate
- Copy of your most current property tax assessment
- Receipt for property taxes
- Proof that all mortgage payments and, when applicable, Homeowner Association (HOA) Fees are paid current
- Copy of all other liens recorded against the property



- Copy of lease for each rental unit to be assisted via the Program

All Applicants - Landlords/Tenants Must Also Submit:

- Signed Eligibility Release form
- Personal identification (a copy of any of the following: Driver's License, Passport, Birth Certificate, social security card, Adoption Papers, Alien Registration Card, etc.)

#### **H. Requirements of Property Taxes and Municipal Utilities Paid Current**

The property tax and municipal utility accounts must be paid current for the property to be assisted via the Program funds. The Program reserves the right to make an exception to the requirement of paid up tax and/or sewer accounts. Individual files will be reviewed on a case-by-case basis. Upon approval by the appropriate municipal officials and the Program, a Special Needs Eligibility Requirements Waiver may be issued.

#### **I. Sufficient Equity**

Additionally, to be determined eligible, there must be sufficient equity in the property to cover the program lien plus the total of other liens. In other words, the market value of the property must be greater than the total of the liens combined. The Township may consider a Special Needs Waiver approved by the municipality on a case-by-case basis for limited equity, but not for negative equity.

#### **J. House Conditions:**

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

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

#### **K. Eligibility Scenarios of Multi-Family Structures**

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

**Scenario 1:** If there is more than one rental unit in a building and each household is determined income eligible, then all the units are eligible for rehabilitation/home improvement.

**Scenario 2:** If a home improvement must be undertaken which affects all the units in the house/building (e.g., replacement of a roof), but not all the units are eligible or Tenant is uncooperative, the RHRP will only cover a prorated percentage of rehab cost for the units to be assisted. For example, in a two-family home with units of approximately equal size, only 50% of

the cost of roof replacement will be covered. Another example, for a four-family home with all units of equal size of which three units are to participate in the Program, 75% of the cost of roof replacement would be covered. Where units differ by more than 10% in size, the proration should be based on percentage of square footage within each unit compared to the total interior square footage of all other units in the structure. Shared common areas should not be counted in the denominator for the pro rata calculation.

If any of the conditions in Scenario 2 above apply to an Applicant's case, CGP&H sends a letter that explicitly identifies which of the units are eligible for rehabilitation and divides the hard costs of the rehabilitation project between the program and the Owner on a pro rata basis. The Owner's monetary contribution is to be paid prior to the start of construction at the preconstruction conference in the form of a money order or certified check made payable to the Township. This is in addition to the 50% required match from investor properties explained in Section IV *Funding Terms* sub-section B. The payment is held by the Township until the work is satisfactorily completed, at which time the Township will release the payment to the Contractor.

#### **L. Eligibility Certification**

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

After the tenant(s) household is certified as income eligible, the Owner/Program Agreement will be executed between the Owner and the program.

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

The Program Inspector will perform a comprehensive inspection to determine what work items are necessary to bring the home up to code, as identified in Section III C. Photos will be taken at the comprehensive inspection to document existing conditions. As a result of the comprehensive inspection, the Program Inspector will prepare a work write-up and cost estimate. All repairs needed to bring the structure and all participating units up to code will be identified. This work write-up will include a breakdown of each work item by category and by location in the house. The work write-up will contain information as to the scope of work and specifics on materials such as type, quantity and cost. A total cost estimate will be calculated for each housing unit. The RHRP's policy is to create Work Write-Ups and Cost Estimates that fall within the RHRP funding caps. In unusual hardship cases and when the cost to correct all code violations exceeds the program funding limit, the RHRP will seek the Owner's monetary contribution. If the unit cannot be brought up to code with the combination of funds available, the unit may not proceed.

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

### **N Contractor Selection**

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

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

The submitted bids will be reviewed by the Owner and the Program Inspector. Generally, the lowest responsible bid from a qualified Contractor will be chosen. If the Owner selects a higher bid, he/she must pay the difference between the chosen and the lowest responsible bid. Contractors will be notified of the results of the bidding within one (1) week of the date the Owner makes his/her Contractor selection.

The Case Manager will email the following documentation to the Township:

- Bid Tabulation sheet of all bids received
- Awarded contractor's bid including completed Contractor Award Checklist
- For each contractor's first award in a calendar year, will also include awarded contractor Business Registration Certificate (BRC) and W-9.
- For awards \$17,500 or greater, the contractor's executed required Pay-to-Play form(s).

Contractor award is passed via a Resolution by Township Committee. The Township will provide the Case Manager with a copy of the Resolution for placement in the case file.

### **O. Pre-Construction Conference/Contract Signing**

Upon issuance of Contractor award, the Program Inspector will conduct a pre-construction conference with the Owner and Contractor. Prior to the pre-construction conference the Owner will be provided with copies of the loan documents, the Construction Agreement and the Deed Restriction (COAH Form Appendix E-3). The Contractor will be provided with a copy of the Construction Agreement for review. At the time of the pre-construction conference, the scope of work will once again be reviewed. The Owner and Contractor responsibilities will also be reviewed, as well as the program's construction procedures and program limitations. The Owner and Contractor will each sign the Construction Agreement and receive copies. The Owner will also sign and receive copies of the Mortgage, Mortgage Note and, the Deed Restriction.

The Owner's 50% contribution must be provided at the time of the pre-construction conference in the form of a certified check or money order made payable to the Township of Wyckoff. The Case Manager will overnight the check to the Township to place in the Affordable Housing Trust Fund to be applied towards the Contractor's first progress payment.

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

Following the pre-construction meeting, the Case Manager will provide the Township with 1) a copy of the Construction Agreement which includes identifying the Owner, the property, the Contractor, and the scope of work for the Administrator to share with the Construction office to ensure the Contractor makes application for the applicable permits. For each job, the Township's Construction office will notify the Case Manager which permits are required to compare to the permit documentation later provided by the Contractor.

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

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

### **P Initiate Township Voucher**

Upon contractor award decision, the Township will provide the Case Manager with a blanket purchase order to create two purchase orders for each case for the Contractor to sign at the pre-construction conference at time of contract signing. The Contractor's signed purchase orders will

be held by the Case Manager until construction progress is sufficient to submit to the municipality.

The Township voucher will be separated into two potential payments. The Program staff will match the payment request up with the Township voucher issued at the pre-construction conference and adjust the payment amount as per the inspection results. Ultimately upon construction completion, the payments will equal the full voucher amount plus or minus any change orders.

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

Additionally, for contract awards \$17,500 or greater, the contractor must follow Pay-to-Play compliance and shall provide executed required Pay-to-Play forms(s).

#### **Q. Progress Inspections**

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

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

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

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

#### **R Change Orders**

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

the Contractor, and the Program. The Case Manager will forward the executed change order to the Township.

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

Change Orders approved by the Township Committee only if the base contract is \$44,000 or greater,

### **S. Final Inspection**

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

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

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

Only 100% completed line items will be inspected and considered for payment. If the work passes satisfactory final inspection, the Case Manager will follow the procedures spelled out in Section V subsection T *Payment Structure and Process* to process the Contractor's final payment request.

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

If the Program Inspector identifies any work deficiencies during the final inspection, the Program Inspector will notify the Contractor and the Owner of the deficiencies in writing and the value of

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

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

#### **T Payment Structure and Process**

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

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

Upon a satisfactory program inspection, and confirmation from the Case Manager that all Contractor's documents have been submitted according to program procedures, the Case Manager will submit to the Accounts Payable Officer:

- Program's Request for Payment form with Owner's and Program's written approval
- Contractor signed Township Purchase Order with payment amount identified
- Copy of change order, if one occurred, previously approved by the governing body

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

The Case Manager is to submit the contractor payment request to the Accounts Payable Control Officer and, if acceptable, the payment request will be placed on the upcoming Bill List agenda. The Accounts Payable Control Officer will forward to the Case Manager a copy of the executed payment to the contractor for case file records.

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

#### **U. Standard Certification**

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

#### **V Record Mortgage Documentation**

At construction completion, the Case Manager will forward the executed mortgage and deed restriction to the Township Attorney, for County recording. The Township will immediately file the mortgage and deed restriction with the County Clerk.

#### **W. File Closing**

The Case Manager will close the homeowner's file after the final payment is made and the mortgage and deed restriction are returned from the County with recorded date, book and page.

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

#### **X. Requests for Subordination or Program Loan Payoff**

Wyckoff may agree to subordination of its program lien if the mortgage company supplies an appraisal showing that the new loan plus the balance(s) on all unpaid loans (including the value of the rehabilitation assistance) does not exceed ninety-five (95%) of the appraised value of the



unit. If the Owner is simply refinancing their primary mortgage to a lower interest rate and not "cashing out" any equity, Wyckoff will subordinate up to 100% of the appraised value.

The fee to process program loan subordination requests will be paid by the homeowner directly to the Program Administrator in accordance with the fee set forth in the yearly program administration contract.

## VI. CONTRACTOR REQUIREMENTS AND RECRUITMENT

### A. Marketing

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

### B. Contractor Qualifications

To qualify, Contractors must meet the following minimum requirements:

- Contractors must carry at least \$1,000,000 in general liability insurance. The Contractor shall carry full workmen's compensation coverage including Employer's Liability limits of at least \$500,000 and statutory state coverage for all of his/her employees and those of his/her subcontractors engaged in program rehab work. The Contractor must provide the Case Manager with a certificate of insurance designating the Program as Certificate Holder, and designating the Municipality and CGP&H as additional insureds at time of program job award.
- At least three favorable references on the successful completion of similar work; and
- The Contractor's State Business Registration Certificate; and
- Current Consumer Affairs Home Improvement Contractor license; and

- Applicable lead certifications for Contractors working on houses built prior to 1978. As identified in the scope of work, the Contractor must comply with the EPA Renovation, Repair and Painting (RRP) Rule regarding certification; and
- If claiming prior experience with local, state or federally funding housing rehabilitation programs, a record of satisfactory performance in a neighborhood rehabilitation program or other federal/state programs; and
- Appropriate licenses; e.g. plumbing, electrical.

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

## VII. LEAD BASED PAINT (LBP):

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

The Program has the option to refer Owners of houses built prior to 1978 to the NJ DCA Lead-Safe Home Remediation Pilot Grant Program for possible lead-based paint testing and lead based paint hazard remediation needs.

## VIII. RENTAL PROCEDURES:

Rental units are subject to the Uniform Housing Affordability Controls (UHAC) at N.J.A.C. 5-80-26.1 et. seq. once the rental units are rehabilitated. In addition to the mortgage and mortgage note, the controls on affordability shall be in the form of a deed restriction with each affordable unit specified as either a very low, low or moderate-income rental unit.

The Wyckoff Rental Housing Rehabilitation Program shall be administered in accordance with the following as it pertains to rentals:

- If a unit is vacant, upon initial rental subsequent to rehabilitation, or if a renter-occupied unit is re-rented prior to the end of controls on affordability, the deed restriction shall require the unit be rented to a low- or moderate-income household at an affordable rent and affirmatively marketed pursuant to UHAC.

- If a unit is renter-occupied, upon completion of the rehabilitation, the maximum rate of rent shall be the lesser of the current rent or the maximum permitted rent pursuant to UHAC.
- Rental Increases: See section VIII C, below.

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

#### **A. Determining Initial Affordable Rents**

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

#### **B. Pricing by Household Size**

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

Table 3 Initial Rental Pricing by Housing Size

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

- A studio shall be affordable to a one-person household;
- A one-bedroom unit shall be affordable to a one- and one-half person household;

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

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

### **C. Determining Rent Increases**

Rents in rehabilitated units may increase annually based on the standards in Appendix A, entitled Calculating Annual Increases to Income Limits, Resale Prices, and Rents, below, and only upon written notification from the Administrative Agent.

In addition, the Township's Administrative Agent must be used by the Landlord to ensure that all appropriate affirmative marketing and all other affordable housing compliance procedures are followed and will continually oversee compliance for these affordable rental units throughout their restrictive term.

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. 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.

## **IX. MARKETING STRATEGY**

In lieu of a separate submission of the Program's marketing plan for the Court's approval, this section will satisfy the obligation of N.J.A.C. 5:93-5.2(d). In coordination with the Township, the Program Administrator will employ a variety of proven strategies to advertise the Program within Wyckoff to establish demand for the Program, and ideally, develop an applicant pool/waiting list. The marketing strategy/plan possibilities include but are not limited to:

- Creation and distribution of Program Owner outreach material as applicable
- Place Program outreach material on the Township's website
- Place Program outreach material on the CGP&H website
- Direct mailing to Landlords
- Appending announcements and/or flyers to other municipal mailings as they become available (tax, etc.)
- Municipal email blasts and Twitter communication (if available)

- Municipal E-newsletter and paper newsletter (if available)
- Free local cable TV advertising (when available)
- Periodic Press releases
- Paid newspaper advertisements (last resort) when deemed necessary and appropriate
- The order of method used will be analyzed to implement the most effective combination of strategies. Extensive marketing efforts are essential for all successful housing rehabilitation programs to meet their productivity objectives.

Available rental units assisted via the RHRP will be affirmatively marketed in accordance with the Township of Wyckoff Affordable Housing Affirmative Marketing Plan.

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

### **A. Programmatic Recording**

The Program files will include:

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

### **B. Participant Record keeping**

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

- Checklist
- Landlord Application form
- Tenant Application form including rental lease
- Proof of ownership of property to be assisted via the Program
- Income verification (for all tenant households)

- Proof of currency of property tax and, when applicable, municipal utilities accounts for property to be assisted via the Program
- Proof of owner extended coverage/hazard insurance (Declaration Page) for property to be assisted via the Program
- Proof that the municipal lien plus the total of other liens does not exceed the market value of the unit of the property to be assisted via the Program
- Certification of Eligible Household or Notice of Ineligible Household (whichever is applicable) of each unit to be assisted via the Program
- Owner/Program Agreement
- Certificate of Substandard
- Work Specifications/Cost Estimate aka Work Write-Up
- Bid Notice
- Contractor bids
- Bid Tabulation
- Construction Agreement
- Mortgage and Mortgage Note and Deed Restriction
- Notice of Right of Rescission
- Owner Confirmation of Receipt of EPA Lead Information Pamphlet
- Contractor Confirmation of Receipt of Lead Paint Notice
- Change orders, if any
- Work progress and final inspection reports
- Copies of Contractor payment documentation
- Photographs (Before and After)
- Close-out documents
- Certification of Approval

### **C. Reporting**

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
- Funds Recaptured
- Major Systems Repaired
- Unit Below Code & Raised to Code
- Effective date of affordability controls
- Length of Affordability Controls (yrs)
- Date Affordability Controls removed
- Reason for removal of Affordability Controls

The Program Administrator is responsible for entering each completed unit's data into the State's online CTM system, if access to the CTM is available and/or provide each completed unit's data for annual state reporting.

### **D. Financial Recordkeeping**

Financial recordkeeping through the State's online CTM system is the responsibility of the Municipal Housing Liaison.

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

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

If a homeowner refuses to pay the contractor and work has been done to work specification and to the satisfaction of the Program, it may authorize payment to the contractor directly. However, the Program will make a reasonable attempt to resolve the differences before taking this step.

However, on the rare occasion if a homeowner or contractor decides to dispute a Program staff decision, the Program will refer the matter to the Township for further resolution. It is

recommended the Township forms a Housing Advisory Committee to mediate and resolve the differences. Homeowners or contractors involved in a dispute will be instructed to submit their concerns in writing. The homeowner or contractor may request a hearing conducted by the Housing Advisory Committee. All Housing Advisory Committee decisions are final. The Housing Advisory Committee formation may occur when the first need arises.

Additionally, the Housing Advisory Committee may decide on cases that are not clearly determined via the Policy and Procedures Manual, requiring either a change to the Manual, a waiver approval or waiver denial.

## **XII. CONCLUSION**

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



## APPENDIX A - LIST OF PROGRAM FORMS

- Application Transmittal Letter
- Program Information Handout
- Application for Assistance- Landlord (Investor)
- Application for Assistance- Tenant
- Eligibility Release Form
- Checklist
- Special Needs Waiver (Eligibility Requirements)
- Certification of Eligible Household
- Eligibility Determination Form
- Notification of Eligibility
- Notification of Ineligibility
- Owner/Program Agreement
- Certificate of Substandard
- Certificate of Substandard – Emergency Situation
- Letter: forward work write-up and Contractor list to Owner
- Work write-up review form
- Request for Rehabilitation Bid
- Affidavit of Contractor
- Subcontractor Bid Sheet
- Bid Tabulation/Contractor Selection
- Construction Agreement
- Mortgage
- Mortgage Note
- Notice of Right of Rescission
- COAH Deed Restriction
- Owner Confirmation of Receipt of EPA Lead Information Pamphlet
- Contractor Confirmation of Receipt of Lead Paint Notice
- Notice to Proceed
- Contractor's Request for Final Inspection
- Change Order Authorization
- Certificate and Release
- Closeout Statement

## APPENDIX B – Court-Approved Calculation of Annual Increases to Income Limits, Resale Prices and Rents

### Methodology for Calculating Regional Income Limits and Rental Increase:

Income limits for all units that are part of the municipality's Housing Element and Fair Share Plan and for which income limits are not already established through a federal program exempted from the Uniform Housing Affordability Controls pursuant to N.J.A.C. 5:80-26.1 shall be updated by the municipality annually within 30 days of the publication of determinations of median income by HUD as follows:

- a. Regional income limits shall be established for the region that the municipality is located within, 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 municipality'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 percent 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 percent 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 percent 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.
- b. The income limits attached are the result of applying the percentages set forth in paragraph (a) above to HUD's determination of median income for the most recent year and shall be utilized until the municipality updates the income limits after HUD has published revised determinations of median income for the next fiscal year.
- c. If at any time, COAH (or a successor administrative agency duly empowered by an amendment to the Fair Housing Act) begins to issue updated annual income limits and rules for increasing sales prices and rent levels each year, said updated income limits and

rules for increasing sales prices and rent levels each year may be used instead of the methodology set forth herein.

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:

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.

Prepared by Affordable Housing Professionals of New Jersey (AHPNJ) - April 24, 2020  
**2020 AFFORDABLE HOUSING REGIONAL INCOME LIMITS BY HOUSEHOLD SIZE**

Income limits not officially adopted by the State of New Jersey. Contact your municipality to see if applicable in your jurisdiction. Additional information about AHPNJ income limits is posted on AHPNJ.org

Region	Income Category	Regional Asset Limit****								Max Increase Rents*** Series***				
		1 Person	*1.5 Person	2 Person	*3 Person	4 Person	*4.5 Person	5 Person	6 Person		7 Person	8+ Person		
Region 1 Bergen, Hudson, Passaic and Sussex	Median	\$67,166	\$71,964	\$76,761	\$86,557	\$95,952	\$99,790	\$103,628	\$111,304	\$118,980	\$126,656	1.9%	0.84%	\$185,559
	Moderate	\$53,733	\$57,571	\$61,409	\$69,085	\$76,761	\$79,832	\$82,902	\$89,043	\$95,184	\$101,325			
	Low	\$53,583	\$35,982	\$38,381	\$43,178	\$47,976	\$49,895	\$51,814	\$55,652	\$59,490	\$63,328			
	Very Low	\$20,150	\$21,589	\$23,028	\$25,907	\$28,786	\$29,937	\$31,088	\$33,239	\$35,390	\$37,541			
Region 2 Essex, Morris, Union and Warren	Median	\$73,857	\$79,132	\$84,408	\$94,959	\$105,510	\$109,730	\$113,951	\$122,391	\$130,832	\$139,273	1.9%	4.71%	\$202,419
	Moderate	\$59,085	\$63,306	\$67,526	\$75,967	\$84,408	\$87,784	\$91,160	\$97,913	\$104,666	\$111,418			
	Low	\$56,928	\$39,566	\$42,204	\$47,479	\$52,755	\$54,865	\$56,975	\$61,196	\$65,416	\$69,636			
	Very Low	\$22,157	\$23,740	\$25,322	\$28,488	\$31,653	\$32,919	\$34,185	\$36,717	\$39,250	\$41,782			
Region 3 Hunterdon, Middlesex and Somerset	Median	\$83,650	\$89,625	\$95,600	\$107,350	\$119,500	\$124,280	\$129,060	\$138,620	\$148,180	\$157,740	1.9%	1.01%	\$227,546
	Moderate	\$66,920	\$71,700	\$76,480	\$86,040	\$95,600	\$99,424	\$103,248	\$110,896	\$118,544	\$126,192			
	Low	\$41,825	\$44,813	\$47,800	\$53,775	\$59,750	\$62,140	\$64,530	\$69,310	\$74,090	\$78,870			
	Very Low	\$25,095	\$26,888	\$28,680	\$32,265	\$35,850	\$37,284	\$38,718	\$41,586	\$44,454	\$47,322			
Region 4 Mercer, Monmouth and Ocean	Median	\$76,469	\$81,931	\$87,393	\$98,317	\$109,242	\$113,611	\$117,981	\$126,720	\$135,460	\$144,199	1.9%	5.96%	\$205,486
	Moderate	\$61,175	\$65,545	\$69,915	\$78,654	\$87,393	\$90,889	\$94,385	\$101,376	\$108,368	\$115,359			
	Low	\$38,235	\$40,966	\$43,697	\$49,159	\$54,621	\$56,805	\$58,990	\$63,360	\$67,730	\$72,099			
	Very Low	\$22,941	\$24,579	\$26,218	\$29,495	\$32,772	\$34,083	\$35,394	\$38,016	\$40,638	\$43,260			
Region 5 Burlington, Camden and Gloucester	Median	\$67,620	\$72,450	\$77,280	\$86,940	\$96,600	\$100,464	\$104,328	\$112,056	\$119,784	\$127,512	1.9%	7.21%	\$179,028
	Moderate	\$54,096	\$57,960	\$61,824	\$69,552	\$77,280	\$80,371	\$83,462	\$89,645	\$95,827	\$102,010			
	Low	\$33,810	\$36,225	\$38,640	\$43,470	\$48,300	\$50,232	\$52,164	\$56,028	\$59,892	\$63,756			
	Very Low	\$20,286	\$21,735	\$23,184	\$26,082	\$28,980	\$30,139	\$31,298	\$33,617	\$35,935	\$38,254			
Region 6 Atlantic, Cape May, Cumberland, and Salem	Median	\$57,458	\$61,562	\$65,666	\$73,874	\$82,083	\$85,366	\$88,649	\$95,216	\$101,782	\$108,349	1.9%	6.97%	\$153,730
	Moderate	\$45,966	\$49,250	\$52,533	\$59,100	\$65,666	\$68,293	\$70,919	\$76,173	\$81,426	\$86,679			
	Low	\$28,729	\$30,781	\$32,833	\$36,937	\$41,041	\$42,683	\$44,325	\$47,608	\$50,891	\$54,175			
	Very Low	\$17,237	\$18,469	\$19,700	\$22,162	\$24,625	\$25,610	\$26,595	\$28,565	\$30,535	\$32,505			

Moderate income is between 80 and 50 percent of the median income. Low income is 50 percent or less of median income. Very low income is 30 percent or less of median income.

\* These columns are for calculating the pricing for one, two and three bedroom sale and rental units as per N.J.A.C. 5:80-26.4(a).

\*\* This column is used for calculating the pricing for rent increases for units (as previously calculated under N.J.A.C. 5:97-9.3 (Consumer price index for All Urban Consumers (CPI-U); Regions by expenditure category and commodity and service group). Landlords who did not increase rents in 2015, 2016, 2017, 2018 or 2019 because of the lack of authority to do so, may increase rent by up to the applicable combined percentage including 2020 or 9.0% whichever is less in accordance with N.J.A.C. 5:97-9.3(c). In no case can rent for any particular apartment be increased more than one time per year.

\*\*\* This column is used for calculating the pricing for resale increases for units (as previously calculated under N.J.A.C. 5:97-9.3). 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.

\*\*\*\* The Regional Asset Limit is used in determining an applicant's eligibility for affordable housing pursuant to N.J.A.C. 5:80-26.16(b)(3).