



BOROUGH OF ALLENDALE
MAYOR AND COUNCIL
REGULAR MEETING
AGENDA & MATERIALS
THURSDAY,
FEBRUARY 19, 2026
7:00 P.M.

AGENDA
BOROUGH OF ALLENDALE
MAYOR AND COUNCIL
COMBINED WORK AND REGULAR SESSION
FEBRUARY 19, 2026 AT 7:00 P.M.

**REVISED AGENDA AS
OF 2/19/2026**

[MEETING LINK: JOIN LIVE](#)

Meeting ID: 270 364 207 997 5

Passcode: Jj2rs6oN

**This agenda was prepared as of 02/19/2026 with all available information as of this date. Additional items may be added to this agenda. Final action may be taken on all matters listed or added to this agenda.

A combined Work and Regular Session of the Mayor and Council of the Borough of Allendale will be held in-person on February 19, 2026, beginning at 7:00 pm in the Mayor & Council Chambers at the Allendale Municipal Building, 500 West Crescent Avenue, Allendale, New Jersey 07401.

CALL TO ORDER:

OPEN PUBLIC MEETINGS ACT ANNOUNCEMENT:

ROLL CALL:

SALUTE TO FLAG:

AGENDA REVIEW:

PROFESSIONAL GUEST: Jeff Surenian.

PUBLIC COMMENT ON AGENDA ITEMS ONLY:

PUBLIC HEARING AND SECOND READING OF ORDINANCE(S):

ORDINANCE 26-02: AN ORDINANCE OF THE BOROUGH OF ALLENDALE, IN THE COUNTY OF BERGEN, STATE OF NEW JERSEY, REQUIRING LEAD-BASED PAINT INSPECTIONS OF CERTAIN RENTAL DWELLING UNITS AND ESTABLISHING PROCEDURES, EXCEPTIONS, FEES, AND PENALTIES IN ACCORDANCE WITH STATE LAW.

ORDINANCE 26-03: AN ORDINANCE AMENDING CHAPTER 120, "FEES," ARTICLE I, "PUBLIC RECORDS AND FEES," SECTION 7 OF THE CODE OF THE BOROUGH OF ALLENDALE.

ORDINANCE 26-04: AN ORDINANCE IMPLEMENTING THE BOROUGH'S FOURTH ROUND HOUSING PLAN ELEMENT AND FAIR SHARE PLAN CONSISTENT WITH THE TERMS OF A MEDIATION AGREEMENT REACHED BETWEEN THE BOROUGH OF ALLENDALE AND THE FAIR SHARE HOUSING CENTER IN ACCORDANCE WITH THE NEW JERSEY FAIR HOUSING ACT AND RELEVANT REGULATIONS AND POLICIES AND TO AMEND, SUPPLEMENT AND REVISE THE CODE OF THE BOROUGH OF ALLENDALE, CHAPTER 275 "ZONING" TO AMEND THE FOLLOWING PARTICULARS OF THE ALLENDALE CORPORATE CENTER OVERLAY ZONE (MFRO-3).

ORDINANCE 26-05: AN ORDINANCE IMPLEMENTING THE BOROUGH'S FOURTH ROUND HOUSING PLAN ELEMENT AND FAIR SHARE PLAN CONSISTENT WITH THE TERMS OF A MEDIATION AGREEMENT REACHED BETWEEN THE BOROUGH OF ALLENDALE AND THE FAIR SHARE HOUSING CENTER IN ACCORDANCE WITH THE NEW JERSEY FAIR HOUSING ACT AND RELEVANT REGULATIONS AND POLICIES AND TO AMEND, SUPPLEMENT AND REVISE THE CODE OF THE BOROUGH OF ALLENDALE, CHAPTER 81 "AFFORDABLE HOUSING" TO AMEND THE FOLLOWING PARTICULARS OF THE CHAPTER.

INTRODUCTION OF ORDINANCE(S):

ORDINANCE 26-06: AN ORDINANCE TO AMEND, SUPPLEMENT AND REVISE THE CODE OF THE BOROUGH OF ALLENDALE, PROPERTY MAINTENANCE, CHAPTER 199-12(N) ARTICLE V MAINTENANCE STANDARDS.

ORDINANCE 26-07: AN ORDINANCE TO AMEND, SUPPLEMENT AND REVISE THE CODE OF THE BOROUGH OF ALLENDALE, CHAPTER 233, ARTICLE V SNOW AND ICE REMOVAL.

CONSENT AGENDA:

Matters listed below are considered routine and will be enacted by one motion of the Council and one roll call vote. There will be no separate discussion of these items unless a Council member requests an item be removed for consideration.

<u>RES 26-97:</u>	Authorizing a Professional Services Agreement with Tantalum Labs LLC, for Cybersecurity Security Testing Services.
<u>RES 26-98:</u>	Appointment of Hourly Part-Time Building Monitor.
<u>RES 26-99:</u>	Resolution of the Borough Council of the Borough of Allendale, in the County of Bergen, New Jersey, covenanting to comply with the provisions of the Internal Revenue Code of 1986, as amended, applicable to the exclusion from gross income for federal income tax purposes of interest on obligations issued by the Borough of Allendale and authorizing the Mayor, Borough Clerk, Chief Financial Officer and other borough officials to take such action as they may deem necessary or advisable to effect such compliance and designating a \$6,350,000 Bond Anticipation Note, dated February 19, 2026, payable February 19, 2027, as a "Qualified Tax-Exempt obligation" pursuant to Section 265(B)(3) of the Internal Revenue Code of 1986, as Amended.
<u>RES 26-100:</u>	Bill List of February 19, 2026.
<u>RES 26-101:</u>	Resolution of the borough council of the Borough of Allendale, County of Bergen, State of New Jersey, adopting the Affordable Housing Trust Funds Owner-Occupied and Rental Rehabilitation Manual Prepared By Leckington Advisors.
<u>RES 26-102:</u>	Resolution of the Mayor and Council of the Borough of Allendale of the County of Bergen, State of New Jersey, stating its intent to bond or take such other steps as may be necessary to fully fund its Housing Element and Fair Share Plan.

<u>RES 26-103:</u>	A Resolution of the borough council of the Borough of Allendale endorsing an amendment to the Housing Element and Fair Share Plan adopted by the Land Use Board on February 11, 2026.
<u>RES 26-104:</u>	A Resolution of the borough council of the Borough of Allendale, County of Bergen, State of New Jersey, adopting the Affirmative Marketing Plan prepared by Leckington Advisors, LLC

ADMINISTRATION:

- A. Council Report
- B. Staff Reports
- C. Mayor's Report

UNFINISHED BUSINESS

NEW BUSINESS:

PUBLIC COMMENTS ON ANY MATTER:

Those wishing to speak will have a three (3) minute time limit to address the governing body. Large groups are asked to have a spokesperson represent them.

ADJOURNMENT:

**BOROUGH OF ALLENDALE
COUNTY OF BERGEN
STATE OF NEW JERSEY**

ORDINANCE # 26-02

AN ORDINANCE OF THE BOROUGH OF ALLENDALE, IN THE COUNTY OF BERGEN, STATE OF NEW JERSEY, REQUIRING LEAD-BASED PAINT INSPECTIONS OF CERTAIN RENTAL DWELLING UNITS AND ESTABLISHING PROCEDURES, EXCEPTIONS, FEES, AND PENALTIES IN ACCORDANCE WITH STATE LAW

BE IT ORDAINED by the Mayor and Council of the Borough of Allendale, in the County of Bergen, State of New Jersey, as follows:

SECTION 1. Purpose and Authority.

This Ordinance is adopted pursuant to P.L. 2021, c. 182 and N.J.S.A. 52:27D-437.1 et seq., to protect public health by requiring inspections of certain rental dwelling units for lead-based paint hazards.

SECTION 2. Required Initial Inspection.

The owner, landlord, and/or agent of every single-family, two-family, and/or multiple dwelling unit offered for rental within the Borough of Allendale shall be required to obtain an inspection of the unit for lead-based paint hazards within two (2) years of July 2, 2022, or upon tenant turnover, whichever is earlier.

SECTION 3. Required Recurring Inspection.

After the initial inspection required herein, the owner, landlord, and/or agent of such dwelling unit offered for rental shall be required to obtain an inspection of the unit for lead-based paint hazards every three (3) years, or upon tenant turnover, whichever is earlier, except that an inspection upon tenant turnover shall not be required if the owner possesses a valid lead-safe certification.

SECTION 4. Standards.

Inspections for lead-based paint hazards in rental dwelling units shall be governed by the standards set forth in N.J.S.A. 52:27D-437.1 et seq. and N.J.S.A. 55:13A-1 et seq., as may be amended from time to time.

SECTION 5. Exceptions.

A dwelling unit shall not be subject to inspection or evaluation for the presence of lead-based paint hazards, or the fees for such inspection or evaluation, if the unit:

- A. Has been certified to be free of lead-based paint;
- B. Was constructed during or after 1978;
- C. Is in a multiple dwelling registered with the Department of Community Affairs for at least ten (10) years and has no outstanding lead violations from the most recent cyclical inspection;
- D. Is a single-family or two-family seasonal rental rented for less than six (6) months per year by tenants without consecutive lease renewals; or
- E. Has a valid lead-safe certification issued pursuant to N.J.S.A. 52:27D-437.16(d).

SECTION 6. Remediation.

If lead-based paint hazards are identified, the owner of the dwelling unit shall remediate the hazards through abatement or lead-based paint hazard control mechanisms in accordance with N.J.S.A. 52:27D-437.16(d). Upon completion of remediation, an additional inspection shall be conducted by a municipal official or other individual appointed by the Borough, or by the owner's private certified lead inspector, to certify that the hazard no longer exists.

SECTION 7. Certification as Lead Safe.

If no lead-based paint hazards are identified, the dwelling unit shall be certified as lead safe on a form prescribed by the Department of Community Affairs. Such certification shall be valid for two (2) years and shall be filed with the Borough official or appointed designee responsible for maintaining records related to this Ordinance. The Borough shall maintain up-to-date information on inspection schedules, inspection results, tenant turnover, and all lead-safe and lead-free certifications.

SECTION 8. Proof of Certification Required.

In accordance with N.J.S.A. 52:27D-437.16(e), property owners shall:

- A. Provide evidence of a valid lead-safe certification and the most recent tenant turnover to the Borough at the time of any required inspection;
- B. Provide evidence of a valid lead-safe certification to new tenants at the time of tenant turnover and affix a copy of such certification as an exhibit to the tenant's lease; and
- C. Maintain records of lead-safe certifications, including the names of tenants if the inspection was conducted during a period of tenancy.

SECTION 9. Fees.

- A. A fee in the amount established by resolution of the Mayor and Council shall be paid for each lead-based paint inspection per unit, except where the owner directly hires a private lead evaluation contractor certified by the Department of Community Affairs.
- B. A filing fee, as established by resolution, shall be required for the filing of a lead-safe or lead-free certification.
- C. In a common interest community, any inspection fee shall be the responsibility of the unit owner unless the association is the owner of the unit.

SECTION 10. Violations and Penalties.

Any person who violates the provisions of this Ordinance shall be subject to the penalties set forth in N.J.S.A. 52:27D-437.19. Property owners shall be afforded thirty (30) days to cure a violation. Failure to cure may result in penalties not to exceed \$1,000 per week until compliance is achieved.

SECTION 11. Severability.

If any section, subsection, paragraph, sentence, clause, or phrase of this Ordinance is held to be invalid or unconstitutional, such decision shall not affect the remaining portions of this Ordinance.

SECTION 12. Effective Date.

This Ordinance shall take effect upon final passage and publication according to law.

Council	Motion	Second	Yes	No	Abstain	Absent
O'Connell						
O'Toole						
Lovisolo						
Homan						
Daloisio						
Yaccarino						
Mayor Wilczynski	-----	-----				

I hereby certify the above to be a true copy of an Ordinance adopted by the Governing Body of the Borough of Allendale on February 19, 2026.

Linda Louise Cervino, RMC
Municipal Clerk

Amy Wilczynski
Mayor

**BOROUGH OF ALLENDALE
COUNTY OF BERGEN
STATE OF NEW JERSEY**

ORDINANCE #26-03

AN ORDINANCE AMENDING CHAPTER 120, "FEES," ARTICLE I, "PUBLIC RECORDS AND FEES," SECTION 7 OF THE CODE OF THE BOROUGH OF ALLENDALE

BE IT ORDAINED by the Mayor and Council of the Borough of Allendale, County of Bergen, State of New Jersey, that the code of the Borough of Allendale is hereby amended as follows to add/modify the following sections only:

§ 120-7 "Procedures and Fees for Purchasing Copies of Public Records"

- (G). Camera footage: When body-worn camera/police vehicle camera footage is requested from the Borough of Allendale Police Department, the footage requires review for possible redaction.
 - (1) For every one hour of camera footage requested, it is determined that three hours were required to review the footage for redaction purposes.
 - (2) Requests of camera footage will be charged a fee of \$30 per hour of review for redaction purposes.
 - (3) Camera footage review fees shall be billable in 15-minute increments or part thereof.
 - (4) Requests of body-worn/vehicle camera footage with run-times of 30 minutes or less shall be provided free of charge; the fee for redaction shall begin in the second half hour run-time. Requests which include more than one video shall be calculated in the aggregate and the fee for redaction shall begin in the second hour, and calculation shall be performed from the lowest runtime to the highest.
 - (5) Prior to reviewing and production of recorded camera footage, the requester shall be provided with the cost for production of the footage. In order for the review and production to proceed, the requester shall provide the Borough Police with a deposit in the amount of 50% of the cost.

BE IT FURTHER ORDAINED that, except as modified herein, all other provisions of Chapter 120 remain in full force and effect as previously adopted.

Council	Motion	Second	Yes	No	Abstain	Absent
O'Connell						
O'Toole						
Lovisolo						
Homan						
Daloisio						
Yaccarino						
Mayor Wilczynski	-----	-----				

I hereby certify the above to be a true copy of an Ordinance adopted by the Governing Body of the Borough of Allendale on February 19, 2026.

Linda Louise Cervino, RMC
Municipal Clerk

Amy Wilczynski
Mayor

**BOROUGH OF ALLENDALE
COUNTY OF BERGEN
STATE OF NEW JERSEY**

ORDINANCE #26-04

AN ORDINANCE IMPLEMENTING THE BOROUGH’S FOURTH ROUND HOUSING PLAN ELEMENT AND FAIR SHARE PLAN CONSISTENT WITH THE TERMS OF A MEDIATION AGREEMENT REACHED BETWEEN THE BOROUGH OF ALLENDALE AND THE FAIR SHARE HOUSING CENTER IN ACCORDANCE WITH THE NEW JERSEY FAIR HOUSING ACT AND RELEVANT REGULATIONS AND POLICIES AND TO AMEND, SUPPLEMENT AND REVISE THE CODE OF THE BOROUGH OF ALLENDALE, CHAPTER 275 “ZONING” TO AMEND THE FOLLOWING PARTICULARS OF THE ALLENDALE CORPORATE CENTER OVERLAY ZONE (MFRO-3).

WHEREAS, the Borough of Allendale (the “Borough” or “Allendale”) having filed a declaratory judgment action pursuant to N.J.S.A. 52:27D-301 et. seq. (the “Fair Housing Act”) on January 15, 2025; and

WHEREAS, the Court entered an order on May 5, 2025 setting the Borough’s Fourth Round fair share obligations as a Present Need of 159 units and a Prospective Need of 200 units, and ordering the Borough to file a Housing Element and Fair Share Plan (“HEFSP”) by June 30, 2025; and

WHEREAS, the Borough having filed its HEFSP on June 17, 2025 (“Adopted HEFSP”); and

WHEREAS, Fair Share Housing Center (“FSHC”) and AvalonBay having filed challenges to the Borough’s application for approval of its Housing Element and Fair Share Plan; and

WHEREAS, the dispute resolution program (“Program”) created by the Fair Housing Act having appointed Judge Toskos as the program judge and Christine Cofone as the adjudicator to help mediate the disputes; and

WHEREAS, mediation culminated in a Mediation Agreement with FSHC and with Avalon Bay withdrawing its objection; and

WHEREAS, the Borough is committing to fulfilling its agreement with FSHC and implementing its Housing Element and Fair Share Plan as amended.

NOW, THEREFORE, BE IT ORDAINED by the Borough Council of the Borough of Allendale, County of Bergen, and State of New Jersey that Chapter 270 Zoning of the Zoning Ordinance of the Borough of Allendale is and shall be amended in the following particulars only:

Section 1. Section 275-5 Zone Map is hereby amended to include a new lot within the MFRO-3 overlay zone. More specifically, the following property shall retain their existing district designation but shall also be subject to the overlay district by their inclusion within the MFRO-3 overlay district:

Block 702, Lot 15.

Section 2. Section 270-198 MFRO-3 Allendale Corporate Center Overlay Zone shall be amended and is hereby adopted with following particulars only:

A. Maximum density. The maximum density of housing units shall be 26 units per acre.

Section 3

All Ordinances of the Borough of Allendale which are inconsistent with the provisions of this Ordinance are hereby repealed to the extent of such inconsistency.

Section 4

If any section, subsection, sentence, clause or phrase of this Ordinance is for any reason held to be unconstitutional or invalid, such decision shall not affect the remaining portions of this Ordinance.

Section 5

This Ordinance shall take effect immediately upon final passage, approval and publication as required by law.

Council	Motion	Second	Yes	No	Abstain	Absent
O'Connell						
O'Toole						
Lovisolo						
Homan						
Daloisio						
Yaccarino						
Mayor Wilczynski	-----	-----				

I hereby certify the above to be a true copy of an Ordinance adopted by the Governing Body of the Borough of Allendale on February 19, 2026.

Linda Louise Cervino, RMC
Municipal Clerk

Amy Wilczynski
Mayor

ATTEST:

BOROUGH OF ALLENDALE
COUNTY OF BERGEN
STATE OF NEW JERSEY

Linda Louise Cervino, Borough Clerk

By: _____
Amy Wilczynski, Mayor

**BOROUGH OF ALLENDALE
COUNTY OF BERGEN
STATE OF NEW JERSEY**

ORDINANCE #26-05

AN ORDINANCE IMPLEMENTING THE BOROUGH’S FOURTH ROUND HOUSING PLAN ELEMENT AND FAIR SHARE PLAN CONSISTENT WITH THE TERMS OF A MEDIATION AGREEMENT REACHED BETWEEN THE BOROUGH OF ALLENDALE AND THE FAIR SHARE HOUSING CENTER IN ACCORDANCE WITH THE NEW JERSEY FAIR HOUSING ACT AND RELEVANT REGULATIONS AND POLICIES AND TO AMEND, SUPPLEMENT AND REVISE THE CODE OF THE BOROUGH OF ALLENDALE, CHAPTER 81 “AFFORDABLE HOUSING” TO AMEND THE FOLLOWING PARTICULARS OF THE CHAPTER.

WHEREAS, the Borough of Allendale (the “Borough” or “Allendale”) having filed a declaratory judgment action pursuant to N.J.S.A. 52:27D-301 et. seq. (the “Fair Housing Act”) on January 15, 2025; and

WHEREAS, the Court entered an order on May 5, 2025 setting the Borough’s Fourth Round fair share obligations as a Present Need of 159 units and a Prospective Need of 200 units, and ordering the Borough to file a Housing Element and Fair Share Plan (“HEFSP”) by June 30, 2025; and

WHEREAS, the Borough having filed its HEFSP on June 17, 2025 (“Adopted HEFSP”); and

WHEREAS, Fair Share Housing Center (“FSHC”) and AvalonBay having filed challenges to the Borough’s application for approval of its Housing Element and Fair Share Plan; and

WHEREAS, the dispute resolution program (“Program”) created by the Fair Housing Act having appointed Judge Toskos as the program judge and Christine Cofone as the adjudicator to help mediate the disputes; and

WHEREAS, mediation culminated in a Mediation Agreement with FSHC and with Avalon Bay withdrawing its objection; and

WHEREAS, the Borough is committing to fulfilling its agreement with FSHC and implementing its Housing Element and Fair Share Plan as amended.

NOW, THEREFORE, BE IT ORDAINED by the Borough Council of the Borough of Allendale, County of Bergen, and State of New Jersey that Chapter 270 Zoning of the Zoning Ordinance of the Borough of Allendale is and shall be amended in its entirety with the following:

Section 1.

ARTICLE I General Purposes and Procedures

§ 81-1. Affordable housing obligation.

- A. This section of the Code sets forth regulations regarding the very low-, low- and moderate-income housing units in Borough of Allendale consistent with the provisions outlined in P.L 2024, Chapter 2, including the amended Fair Housing Act (“FHA”) at N.J.S.A. 52:27D-301 et seq., as well as the Department of Community Affairs, Division of Local Planning Services (“LPS”) at N.J.A.C. 5:99 et seq., statutorily upheld existing regulations of the now-defunct Council on Affordable Housing (“COAH”) at N.J.A.C. 5:93 and 5:97, the Uniform Housing Affordability Controls (“UHAC”) at N.J.A.C. 5:80-26.1 et seq., and as reflected in the adopted municipal Fourth Round Housing Element and Fair Share Plan (“HEFSP”).
- B. This Ordinance is intended to ensure that very low-, low- and moderate-income units (“affordable units”) are created with controls on affordability over time and that very low-, low- and moderate-income households shall occupy these units pursuant to statutory requirements. This Ordinance shall apply to all inclusionary developments, individual affordable units, and 100% affordable housing developments except where inconsistent with applicable law. Low-Income Housing Tax Credit financed developments shall adhere to the provisions set forth below in item 5.c. below.
- C. The Borough of Allendale Land Use Board has adopted a HEFSP pursuant to the Municipal Land Use Law at N.J.S.A. 40:55D-1, et seq. The Fair Share Plan describes the ways the municipality shall address its fair share of very low-, low- and moderate-income housing as approved by the Superior Court and documented in the Housing Element.
- D. This Ordinance implements and incorporates the relevant provisions of the HEFSP and addresses the requirements of P.L 2024, Chapter 2, the FHA, N.J.A.C. 5:99, NJ Supreme Court upheld COAH regulations at N.J.A.C. 5:93 and 5:97, and UHAC at N.J.A.C. 5:80-26.1, as may be amended and supplemented.
- E. Applicability
 - (1) 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 pursuant to the municipality’s most recently adopted HEFSP.
 - (2) This Ordinance shall apply to all developments that contain very low-, low- and moderate-income housing units included in the Municipal HEFSP, including any unanticipated future developments that will provide very low-, low- and moderate-income housing units.

- (3) Projects receiving federal Low Income Housing Tax Credit financing and are proposed for credit shall comply with the low/moderate split and bedroom distribution requirements, maximum initial rents and sales prices requirements, affirmative fair marketing requirements of UHAC at N.J.A.C. 5:80-26.16 and the length of the affordability controls applicable to such projects shall be not less than a 30-year compliance period plus, pursuant to the current Low Income Housing Tax Credit program, a 15-year extended-use period, for a total of not less than 45 years.

F. Monitoring and Reporting Requirements

- (1) The municipality 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:
 - (a) The municipality shall provide electronic monitoring data with the Department pursuant to P.L 2024, Chapter 2 and N.J.A.C. 5:99 through the Affordable Housing Monitoring System (AHMS). All monitoring information required to be made public by the FHA shall be available to the public on the Department's website at <https://www.nj.gov/dca/dlps/hss/MuniStatusReporting.shtml>.
 - (b) On or before February 15 of each year, the municipality shall provide annual reporting of its municipal Affordable Housing Trust Fund activity to the Department on the AHMS portal. The reporting shall include an accounting of all municipal Affordable Housing Trust Fund activity, including the sources and amounts of funds collected and the amounts and purposes for which any funds have been expended, for the previous year from January 1st to December 31st.
 - (c) On or before February 15 of each year, the annual reporting of the status of all affordable housing activity shall be provided to the Department on the AHMS portal, for the previous year from January 1st to December 31st.

§ 81-2. Definitions.

As used herein the following terms shall have the following meanings:

“Accessory apartments” means a residential dwelling unit that provides complete independent living facilities with a private entrance for one or more persons, consisting of provisions for living, sleeping, eating, sanitation, and cooking, including a stove and refrigerator, and is located within a proposed preexisting primary dwelling, within an existing or proposed structure that is an accessory to a dwelling on the same lot, constructed in whole or part as an extension to a proposed or existing primary dwelling, or constructed as a separate detached structure on the same lot as the existing or proposed primary dwelling. Accessory apartments are also referred to as “accessory dwelling units”.

“Act” means the New Jersey Fair Housing Act, N.J.S.A. 52:27D-301 et seq.

“Adaptable” means constructed in compliance with the technical design standards of the barrier free subcode adopted by the Commissioner of Community Affairs pursuant to the “State Uniform Construction Code Act,” P.L.1975, c. 217 (C.52:27D-119 et seq.) and in accordance with the provisions of section 5 of P.L.2005, c. 350 (C.52:27D-123.15).

“Administrative agent” means the entity approved by the Division responsible for the administration of affordable units, in accordance with N.J.A.C. 5:99-7, and UHAC at N.J.A.C. 5:80-26.15.

“Affirmative marketing” means a regional marketing strategy designed to attract buyers and/or renters of affordable units pursuant to N.J.A.C. 5:80-26.16.

“Affirmative Marketing Plan” means the municipally adopted plan of strategies from which the administrative agent will choose to implement as part of the Affirmative Marketing requirements.

“Affirmative Marketing Process” or “Program” means the actual undertaking of Affirmative Marketing activities in furtherance of each project with very low- low- and moderate-income units.

“Affordability assistance” means the use of funds to render housing units more affordable to low- and moderate-income households and includes, but is not limited to, down payment assistance, security deposit assistance, low interest loans, rental assistance, assistance with homeowner’s association or condominium fees and special assessments, common maintenance expenses, and assistance with emergency repairs and rehabilitation to bring deed-restricted units up to code, pursuant to N.J.A.C. 5:99-2.5.

“Affordability average” means an average of the percentage of regional median income at which restricted units in an affordable development are affordable to low- and moderate-income households.

“Affordable” means, in the case of an ownership unit, that the sales price for the unit conforms to the standards set forth at N.J.A.C. 5:80-26.7 and, in the case of a rental unit, that the rent for the unit conforms to the standards set forth at N.J.A.C. 5:80-26.13.

“Affordable housing development” means a development included in a municipality’s housing element and fair share plan, and includes, but is not limited to, an inclusionary development, a municipally sponsored affordable housing project, or a 100 percent affordable development. This includes developments with affordable units on-site, off-site, or provided as a payment in-lieu of construction only if such a payment-in-lieu option has been previously approved by the Program or Superior Court as part of the HEFSP.

“Affordable Housing Dispute Resolution Program” or “the Program” refers to the dispute resolution program established pursuant to N.J.S.A. 52:27D-313.2.

“Affordable Housing Monitoring System” or “AHMS” means the Department’s cloud-based software application, which shall be the central repository for municipalities to use for reporting detailed information regarding affordable housing developments, affordable housing unit completions, and the collection and expenditures of funds deposited into the municipal affordable housing trust fund.

“Affordable Housing Trust Fund” or “AHTF” means that non-lapsing, revolving trust fund established in DCA pursuant to N.J.S.A. 52:27D-320 and N.J.A.C. 5:43 to be the repository of all State funds appropriated for affordable housing purposes. All references to the “Neighborhood Preservation Nonlapsing Revolving Fund” and “Balanced Housing” mean the AHTF.

“Affordable unit” means a housing unit proposed or developed pursuant to the Act, including units created with municipal affordable housing trust funds.

“Age-restricted housing” means a housing unit that is designed to meet the needs of, and is exclusively for, an age-restricted segment of the population such that: 1. All the residents of the development where the unit is situated are 62 years or older; 2. At least 80 percent of the units are occupied by one person that is 55 years or older; or 3. The development has been designated by the Secretary of HUD as “housing for older persons” as defined in Section 807(b)(2) of the Fair Housing Act, 42 U.S.C. § 3607.

“Agency” means the New Jersey Housing and Mortgage Finance Agency established by P.L.1983, c. 530 (C.55:14K-1 et seq.).

“Assisted living residence” means a facility licensed by the New Jersey Department of Health to provide apartment-style housing and congregate dining and to ensure that assisted living services are available when needed for four or more adult persons unrelated to the proprietor. Apartment units must offer, at a minimum, one unfurnished room, a private bathroom, a kitchenette, and a lockable door on the unit entrance.

“Barrier-free escrow” means the holding of funds collected to adapt affordable unit entrances to be accessible in accordance with N.J.S.A. 52:27D-311a et seq. Such funds shall be held in a municipal affordable housing trust fund pursuant to N.J.A.C. 5:99-2.6.

“Builder’s remedy” means court-imposed site-specific relief for a litigant who seeks to build affordable housing for which the court requires a municipality to utilize zoning techniques, such as mandatory set-asides or density bonuses, including techniques which provide for

the economic viability of a residential development by including housing that is not for low- and moderate-income households.

“Certified household” means a household that has been certified by an administrative agent as a very-low-income household, a low-income household, or a moderate-income household.

“CHOICE” means the no-longer-active Choices in Homeownership Incentives for Everyone Program, as it was authorized by the Agency.

“COAH” or the “Council” means the Council on Affordable Housing established in, but not of, DCA pursuant to the Act and that was abolished effective March 20, 2024, pursuant to section 3 at P.L. 2024, c. 2 (N.J.S.A. 52:27D-304.1).

“Commissioner” means the Commissioner of the Department of Community Affairs.

“Compliance certification” means the certification obtained by a municipality pursuant to section 3 of P.L.2024, c. 2 (C.52:27D-304.1), that protects the municipality from exclusionary zoning litigation during the current round of present and prospective need and through July 1 of the year the next round begins, which is also known as a “judgment of compliance” or “judgment of repose.” The term “compliance certification” shall include a judgment of repose granted in an action filed pursuant to section 13 of P.L.1985, c. 222 (C.52:27D-313).

“Construction” means new construction and additions, but does not include alterations, reconstruction, renovations, conversion, relocation, or repairs, as those terms are defined in the State Uniform Construction Code promulgated pursuant to the State Uniform Construction Code Act, P.L. 1975, c. 217(N.J.S.A. 52:27D-119 et seq.).

“County-level housing judge” means a judge appointed pursuant to section 5 at P.L. 2024, c. 2, to resolve disputes over the compliance of municipal fair share affordable housing obligations and municipal Fair Share plans and housing elements with the Act.

“DCA” and “Department” mean the State of New Jersey Department of Community Affairs.

“Deficient housing unit” means 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.

“Department” means the New Jersey Department of Community Affairs.

“Developer” means 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.

“Development” means the division of a parcel of land into two or more parcels, the construction, reconstruction, conversion, structural alteration, relocation, or enlargement 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 the Municipal Land Use Law, N.J.S.A. 40:55D-1 et seq.

“Development fee” means money paid by a developer for the improvement of residential and non-residential property as permitted pursuant to N.J.S.A. 52:27D-329.2 and 40:55D-8.1 through 40:55D-8.7 and N.J.A.C. 5:99-3.

“Dispute Resolution Program” means the Affordable Housing Dispute Resolution Program, established pursuant to section 5 at P.L. 2024, c. 2 (N.J.S.A. 52:27D-313.2).

“Division” means the Division of Local Planning Services within the Department of Community Affairs.

“Emergent opportunity” means a circumstance that has arisen whereby affordable housing will be able to be produced through a delivery mechanism not originally contemplated by or included in a fair share plan that has been the subject of a compliance certification.

“Equalized assessed value” or “EAV” means 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 at P.L. 1973, c. 123 (N.J.S.A. 54:1-35a, 54:1-35b, and 54:1-35c). Estimates at the time of building permit may be obtained by the tax assessor using construction cost estimates. Final EAV shall be determined at project completion by the municipal assessor.

“Equity share amount” means the product of the price differential and the equity share, with the equity share being the whole number of years that have elapsed since the last non-exempt sale of a restricted ownership unit, divided by 100, except that the equity share may not be less than five percent and may not exceed 30 percent.

“Exit sale” means the first authorized non-exempt sale of a restricted unit following the end of the control period, which sale terminates the affordability controls on the unit.

“Exclusionary zoning litigation” means litigation challenging the fair share plan, housing element, ordinances, or resolutions that implement the fair share plan or housing element of a municipality based on alleged noncompliance with the Act or the Mount Laurel

doctrine, which litigation shall include, but shall not be limited to, litigation seeking a builder's remedy.

"Extension of expiring controls" means extending the deed restriction period on units where the controls on the deed restriction imposed at the closing of the first purchaser of the affordable unit will expire in the current round of a housing obligation, so that the total years of a deed restriction is at least 60 years.

"Fair share obligation" means the total of the present need and prospective need, including prior rounds, as determined by the Affordable Housing Dispute Resolution Program, or a court of competent jurisdiction.

"Fair share plan" means the plan or proposal, with accompanying ordinances and resolutions, by which a municipality proposes to satisfy its constitutional obligation to create a realistic opportunity to meet its fair share of low- and moderate-income housing needs of its region and which details the affirmative measures the municipality proposes to undertake to achieve its fair share of low- and moderate-income housing, as provided in the municipal housing element, and which addresses the development regulations necessary to implement the housing element, including, but not limited to, inclusionary requirements and development fees, and the elimination of unnecessary housing cost-generating features from the municipal land use ordinances and regulations.

"FHA" means the New Jersey Fair Housing Act, N.J.S.A. 52:27D-301 et seq.

"Green Building Strategies" means the 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.

"HMFA" or "the Agency" means the New Jersey Housing and Mortgage Finance Agency established pursuant to P.L. 1983, c. 530 (N.J.S.A. 55:14K-1 et seq.).

"Household income" means a household's gross annual income calculated in a manner consistent with the determination of annual income pursuant to section 8 of the United States Housing Act of 1937 (Section 8), not in accordance with the determination of gross income for Federal income tax liability.

"Housing element" means the portion of a municipality's master plan adopted in accordance with the Municipal Land Use Law (MLUL) at N.J.S.A. 40:55D-28.b(3) and the Act consisting of reports, statements proposals, maps, diagrams, and text designed to meet the municipality's fair share of its region's present and prospective housing needs, particularly with regard to low- and moderate-income housing, which shall include the

municipal present and prospective obligation for affordable housing, determined pursuant to subsection f. at N.J.S.A. 52:27D-304.1.

“Housing region” means a geographic area established pursuant to N.J.S.A. 52:27D-304.2b.

“Inclusionary development” means a residential housing development in which a substantial percentage of the housing units are provided for a reasonable income range of low- and moderate- income households.

“Judgment of compliance” or “judgment for repose” means a determination issued by the Superior Court approving a municipality’s housing element and fair share plan to satisfy its affordable housing obligation for a particular 10-year round.

“Low-income household” means a household with a household income equal to 50 percent or less of the regional median income.

“Low-income unit” means a restricted unit that is affordable to a low-income household.

“Major system” means 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.

“Mixed use development” means any development that includes both a non-residential development component and a residential development component, and shall include developments for which: (1) there is a common developer for both the residential development component and the non-residential development component, provided that for purposes of this definition, multiple persons and entities maybe considered a common developer if there is a contractual relationship among them obligating each entity to develop at least a portion of the residential or non-residential development, or both, or otherwise to contribute resources to the development; and (2) the residential and non-residential developments are located on the same lot or adjoining lots, including, but not limited to, lots separated by a street, a river, or another geographical feature.

“Moderate-income household” means a household with a household income in excess of 50 percent but less than 80 percent of the regional median income.

“Moderate-income unit” means a restricted unit that is affordable to a moderate-income household.

“MONI” means the no-longer-active Market Oriented Neighborhood Investment Program, as it was authorized by the Agency.

“Municipal housing liaison” or “MHL” means an appointed municipal employee who is, pursuant to N.J.A.C. 5:99-6, responsible for oversight and/or administration of the affordable units created within the municipality.

“Municipal affordable housing trust fund” means a separate, interest-bearing account held by a municipality for the deposit of development fees, payments in lieu of constructing affordable units on sites zoned for affordable housing previously approved prior to March 20, 2024 (per P.L. 2024, c.2), barrier-free escrow funds, recapture funds, proceeds from the sale of affordable units, rental income, repayments from affordable housing program loans, enforcement fines, unexpended RCA funds remaining from a completed RCA project, application fees, and any other funds collected by the municipality in connection with its affordable housing programs, which shall be used to address municipal low- and moderate-income housing obligations within the time frames established by the Legislature and this chapter.

“Municipal development fee ordinance” means an ordinance adopted by the governing body of a municipality that authorizes the collection of development fees.

“New construction” means the creation of a new housing unit under regulation by a code enforcement official regardless of the means by which the unit is created. Newly constructed units are evidenced by the issuance of a certificate of occupancy and may include new residences created through additions and alterations, adaptive reuse, subdivision, or conversion of existing space, and moving a structure from one location to another.

“New Jersey Affordable Housing Trust Fund” means an account established pursuant to N.J.S.A. 52:27D-320.

“New Jersey Housing Resource Center” or “Housing Resource Center” means the online affordable housing listing portal, or its successor, overseen by the Agency pursuant to N.J.S.A. 52:27D-321.3 et seq.

“95/5 restriction” means a deed restriction governing a restricted ownership unit that is part of a housing element that received substantive certification from COAH pursuant to N.J.A.C. 5:93, as it was in effect at the time of the receipt of substantive certification, before October 1, 2001, or any other deed restriction governing a restricted ownership unit with a seller repayment option requiring 95 percent of the price differential to be paid to the municipality or an instrument of the municipality at the closing of a sale at market price.

“Non-exempt sale” means any sale or transfer of ownership of a restricted unit to one’s self or to another individual other than the transfer of ownership between spouses or civil union partners; the transfer of ownership between former spouses or civil union partners

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.

"Nonprofit" means an organization granted nonprofit status in accordance with section 501(c)(3) of the Internal Revenue Code.

"Non-residential development" means:

Any building or structure, or portion thereof, including, but not limited to, any appurtenant improvements, which is designated to a use group other than a residential use group according to the State Uniform Construction Code, N.J.A.C. 5:23, promulgated to effectuate the State uniform Construction Code Act, N.J.S.A. 52:27D-119 et seq., including any subsequent amendments or revisions thereto;

Hotels, motels, vacation timeshares, and child-care facilities; and

The entirety of all continuing care facilities within a continuing care retirement community which is subject to the Continuing Care Retirement Community Regulation and Financial Disclosure Act, N.J.S.A.52:27D-330 et seq.

"Non-residential development fee" means the fee authorized to be imposed pursuant to N.J.S.A. 40:55D-8.1 through 40:55D-8.7.

"Order for repose" means the protection a municipality has from exclusionary zoning litigation including a builder's remedy lawsuit for a period of time from the entry of a judgment of compliance by the Superior Court. A judgment of compliance often results in an order for repose.

"Payment in lieu of constructing affordable units" means the prior approval of the payment of funds to the municipality by a developer when affordable units are were not produced on a site zoned for an inclusionary development.

"Prospective need" means a projection of housing needs based on development and growth which is reasonably likely to occur in a region or a municipality, as the case may be, as a result of actual determination of public and private entities. Prospective need shall be determined by the methodology set forth pursuant to sections 6 and 7 of P.L.2024, c. 2 (C.52:27D-304.2 and C.52:27D-304.3) for the fourth round and all future rounds of housing obligations.

"Qualified Urban Aid Municipality" means a municipality that meets the criteria established pursuant to N.J.S.A. 52:27D-304.3.c(1).

“Person with a disability” means a person with a physical disability, infirmity, malformation, or disfigurement which is caused by bodily injury, birth defect, aging, or illness including epilepsy and other seizure disorders, and which shall include, but not be limited to, any degree of paralysis, amputation, lack of physical coordination, blindness or visual impairment, deafness or hearing impairment, the inability to speak or a speech impairment, or physical reliance on a service animal, wheelchair, or other remedial appliance or device.

“Price differential” means the difference between the controlled sale price of a restricted unit and the contract price at the exit sale of the unit, determined as of the date of a proposed contract of sale for the unit. If there is no proposed contract of sale, the price differential is the difference between the controlled sale price of a restricted unit and the appraised value of the unit as if it were not subject to UHAC, determined as of the date of the appraisal. If the controlled sale price exceeds the contract price or, in the absence of a contract price, the appraised value, the price differential is zero dollars.

“Prior round unit” means a housing unit that addresses a municipality’s fair share obligation from a round prior to the fourth round of affordable housing obligations, including any unit that: (1) received substantive certification from COAH; (2) is part of a third-round settlement agreement or judgment of compliance approved by a court of competent jurisdiction, inclusive of units created pursuant to a zoning designation adopted as part of the settlement agreement or judgment of compliance to create a realistic opportunity for development; (3) is subject to a grant agreement or other contract with either the State or a political subdivision thereof entered into prior to July 1, 2025, pursuant to either item (1) or (2) above; or (4) otherwise addresses a municipality’s fair share obligation from a round prior to the fourth round of affordable housing obligations. A unit created after the enactment of P.L. 2024, c. 2 (N.J.S.A. 52:27D-304.1) on March 20, 2024, is not a prior round unit unless: (1) it is created pursuant to a prior round development plan or zoning designation that received COAH or court approval on or before the cutoff date of June 30, 2025, or the date that the municipality adopts the implementing ordinances and resolutions for the fourth round of affordable housing obligations, whichever occurs sooner; and (2) its siting and creation are consistent with the form of the prior round development plan or zoning designation in effect as of the cutoff date, without any amendment or variance.

“Program” means the Affordable Housing Dispute Resolution Program, established pursuant to section 5 of P.L.2024, c. 2 (C.52:27D-313.2).

“Random selection process” means a lottery process by which currently income-eligible applicant-households are selected, at random, for placement in affordable housing units such that no preference is given to one applicant over another, except in the case of a

veterans' preference where such an agreement exists; for purposes of matching household income and size with an appropriately priced and sized affordable unit; or another purpose allowed pursuant to N.J.A.C. 5:80-26.7(k)3. This definition excludes any practices that would allow affordable housing units to be leased or sold on a first-come, first-served basis.

"RCA administrator" means an appointed municipal employee who is responsible for oversight and/or administration of affordable units and associated revenues and expenditures within the municipality that were funded through regional contribution agreements.

"RCA project plan" means a past application, submitted by a receiving municipality in an RCA, delineating the manner in which the receiving municipality intended to create or rehabilitate low- and moderate-income housing.

"Receiving municipality" means, for the purposes of an RCA, a municipality that contractually agreed to assume a portion of another municipality's fair share obligation.

"Reconstruction" means any project where the extent and nature of the work is such that the work area cannot be occupied while the work is in progress and where a new certificate of occupancy is required before the work area can be reoccupied, pursuant to the Rehabilitation Subcode of the uniform Construction Code, N.J.A.C. 5:23-6. Reconstruction shall not include projects comprised only of floor finish replacement, painting or wallpapering, or the replacement of equipment or furnishings. Asbestos hazard abatement and lead hazard abatement projects shall not be classified as reconstruction solely because occupancy of the work area is not permitted.

"Recreational facilities and community centers" means any indoor or outdoor buildings, spaces, structures, or improvements intended for active or passive recreation, including, but not limited to, ballfields, meeting halls, and classrooms, accommodating either organized or informal activity.

"Regional contribution agreement" or "RCA" means a contractual agreement, pursuant to the Act, into which two municipalities voluntarily entered into and was approved by COAH and/or Superior Court prior to July 18, 2008, to transfer a portion of a municipality's affordable housing obligation to another municipality within its housing region.

"Regional median income" means the median income by household size for an applicable housing region, as calculated annually in accordance with N.J.A.C. 5:80-26.3.

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

“Rent” means 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. With respect to units in assisted living residences, rent does not include charges for food and services.

“Residential development fee” means money paid by a developer for the improvement of residential property as permitted pursuant to N.J.S.A. 52:27D-329.2 and N.J.A.C. 5:99-3.2.

“Restricted unit” means a dwelling unit, whether a rental unit or ownership unit, that is subject to the affordability controls of this subchapter but does not include a market-rate unit that was financed pursuant to UHORP, MONI, or CHOICE.

“Spending plan” means a method of allocating funds contained in an affordable housing trust fund account, which includes, but is not limited to, development fees collected and to be collected pursuant to an approved municipal development fee ordinance, or pursuant to N.J.S.A. 52:27D-329.1 et seq., for the purpose of meeting the housing needs of low- and moderate-income individuals.

“State Development and Redevelopment Plan” or “State Plan” means the plan prepared pursuant to sections 1 through 12 of the “State Planning Act,” P.L.1985, c. 398 (C.52:18A-196 et al.), designed to represent a balance of development and conservation objectives best suited to meet the needs of the State, and for the purpose of coordinating planning activities and establishing Statewide planning objectives in the areas of land use, housing, economic development, transportation, natural resource conservation, agriculture and farmland retention, recreation, urban and suburban redevelopment, historic preservation, public facilities and services, and intergovernmental coordination pursuant to subsection f. of section 5 of P.L.1985, c. 398 (C.52:18A-200).

“Supportive housing household” means a very low-, low- or moderate-income household certified as income eligible by an administrative agent in accordance with N.J.A.C. 5:80-26.14, in which at least one member is an individual who requires supportive services to maintain housing stability and independent living and who is part of a population identified by federal or state statute, regulation, or program guidance as eligible for supportive or special needs housing. Such populations include, but are not limited to: persons with intellectual or developmental disabilities, persons with serious mental illness, person with head injuries (as defined in Section 2 of P.L. 1977), persons with physical disabilities or chronic health conditions, persons who are homeless as defined by the U.S. Department of Housing and Urban Development at 24 C.F.R. Part 578, survivors of domestic violence, youth aging out of foster care, and other special needs populations recognized under programs administered by the U.S. Department of Housing and Urban

Development, the Low-Income Housing Tax Credit Program, the McKinney–Vento Act, or the New Jersey Department of Human Services. A supportive housing household may include family members, unrelated individuals, or live-in aides, provided that the household meets the income eligibility requirements of this subchapter, except that in the case of unrelated individuals not operating as a family unit, income eligibility shall be tested on an individual basis rather than in the aggregate; the unit is leased or sold subject to the affordability controls established herein; and the supportive services available to the household are designed to promote housing stability, independent living, and community integration. The determination of whether unrelated individuals are operating as a family unit shall be made based on the applicant’s self-identification of household members on the affordable housing application.

“Supportive housing sponsoring program” means grant or loan program which provided financial assistance to the development of the unit.

“Supportive housing unit” means a restricted rental unit, as defined by N.J.S.A. 34:1B-21.24, that is affordable to very low-, low- or moderate-income households and is reserved for occupancy by a supportive housing household. Supportive housing units are also referred to as permanent supportive housing units.

“Transitional housing” means temporary housing that: (1) includes, but is not limited to, single-room occupancy housing or shared living and supportive living arrangements; (2) provides access to on-site or off-site supportive services for very low-income households who have recently been homeless or lack stable housing; (3) is licensed by the department; and (4) allows households to remain for a minimum of six months.

“Treasurer” means the Treasurer of the State of New Jersey.

“UHAC” means the Uniform Housing Affordability Controls set forth at N.J.A.C. 5:80-26.

“UHORP” means the Agency’s Urban Homeownership Recovery Program, as it was authorized by the Agency Board.

“Unit type” means type of dwelling unit with various building standards including but not limited to single-family detached, single-family attached/townhouse, stacked townhouse (attached building containing 2 units each with separate entrances), duplex (detached building containing 2 units each with separate entrances), triplex (3 units each with separate entrance), quadplex (4 units each with separate entrance), multifamily / flat (2 or more units with a shared entrance). Inclusion of a garage, or not, shall not define the unit type.

“Very-low-income household” means a household with a household income less than or equal to 30 percent of the regional median income.

“Very-low-income housing” means housing affordable according to the Federal Department of Housing and Urban Development or other recognized standards for home ownership and rental costs and occupied or reserved for occupancy by households with a gross household income equal to 30 percent or less of the median gross household income for households of the same size within the housing region in which the housing is located.

“Very-low-income unit” means a restricted unit that is affordable to a very-low-income household.

“Veteran” means a veteran as defined at N.J.S.A. 54:4-8.10.

“Veterans’ preference” means the agreement between a municipality and a developer or residential development owner that allows for low- to moderate-income veterans to be given preference for up to 50 percent of rental units in relevant projects, as provided for at N.J.S.A. 52:27D-311.j.

“Weatherization” means 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 rehabilitation.

§ 81-3. Borough-wide mandatory set-aside.

- A. A development, other than single-family detached, providing a minimum of five new housing units created through any municipal rezoning or Zoning Board action, use or density variance, redevelopment plan, or rehabilitation plan that provides for densities at or above six units per acre, is required to include an affordable housing set-aside of 20%.
- B. Any affordable units generated through such mandatory set-aside shall be subject to all other provisions of this ordinance.
- C. All such affordable units shall be governed by this ordinance the controls on affordability, including bedroom distribution, and affirmatively marketed to the housing region in conformance with UHAC at N.J.A.C. 5:80-26.1 et seq., any successor regulation, and all other applicable laws.
- D. No subdivision shall be permitted or approved for the purpose of avoiding compliance with this requirement. Developers cannot, for example, subdivide a project into two lots and then make each of them a number of units just below the threshold.
- E. The mandatory set-aside requirements of this section do not give any developer the right to any rezoning, variance or other relief, or establish any obligation on the part of the

municipality to grant such rezoning, variance or other relief.

- F. This municipality-wide mandatory set-aside requirement does not apply to any sites or specific zones otherwise identified in the HEFSP, for which density and set-aside requirements shall be governed by the specific standards as set forth therein.
- G. In the event that the inclusionary set-aside of 20% of the total number of residential units does not result in a full integer, the set-aside shall round up to ensure that at least 20 percent of the units are affordable.

§ 81-4. New Construction.

A. New Construction (per N.J.A.C. 5:93 as may be updated per various sections in N.J.A.C. 5:97 and N.J.S.A. 52:27D-301 et seq.). Per the definition of “New Construction,” this section governs the creation of new affordable housing units regardless of the means by which the units are created. Newly constructed units may include new residences constructed or created through other means.

- (1) The following requirements shall apply to all new or planned developments that contain very low-, low- and moderate-income housing units. To the extent possible, details related to the adherence to the requirements below shall be outlined in the resolution granting municipal subdivision or site plan approval of the project to assist municipal representatives, developers and Administrative Agents.
- (2) Completion Schedule (previously known as phasing). Final site plan or subdivision approval shall be contingent upon the affordable housing development meeting the following completion schedule for very low-, low- and moderate-income units whether developed in a single-phase development, or in a multi-phase development:

Maximum Percentage of Market-Rate Units Issued a Temporary or Final Certificate of Occupancy	Minimum Percentage of Affordable Units Issued a Temporary or Final Certificate of Occupancy
25+1	10
50	50
75	75
90	100

(3) Design. The following design requirements apply to affordable housing developments, excluding prior round units.

(a) Design of 100 percent affordable developments:

[1] Restricted units must meet the minimum square footage required for the number of inhabitants for which the unit is marketed and the minimum

square footage required for each bedroom, as set forth in the Neighborhood Preservation Balanced Housing rules at N.J.A.C. 5:43-2.4.

- [2] Each bedroom in each restricted unit must have at least one window.
 - [3] Restricted units must include adequate air conditioning and heating.
- (b) Design of developments comprising market-rate rental units and restricted rental units. The following does not apply to prior round units, unless stated otherwise.
- [1] Restricted units must use the same building materials and architectural design elements (for example, plumbing, insulation, or siding) as market-rate units of the same unit type (for example, flat or townhome) within the same development, except that restricted units and market-rate units may use different interior finishes. This shall apply to prior round units.
 - [2] Restricted units and market-rate units within the same affordable development must be sited such that restricted units are not concentrated in less desirable locations.
 - [3] Restricted units may not be physically clustered so as to segregate restricted and market-rate units within the same development or within the same building, but must be interspersed throughout the development, except that age-restricted and supportive housing units may be physically clustered if the clustering facilitates the provision of on-site medical services or on-site social services. Prior round affordable units shall be integrated with market rate units to the extent feasible.
 - [4] Residents of restricted units must be offered the same access to communal amenities as residents of market-rate units within the same affordable development. Examples of communal amenities include, but are not limited to, community pools, fitness and recreation centers, playgrounds, common rooms and outdoor spaces, and building entrances and exits. This shall apply to prior round units.
 - [5] Restricted units must include adequate air conditioning and heating and must use the same type of cooling and heating sources as market-rate units of the same unit type. This shall apply to prior round units.
 - [6] Each bedroom in each restricted unit must have at least one window.
 - [7] Restricted units must be of the same unit type as market-rate units within the same building.
 - [8] Restricted units and bedrooms must be no less than 90 percent of the minimum size prescribed by the Neighborhood Preservation Balanced Housing rules at N.J.A.C. 5:43-2.4.

(c) Design of developments containing for-sale units, including those with a mix of rental and for-sale units. Restricted rental units shall meet the requirements of section b above. Restricted sale units shall comply with the below:

- [1] Restricted units must use the same building standards as market-rate units of the same unit type (for example, flat, townhome, or single-family home), except that restricted units and market-rate units may use different interior finishes. This shall apply to prior round units.
- [2] Restricted units may be clustered, provided that the buildings or housing product types containing the restricted units are integrated throughout the development and are not concentrated in an undesirable location or in undesirable locations. Prior round affordable units shall be integrated with market rate units to the extent feasible.
- [3] Restricted units may be of different unit housing product types than market-rate units, provided that there is a restricted option available for each market rate housing type. Developments containing market-rate duplexes, townhomes, and/or single-family homes shall offer restricted housing options that also include duplexes, townhomes, and/or single-family homes. Penthouses and higher priced end townhouses may be exempt from this requirement. The proper ratio for restricted to market-rate unit type shall be subject to municipal ordinance or, if not specified, shall be determined at the time of site plan approval.
- [4] Restricted units must meet the minimum square footage required for the number of inhabitants for which the unit is marketed and the minimum square footage required for each bedroom, as set forth in the Neighborhood Preservation Balanced Housing rules at N.J.A.C. 5:43-2.4.
- [5] Penthouse and end units may be reserved for market-rate sale, provided that the overall number, value, and distribution of affordable units across the development is not negatively impacted by such reservation(s).
- [6] Residents of restricted units must be offered the same access to communal amenities as residents of market-rate units within the same affordable development. Examples of communal amenities include, but are not limited to, community pools, fitness and recreation centers, playgrounds, common rooms and outdoor spaces, and building entrances and exits. This shall apply to prior round units.
- [7] Each bedroom in each restricted unit must have at least one window; and
- [8] Restricted units must include adequate air conditioning and heating.

B. Utilities.

- (1) Affordable units shall utilize the same type of cooling and heating source as market-rate units within the affordable housing development.

- (2) Tenant-paid utilities that are included in the utility allowance shall be so stated in the lease and shall be consistent with the utility allowance in accordance with N.J.AC 5:80-26.13(e).

C. Low/moderate split and bedroom distribution.

- (1) Affordable units 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.
- (2) In each affordable housing development, at least 50% of the restricted units within each bedroom distribution rounded down to the nearest whole number shall be very low- or low-income units.
- (3) Within rental developments, of the total number of affordable rental units, at least 13%, rounded up to the nearest whole number, shall be affordable to very low-income households. The very low-income units shall be distributed between each bedroom count as proportionally as possible, to the nearest whole unit, to the total number of restricted units within each bedroom count, and counted as part of the required number of low-income units within the development.
- (4) Affordable housing developments that are not age-restricted or supportive housing shall be structured such that:
 - (a) At a minimum, the number of bedrooms within the restricted units equals twice the number of restricted units;
 - (b) Two-bedroom and/or three-bedroom units compose at least 50 percent of all restricted units;
 - (c) The combined number of efficiency and one-bedroom units shall be no greater than 20%, rounded up, of the total number of low- and moderate-income units.
 - (d) At least 30% of all low- and moderate-income units, rounded down shall be two-bedroom units.
 - (e) At least 20% of all low- and moderate-income units, rounded down shall be three-bedroom units.
 - (f) The remaining units may be allocated among two- and three- bedroom units at the discretion of the developer.
- (5) Affordable housing developments that are age-restricted or supportive housing, except those supportive housing units whose sponsoring program determines the unit arrangements, shall be structured such that, at a minimum, the number of bedrooms shall equal the number of age-restricted or supportive housing low- and moderate-income units within the inclusionary development. Supportive housing units whose sponsoring program determines the unit arrangement shall comply with all requirements of the sponsoring program, the standard may be met by having all one-bedroom units or by having a two-bedroom unit for each efficiency

unit. In affordable housing developments with 20 or more restricted units that are age-restricted or supportive housing, two-bedroom units must comprise at least 5% of those restricted units.

D. Accessibility requirements.

- (1) Any new construction shall be adaptable; however, elevators shall not be required in any building or within any dwelling unit for the purpose of compliance with this section. In buildings without elevator service, only ground floor dwelling units shall be required to be constructed to conform with the technical design standards of the barrier free subcode. "Ground floor" means the first floor with a dwelling unit or portion of a dwelling unit, regardless of whether that floor is at grade. A building may have more than one ground floor.
- (2) Notwithstanding the exemption for townhouse dwelling units in the barrier free subcode, the first floor of all townhouse dwelling units and of all other multifloor dwelling units that are attached to at least one other dwelling unit shall be subject to the technical design standards of the barrier free subcode and shall include the following features:
 - (a) An adaptable toilet and bathing facility on the first floor;
 - (b) An adaptable kitchen on the first floor;
 - (c) An interior accessible route of travel however an interior accessible route of travel shall not be required between stories;
 - (d) An adaptable room that can be used as a bedroom, with a door, or the casing for the installation of a door that is compliant with the Barrier Free Subcode, on the first floor;
 - (e) If not all of the foregoing requirements in b.i. through b.iv. can be satisfied, then an interior accessible route of travel shall be provided between stories within an individual unit; and
 - (f) An accessible entranceway as set forth in 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 the municipality has collected funds from the developer sufficient to make 10% of the adaptable entrances in the development accessible:
 - [1] 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.
 - [2] To this end, the builder of restricted units shall deposit funds within the Affordable Housing Trust Fund sufficient to install accessible entrances in 10% of the affordable units that have been constructed with adaptable entrances.

- [3] The funds deposited shall be expended 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.
 - [4] The developer of the restricted units shall submit to the Construction Official a design plan and cost estimate for the conversion from adaptable to accessible entrances.
 - [5] Once the Construction Official has determined that the design plan to convert the unit entrances from adaptable to accessible meets 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 Affordable Housing Trust Fund and earmarked appropriately.
- (g) Full compliance with the foregoing provisions shall not be required where an entity can demonstrate that it is “site-impracticable” to meet the requirements. If full compliance with this section would be site impracticable, compliance with this section for any portion of the dwelling shall be required to the extent that it is not site impracticable. Determinations of site impracticability shall comply with the Barrier Free Subcode at N.J.A.C. 5:23-7.

§ 81-5. Affordable Housing Programs.

- A. Pursuant to amended UHAC regulations at N.J.A.C. 5:80-26.1 et seq. and, in addition, pursuant to P.L. 2024, c.2 and specifically to the amended FHA at N.J.S.A. 52:27D-311.m, “All parties shall be entitled to rely upon regulations on municipal credits, adjustments, and compliance mechanisms adopted by the Council on Affordable Housing unless those regulations are contradicted by statute, including but not limited to P.L. 2024, c.2, or binding court decisions.” The following are many of the main provisions of the COAH regulations at either N.J.A.C. 5:93 or 5:97 that have been upheld by the NJ Supreme Court. Municipalities should consult the cited full COAH regulations when preparing the HEFSP for required documentation, etc. Additional compliance details may also be included in the specific municipal program manual.
- B. Rehabilitation Programs (per N.J.A.C. 5:93-5.2 with updated provisions herein per N.J.A.C. 5:97-6.2 related to credit towards a municipal present need obligation).
 - (1) The rehabilitation program shall be designed to renovate deficient housing units occupied or intended to be 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. 5:28-1.1 et seq or the Rehabilitation Subcode, N.J.A.C. 5:23-6 to the extent applicable.
 - (2) Both ownership and rental units shall be eligible for rehabilitation funds.
 - (3) All rehabilitated units shall remain affordable to very low-, low- and moderate-income households for a period of 10 years (the control period). For owner-

occupied units, the control period shall be enforced with a mortgage and note and for renter-occupied units the control period will be enforced with a deed restriction.

- (4) The municipality shall dedicate a minimum average hard cost of \$10,000 for each unit to be rehabilitated through this program and in addition shall dedicate associated rehabilitation program soft costs such as case management, inspection fees and work write-ups.
 - (5) The municipality shall designate, subject to the approval of the Department, one or more Administrative Agents to administer the rehabilitation program in accordance with P.L 2024, Chapter 2. The Administrative Agent(s) shall provide rehabilitation manuals for ownership and rental rehabilitation programs. Manuals shall be adopted by resolution of the governing body. Both rehabilitation manuals shall be available for public inspection in the Office of the Municipal Clerk and on the municipal affordable housing web page.
 - (6) Households determined to be very low-, low-, or moderate-income may participate in a rehabilitation program. Rehabilitated units shall be exempt from the very low-income requirements, low/mod split, and bedroom distribution requirements of UHAC, but shall be administered in accordance with the following:
 - (a) If a unit is vacant at the time of rehabilitation, or if a rehabilitated unit becomes vacant and is re-rented before the expiration of the affordability controls, the deed restriction shall require that the unit be rented to a low- or moderate-income household at an affordable rent.
 - (b) If a rental unit is occupied by a tenant at the time rehabilitation is completed, the rent charged after rehabilitation shall not exceed the lesser of the tenant's current rent or the maximum rent permitted under UHAC.
 - (c) Rents in rehabilitated units may increase annually based on the standards in UHAC.
 - (7) At the time of application, applicant households and/or tenant households shall be subject to income eligibility determinations in accordance with UHAC.
- C. Market to Affordable program (per N.J.A.C. 5:97-6.9).
- (1) The market to affordable program permits the purchase or subsidization of unrestricted units through a mortgage write-down provided to an income-certified buyer or through a sale or rental as a low- or moderate-income unit to an income-eligible household. The market to affordable program may produce both low- and moderate-income units.
 - (2) At the time they are offered for sale or rental, eligible units may be new, pre-owned or vacant.

- (3) The units shall be certified to be in sound condition as a result of an inspection performed by a licensed building inspector.
- (4) A minimum subsidy of \$25,000 per moderate-income unit and/or \$30,000 per low-income unit shall be provided, with additional subsidy depending on the market prices or rents in a municipality.
- (5) The units shall comply with UHAC with the following exceptions:
 - (a) Bedroom distribution (N.J.A.C. 5:80-26.4).
 - (b) Low/moderate income split (N.J.A.C. 5:80-26.4).
- (6) Affordability average (N.J.A.C. 5:80-26.4); however:
 - (a) The maximum rent for a moderate-income unit shall be affordable to households earning no more than 60 percent of median income and the maximum rent for a low-income unit shall be affordable to households earning no more than 44 percent of median income; and
 - (b) The maximum sales price for a moderate-income unit shall be affordable to households earning no more than 70 percent of median income and the maximum sales price for a low-income unit shall be affordable to households earning no more than 40 percent of median income.

D. Assisted Living Residence (per N.J.A.C. 5:97-6.11).

- (1) An assisted living residence is a facility licensed by the New Jersey Department of Health to provide apartment-style housing and congregating dining and to assure that assisted living services are available. All or a designated number of apartments in the facility shall be restricted to low- and moderate-income households.
- (2) The unit of credit shall be the apartment. However, a two-bedroom apartment shall be eligible for two units of credit if it is restricted to two unrelated individuals.
- (3) A recipient of a Medicaid waiver shall automatically qualify as a low- or moderate-income household.
- (4) Assisted living units are considered age-restricted housing in a HEFSP and shall be included with the maximum number of units that may be age-restricted.
- (5) Low- and moderate-income residents cannot be charged any upfront fees.
- (6) The units shall comply with UHAC with the following exceptions:
 - (a) Affirmative marketing (N.J.A.C. 5:80-26.16); provided that the units are restricted to recipients of Medicaid waivers;
 - (b) The deed restriction may be on the facility, rather than individual apartments or rooms;

- (c) Low/moderate income split and affordability average (N.J.A.C. 5:80-26.4); only if all of the affordable units are affordable to households at a maximum of 60 percent of median income; and
 - (7) Tenant income eligibility (N.J.A.C. 5:80-26.14); up to 80 percent of an applicant's gross income may be used for rent, food and services based on occupancy type and the affordable unit must receive the same basic services as required by the Agency's underwriting guidelines and financing policies. The cost of non-housing related services shall not exceed one and two-thirds times the rent established for each unit.
- E. Supportive Housing and Group Homes (per N.J.A.C. 5:97-6.10).
- (1) The following provisions shall apply to group homes, residential health care facilities, and supportive shared living housing:
 - (a) Units are subject to Affirmative Marketing requirements, household certification, and administrative agent oversight; and may, with the approval of the municipal housing liaison and the administrative agent, be leased either by the bedroom or to a single household in the case of multi-bedroom configurations, provided such arrangement is consistent with the Federal Fair Housing Act (Title VIII of the Civil Rights Act of 1968).
 - (b) Units may, with the approval of the administrative agent, be subject to a master lease by an approved supportive housing operator, provided that all subleases are to be certified supportive housing households and remain fully subject to the affordability controls of this subchapter. Rents for supportive housing units shall not exceed the rent standards established and published by the New Jersey Department of Human Services.
 - (c) The unit of credit shall be the bedroom. However, the unit of credit shall be the unit if occupied by a single person or household.
 - (d) Housing that is age-restricted shall be included with the maximum number of units that may be age-restricted pursuant to the Act.
 - (e) Occupancy shall not be restricted to youth under 18 years of age.
 - (f) In affordable developments with 20 or more restricted units that are supportive housing, two-bedroom units must compose at least five percent of those restricted units.
 - (g) The bedrooms and/or units shall comply with UHAC with the following exceptions:
 - [1] Affirmative marketing; however, group homes, residential health care facilities, permanent supportive housing, and supportive shared living housing shall be affirmatively marketed to broadest possible population of qualified individuals with special needs in accordance with a plan approved by the sponsoring program;

[2] Affordability average and bedroom distribution (N.J.A.C. 5:80-26.4).

- (h) 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, group homes, residential health care facilities, supportive shared living housing and permanent supportive housing shall have the appropriate controls on affordability in accordance with the Act. In the event that a supportive housing provider is unable to record or execute a long-term deed restriction, the units shall be subject to annual recertification by the Municipal Housing Liaison to confirm continued occupancy and compliance with this Section.
- (i) Objective standards shall be applied in the selection of tenants for supportive housing units and shall be designed to ensure that individuals are not excluded in an arbitrary or capricious manner.
- (j) The following documentation shall be submitted by the sponsor to the municipality prior to marketing the completed units or facility:
 - [1] An Affirmative Marketing Plan in accordance with D1 above; and
 - [2] If applicable, proof that the supportive and/or special needs housing is regulated by the New Jersey Department of Health and Senior Services, the New Jersey Department of Human Services or another State agency in accordance with the requirements of this section, which includes validation of the number of bedrooms or units in which low- or moderate-income occupants reside.
- (k) The sponsor/owner shall complete annual monitoring as directed by the MHL.

F. Regional Income Limits.

- (1) Administrative agents shall use the current regional income limits for the purpose of pricing affordable units and determining income eligibility of households.
- (2) Regional income limits are based on regional median income, which is established by a regional weighted average of the “median family incomes” published by HUD. The procedure for computing the regional median income is detailed in N.J.A.C. 5:80-26.3.
- (3) Updated regional income limits are effective as of the effective date of the regional Section 8 income limits for the year, as published by HUD, or 45 days after HUD publishes the regional Section 8 income limits for the year, whichever comes later. The new income limits may not be less than those of the previous year.

G. Maximum Initial 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 N.J.A.C. 5:80-26.4.

- (2) The average rent for all restricted units within each affordable housing development shall be affordable to households earning no more than 52 percent of regional median income.
- (3) The maximum rent for restricted rental units within each affordable housing development shall be affordable to households earning no more than 60% of regional median income.
- (4) 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% of all low- and moderate-income rental units shall be affordable to households earning no more than 30% of median income. These very low-income units shall be part of the low-income requirement and very-low-income units should be distributed between each bedroom count as proportionally as possible, to the nearest whole unit, to the total number of restricted units within each bedroom count.
- (5) The maximum sales price of restricted ownership units within each affordable housing development shall be affordable to households earning no more than 70% of median income, and each affordable housing development must achieve an affordability average that does not exceed 55% for all 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 when the number of low- and moderate-income units permits.
- (6) The master deeds and declarations of covenants and restrictions for affordable developments may not distinguish between restricted units and market-rate units in the calculation of and condominium or homeowner association fees and special assessments to be paid by low- and moderate-income purchasers and those to be paid by market-rate purchasers. Notwithstanding the foregoing sentence, condominium units subject to a municipal ordinance adopted before December 20, 2004, which ordinance provides for condominium or homeowner association fees and/or assessments different from those provided for in this subsection are governed by the ordinance.
- (7) In determining the initial sales prices and rents for compliance with the affordability average requirements for restricted family units, the following standards shall be met:
 - (a) A studio or efficiency unit 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.
- (8) In determining the initial rents and sales prices for compliance with the affordability average requirements for restricted units in assisted living facilities and age-restricted and special needs and supportive housing developments, the following standards shall be met:
- (a) A studio or efficiency unit 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. Where pricing is based on two one-person households, the developer shall provide a list of units so priced to the Municipal Housing Liaison and the Administrative Agent.
- (9) 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 percent of the purchase price and the FreddieMac 30-Year Fixed Rate-Mortgage rate of interest), property taxes, homeowner and private mortgage insurance and condominium or homeowner association fees do not exceed 30 percent of the eligible monthly income of the appropriate size household as determined pursuant to N.J.A.C. 5:80-26.7, as may be amended and supplemented; provided, however, that the price shall be subject to the affordability average requirement of N.J.A.C. 5:80-26.4, as may be amended and supplemented.
- (10) The initial rent for a restricted rental unit shall be calculated so that the total monthly housing expense, including an allowance for tenant-paid utilities, does not exceed 30 percent of the gross monthly income of a household of the appropriate size whose income is targeted to the applicable percentage of median income for the unit, as determined pursuant to N.J.A.C. 5:80-26.3, as may be amended and supplemented. The rent shall also comply with the average affordability requirement of N.J.A.C. 5:80-26.4, as may be amended and supplemented. The initial rent for a restricted rental unit shall be calculated so the eligible monthly housing expenses/income, including an allowance for tenant-paid utilities does not exceed 30 percent of gross income of and the appropriate household size as determined pursuant to N.J.A.C. 5:80-26.3, as may be amended and supplemented.
- (11) At the anniversary date of the tenancy of the certified household occupying a restricted rental unit, following proper notice provided to the occupant household pursuant to N.J.S.A. 2A:18-61.1.f, the rent may be increased to an amount commensurate with the annual percentage increase in the Consumer Price Index for All Urban Consumers (CPI-U), specifically U.S. Bureau of Labor Statistics Series CUUR0100SAH, titled "Housing in Northeast urban, all urban consumers, not seasonally adjusted." Rent increases for units constructed pursuant to Low-Income

Housing Tax Credit regulations shall be indexed pursuant to the regulations governing Low-Income Housing Tax Credits.

§ 81-6. Extension of Controls.

The Fair Housing Act permits credit for extension of controls and UHAC establishes standards for this mechanism

Extension of Controls Program (for ownership units per UHAC at N.J.A.C. 5:80-26.6(h) through (k) and (m); and for rental units N.J.A.C. 5:80-26.12(h) through (k)).

- (1) An extension of affordability controls program is established to maintain and extend the affordability of deed restricted units scheduled to come out of their affordability control period, UHAC, including the following:
 - (a) The affordable unit meets the criteria for prior cycle (April 1, 1980 - December 15, 1986) or post December 15, 1986 credits.
 - (b) The affordability controls for the unit measured from the date that the initial certified household takes title, are scheduled to expire in the current round; or in the next round of housing obligations if the municipal election to extend controls is made no earlier than one year before the end of the current round;
 - (c) The municipality shall obtain a continuing certificate of occupancy or a certified statement from the municipal building inspector stating that the restricted unit meets all code standards.
 - (d) If a unit requires repair and/or rehabilitation work in order to receive a continuing certificate of occupancy or certified statement from the municipal building inspector, the municipality shall fund and complete the work.
 - (e) The municipality shall adhere to the process for extending controls pursuant to UHAC for extending ownership units and rental units, either inclusionary or 100% affordable developments.
 - (f) The deed restriction for the extended control period shall be filed with the County Clerk.

81-7 Condominium and homeowners' association fees.

- A. For any affordable housing unit that is part of a condominium association and/or homeowners' association, the master deed shall reflect that the association fee assessed for each affordable housing unit shall be established at 100% of the market rate fee.

ARTICLE II

Affordable Unit Controls and Requirements

§ 81-10. Purpose.

- A. For any affordable housing unit that is part of a condominium association and/or

homeowners' association, the master deed shall reflect that the association fee assessed for each affordable housing unit shall be established at 100% of the market rate fee.

§ 81-11. Affirmative Marketing.

- A. The municipality shall adopt, by resolution, an Affirmative Marketing Plan, subject to approval of the Superior Court, compliant with N.J.A.C. 5:80-26.16, as may be amended and supplemented.
- B. 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 housing units which are being marketed by a developer, sponsor or owner of affordable housing. The Affirmative Marketing Plan 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 Bergen, Hudson, Passaic and Sussex Counties and is required to be followed throughout the period of deed restriction.
- C. The Affirmative Marketing Plan provides the following preferences, provided that units that remain unoccupied after these preferences are exhausted may be offered to households without regard to these preferences.
 - (1) Where the municipality has entered into an agreement with a developer or residential development owner to provide a preference for very-low-, low-, and moderate-income veterans who served in time of war or other emergency, pursuant to N.J.S.A. 52:27D-311.j, there shall be a preference for veterans for up to 50 percent of the restricted rental units in a particular project.
 - (2) There shall be a regional preference for all households that live and/or work in Housing Region 1.
 - (3) Subordinate to the regional preference, there shall be a preference for households that live and/or work in New Jersey.
- D. The municipality has the ultimate responsibility for adopting the Affirmative Marketing Plan and for the proper administration of the Affirmative Marketing Process, including the marketing of initial sales and rentals and resales and re-rentals. The Administrative Agent designated by the municipality shall implement the Affirmative Marketing Process to ensure the Affirmative Marketing of all affordable units, with the exception of affordable programs that are exempt from Affirmative Marketing as noted herein.
- E. The Affirmative Marketing Process shall describe the media to be used in advertising and publicizing the availability of housing. In implementing the Affirmative Marketing Process, the Administrative Agent shall consider the use of language translations where

appropriate.

- F. Applications for affordable housing or notices thereof, if offered online, 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 municipal library in the municipality in which the units are located; and the developer's rental or sales office. The developer shall mail applications to prospective applicants upon request and shall make applications available through a secure online website address.
- G. In addition to other Affirmative Marketing strategies, the Administrative Agent shall provide specific notice of the availability of affordable housing units on the New Jersey Housing Resource Center website. Any other entities, including developers or persons or companies retained to implement the Affirmative Marketing Process, shall comply with this paragraph.
- H. In implementing the Affirmative Marketing Process, the Administrative Agent shall provide a list of counseling services to low- and moderate-income applicants on subjects such as budgeting, credit issues, mortgage qualification, rental lease requirements, and landlord/tenant law.
- I. The Affirmative Marketing Process for available affordable units shall begin at least four months (120 days) prior to the expected date of occupancy.
- J. The cost to affirmatively market the affordable units shall be the responsibility of the developer, sponsor or owner, with the exception of Affirmative Marketing for resales.

§ 81-12. Selection of Occupants of Affordable Housing Units.

- A. The Administrative Agent shall use a random selection process to select occupants of very low-, low- and moderate-income housing.
- B. A pool of interested households will be maintained in accordance with the provisions of N.J.A.C. 5:80-26.16.

§ 81-13. Occupancy Standards.

- A. 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:
- B. Ensure each bedroom is occupied by at least one person, except for age-restricted and supportive and special needs housing units;
- C. Provide a bedroom for every two adult occupants;
- D. With regard to occupants under the age of 18, accommodate the household's requested arrangement, except that such arrangement may not result in more than two occupants under the age of 18 occupying any bedroom; and
- E. Avoid placing a one-person household into a unit with more than one bedroom.

§ 81-14. Control Periods for Restricted Ownership Units and Enforcement Mechanisms.

- A. Control periods for restricted ownership units shall be in accordance with N.J.A.C. 5:80- 26.6, as may be amended and supplemented, and each restricted ownership unit shall remain subject to the controls on affordability for a period of at least 30 years subject to the requirements of N.J.A.C. 5:80-26.6, as may be amended and supplemented.
- B. Rehabilitated housing units that are improved to code standards shall be subject to affordability controls for a period of not less than 10 years (crediting towards present need only).
- C. The affordability control period for a restricted ownership unit shall commence on the date the initial certified household takes title to the unit. For all transactions going forward, the date of commencement shall be identified in the deed restriction.
- D. If existing affordability controls are being extended, the extended control period for a restricted ownership unit commences on the effective date of the extension, which is the end of the original control period.
- E. After the end of any control period, the restricted ownership unit remains subject to the affordability controls set forth in this subchapter until the owner gives notice of their intent to make an exit sale, at which point:
 - (1) If the municipality exercises the right to extend the affordability controls on the unit, no exit sale occurs and a new control period commences; or
 - (2) If the municipality does not exercise the right to extend the affordability controls on the unit, the affordability controls terminate following the exit sale.
 - (3) Notwithstanding the foregoing, nothing herein is intended to eliminate the right of a municipality with a 95/5 deed to allow the unit to be sold at fair market value and to capture 95 percent of the differential for affordable housing.
- F. Prior to the issuance of any building permit for the construction/rehabilitation of restricted ownership units, the developer/owner and the municipality shall record a preliminary instrument provided by the Administrative Agent.
- G. 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 shall determine the restricted price for the unit and shall also determine the nonrestricted, fair market value of the unit based on either an appraisal or the unit's equalized assessed value without the restrictions in place.
- H. At the time of the initial sale of the unit and upon each successive price-restricted sale, the initial purchaser shall execute and deliver to the Administrative Agent a recapture note obliging 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.

- I. 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 price-restricted ownership units.

§ 81-15. Price Restrictions for Restricted Ownership Units and Resale Prices.

- A. Price restrictions for restricted ownership units shall be in accordance with N.J.A.C. 5:80-26.7, as may be amended and supplemented, including:

- (1) The initial purchase price and affordability percentage for a restricted ownership unit shall be set by the Administrative Agent.
- (2) The Administrative Agent shall approve all resale prices, in writing and in advance of the resale, to assure compliance with the standards set forth in N.J.A.C 5:80-26.7.
 - (a) If the resale occurs prior to the one-year anniversary of the date on which title to the unit was transferred to a certified household, the maximum resale price for a is the most recent non-exempt purchase price.
 - (b) If the resale occurs on or after such anniversary date, the maximum resale price is the most recent non-exempt purchase price increased to reflect the cumulative annual percentage increases to the regional median income, effective as of the same date as the regional median income calculated pursuant to N.J.A.C. 5:80-26.3
- (3) The owners of restricted ownership units may apply to the Administrative Agent to increase the maximum sales price for the unit on the basis of anticipated capital improvements. Eligible capital improvements shall be:
 - (a) those that render the unit suitable for a larger household or the addition of a bathroom.
 - (b) The maximum resale price may be further increased by an amount up to the cumulative dollar value of approved capital improvements made after the last non-exempt sale for improvements and/or upgrades to the unit, excluding capital improvements paid for by the entity favored on the recapture note and recapture lien described at N.J.A.C. 5:80-26.6(d);
- (4) No increase for capital improvements is permitted if the maximum resale price prior to adjusting for capital improvements already exceeds whatever initial purchase price the unit would have if it were being offered for purchase for the first time at the initial affordability percentage. All adjustments for capital improvements are subject to 10-year, straight-line depreciation.

- B. 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 at the time of the signing of the agreement to purchase but shall be separate and apart from any contract of sale for the underlying real estate. 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 of the air conditioning equipment, which shall be subject to 10-year, straight-line depreciation, has been approved by the Administrative Agent. Unless otherwise approved by the Administrative Agent, the purchase of any property other than central air conditioning shall not be made a condition of the unit resale. The seller 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.

§ 81-16. Buyer Income Eligibility.

- A. Buyer income eligibility for restricted ownership units shall be established pursuant to N.J.A.C. 5:80-26.17, as may be amended and supplemented, such that very low-income ownership units shall be reserved for occupancy by households with a gross household income less than or equal to 30% of median income, low-income ownership units shall be reserved for occupancy by households with a gross household income less than or equal to 50% of median income and moderate-income ownership units shall be reserved for occupancy by households with a gross household income less than 80% of median income.
- B. Notwithstanding the foregoing, the Administrative Agent may, upon approval by the municipality, and subject to the Division'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. Similarly, the administrative agent may permit low-income purchasers to buy very-low-income units in housing markets where, as determined by the Division, units are reserved for very-low-income purchasers, but there is an insufficient number of very-low-income purchasers to permit prompt occupancy of the units. In such instances, the purchased unit must be maintained as a very-low-income unit and sold at a very-low-income price point such that on the next resale the unit will still be affordable to very-low-income households and able to be purchased by a very-low-income household. A very-low-income unit that is seeking bonus credit pursuant to N.J.S.A. 52:27D-311.k(9) must first be advertised exclusively as a very-low-income unit according to the Affirmative Marketing requirements at N.J.A.C. 5:80-26.16, then advertised as a very-low-income or low-income unit for at least 30 additional days prior to referring any

low-income household to the unit.

- C. 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.
- D. The Administrative Agent shall certify a household as eligible for a restricted ownership unit when the household is a 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, property taxes, homeowner and private mortgage insurance and condominium or homeowner association fees, as applicable) does not exceed 35 percent of the household's eligible monthly income; provided, however, that this limit may be exceeded if one or more of the following circumstances exists:
 - (1) The household currently pays more than 35% (40% for households eligible for age-restricted units) of its gross household income for housing expenses, and the proposed housing expenses will reduce its housing costs;
 - (2) The household has consistently paid more than 35% (40% for households eligible for age-restricted units) of eligible monthly income for housing expenses in the past and has proven its ability to pay; or
 - (3) The household is currently in substandard or overcrowded living conditions;
 - (4) The household documents the existence of assets, within the asset limitation otherwise applicable, with which the household proposes to supplement the rent payments.

§ 81-17. Limitations on Indebtedness Secured by Ownership Unit; Subordination.

- A. Prior to incurring any indebtedness to be secured by a restricted ownership unit, the owner shall apply to the Administrative Agent for a determination in writing that the proposed indebtedness complies with the provisions of this Section, and the Administrative Agent shall issue such determination prior to the owner incurring such indebtedness.
- B. With the exception of original purchase money mortgages, neither an owner nor a lender shall at any time during the control period cause or permit the total indebtedness secured by a restricted ownership unit to exceed 95% of the maximum allowable resale price of that unit, as such price is determined by the Administrative Agent in accordance with N.J.A.C. 5:80-26.7(c).
- C. Control Periods for Restricted Rental Units.
 - (1) Control periods for units that meet the definition of prior round units shall be pursuant to the 2001 UHAC rules originally adopted October 1, 2001, 33 N.J.R.

3432, and amended December 20, 2004, 36 N.J.R. 5713 and shall remain subject to the requirements of this ordinance for a period of at least 30 years as applicable unless otherwise indicated.

- (2) Other than for prior round units, control periods for restricted rental units shall be in accordance with N.J.A.C. 5:80-26.12, 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. Restricted rental units created as part of developments receiving 9% Low-Income Housing Tax Credits must comply with a control period of not less than a 30-year compliance period plus a 15-year extended use period for a total of 45 years.
- (3) The affordability control period for a restricted rental unit shall commence on the first date that a unit is issued a certificate of occupancy following the execution of the deed restriction or, if affordability controls are being extended, on the effective date of the extension, which is the end of the original control period.
- (4) Rehabilitated renter-occupied housing units that are improved to code standards shall be subject to affordability controls for a period of not less than 10 years.
- (5) Prior to the issuance of any building permit for the construction/rehabilitation of restricted rental units, the developer/owner and the municipality shall record a preliminary instrument provided by the Administrative Agent.
- (6) 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. The deed restriction shall be recorded by the developer with the county records office, and provided as filed and recorded, to the Administrative Agent within 30 days of the receipt of a certificate of occupancy.
- (7) 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;
 - (c) The entry and enforcement of any judgment of foreclosure on the property containing the unit; or
 - (d) The end of the control period, until the occupant household vacates the unit, or is certified as over-income and the controls are released in accordance with UHAC.

§ 81-18. Rent Restrictions for Rental Units; Leases and Fees.

- A. The initial rent for a restricted rental unit shall be set by the Administrative Agent.
- B. A written lease shall be required for all restricted rental units, except for units in an assisted living residence, 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 retained on file by the Administrative Agent.

- C. No additional fees, operating costs, 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.
 - (1) Operating costs, for the purposes of this section, include certificate of occupancy fees, move-in fees, move-out fees, mandatory internet fees, mandatory cable fees, mandatory utility submetering fees, and for developments with more than one and a half off-street parking spaces per unit, parking fees for one parking space per household.
- D. Any fee structure that would remove or limit affordable unit occupant access to any amenities or services that are required or included for market-rate unit occupants is prohibited. Application fees (including the charge for any credit check) shall not exceed 5% of the monthly rent of the applicable restricted unit to be applied to the costs of administering the controls applicable to the unit as set forth in this Ordinance.
- E. Fees for unit-specific, non-communal items that are charged to market-rate unit tenants on an optional basis, such as pet fees for tenants with pets, storage spaces, bicycle-share programs, or one-time rentals of party or media rooms, may also be charged to affordable unit tenants, if applicable.
- F. Pet fees may not exceed \$30.00 per month and associated one-time payments for optional fees pertaining to pets, such as a pet cleaning fee, are prohibited.
- G. Fees charged to affordable unit tenants for other optional, unit-specific, non-communal items shall not exceed the amounts charged to market-rate tenants.
- H. For any prior round rental unit leased before December 20, 2024, elements of the existing fee structure that are consistent with prior rules, but inconsistent with 5:80-26.13(c)1, may continue until the occupant household's current lease term expires or that occupant household vacates the unit, whichever occurs later.

§ 81-19. Tenant Income Eligibility.

- A. Tenant income eligibility shall be determined pursuant to N.J.A.C. 5:80-26.14, as may be amended and supplemented, and shall be determined as follows:
 - (1) Very low-income rental units shall be reserved for households with a gross household income less than or equal to 30% of the regional median income by household size.
 - (2) Low-income rental units shall be reserved for households with a gross household income less than or equal to 50% of the regional median income by household size.

- (3) Moderate-income rental units shall be reserved for households with a gross household income less than 80% of the regional median income by household size.
- B. The Administrative Agent shall certify a household as eligible for a restricted rental unit when the household is a very low-income, low-income or moderate-income household, as applicable to the unit, and the rent proposed for the unit does not exceed 35% (40% for age-restricted units) of the household's eligible monthly income as determined pursuant to N.J.A.C. 5:80-26.17, as may be amended and supplemented; provided, however, that this limit may be exceeded if one or more of the following circumstances exists:
- (1) The household currently pays more than 35% (40% for households eligible for age-restricted units) of its gross household income for rent, and the proposed rent will reduce its housing costs;
 - (2) The household has consistently paid more than 35% (40% for households eligible for age-restricted units) of eligible monthly income for rent in the past and has proven its ability to pay;
 - (3) The household is currently in substandard or overcrowded living conditions;
 - (4) The household documents the existence of assets with which the household proposes to supplement the rent payments; or
 - (5) 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.
- C. The applicant shall file documentation sufficient to establish the existence of any of the circumstances in 2.a. through 2.e. above with the Administrative Agent, who shall counsel the household on budgeting.

ARTICLE III

Administration

§ 81-20. Municipal Housing Liaison.

- A. The Municipal Housing Liaison shall be approved by municipal resolution.
- B. The Municipal Housing Liaison shall be approved by the Division, or is in the process of getting approval, and fully or conditionally meets the requirements for qualifications, including initial and periodic training as set forth in in N.J.A.C. 5:99-1 et seq.
- C. The Municipal Housing Liaison shall be responsible for oversight and administration of the affordable housing program, including the following responsibilities, which may not be contracted out to the Administrative Agent:
 - (1) Serving as the primary point of contact for all inquiries from the Affordable Housing Dispute Resolution Program, the State, affordable housing providers, administrative

- agents and interested households.
- (2) The oversight of the Affirmative Marketing Plan and affordability controls.
 - (3) When applicable, overseeing and monitoring any contracting Administrative Agent.
 - (4) Overseeing the monitoring of the status of all restricted units listed in the Fair Share Plan.
 - (5) Verifying, certifying and providing annual information within AHMS at such time and in such form as required by the Division.
 - (6) Coordinating meetings with affordable housing providers and administrative agents, as needed.
 - (7) Attending continuing education opportunities on affordability controls, compliance monitoring, and affirmative marketing as offered or approved by the Division.
 - (8) Overseeing the recording of a preliminary instrument in the form set forth at N.J.A.C. 5:80-26.1 for each affordable housing development.
 - (9) Coordinating with the Administrative Agent, municipal attorney and municipal Construction Code Official to ensure that permits are not issued unless the document required in C.8. above has been duly recorded.
 - (10) Listing on the municipal website contact information for the MHL and Administrative Agents.

§ 81-21. Administrative Agent.

- A. All municipalities that have created or will create affordable housing programs and/or affordable units shall designate or approve, for each project within its HEFSP, an administrative agent to administer the affordable housing program and/or affordable housing units in accordance with the requirements of the FHA, NJAC 5:99-1 et seq. and UHAC.
- B. The fees for administrative agents shall be paid as follows:
 - (1) Administrative agent fees related to rental units shall be paid by the developer/owner.
 - (2) Administrative agent fees related to initial sale of units shall be paid by the developer.
 - (3) Administrative agent fees related to resales shall be paid by the seller of the affordable home.
 - (4) Administrative agent fees related to ongoing administration and enforcement shall be paid by the municipality.
- C. An Operating Manual for each affordable housing program shall be provided by the Administrative Agent(s). The Operating Manual(s) shall be available for public

inspection in the Office of the Clerk and in the office(s) of the Administrative Agent(s). Operating manuals shall be adopted by resolution of the Governing Body.

D. Subject to the role of the Administrative Agent(s), the duties and responsibilities as are set forth in N.J.A.C. 5:99-7 and which are described in full detail in the Operating Manual, including those set forth in UHAC, include:

- (1) Attending continuing education opportunities on affordability controls, compliance monitoring, and affirmative marketing as offered or approved by the Division;
- (2) Affirmative marketing:
 - (a) Conducting an outreach process to affirmatively market affordable housing units in accordance with the Affirmative Marketing Plan of the municipality and the provisions of N.J.A.C. 5:80-26.16.
 - (b) Providing counseling, or contracting to provide counseling services, to low- and moderate-income applicants on subjects such as budgeting, credit issues, mortgage qualification, rental lease requirements; and landlord/tenant law.
- (3) 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 low- or moderate-income unit;
 - (c) Providing written notification to each applicant as to the determination of eligibility or non-eligibility within 5 days of the determination thereof.
 - (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 the 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.
 - (f) Employing a random selection process as provided in the Affirmative Marketing Plan when referring households for certification to affordable units.

E. Affordability controls.

- (1) Furnishing to attorneys or closing agents forms of deed restrictions and mortgages for the recording at the time of conveyance of title of each restricted unit.
- (2) Ensuring that the removal of the deed restrictions and cancellation of the mortgage note are effectuated and filed properly with the County Register of Deeds or County Clerk's office after the termination of the affordability controls for each restricted unit in accordance with UHAC.

- (3) Communicating with lenders and the Municipal Housing Liaison regarding foreclosures.
- (4) Ensuring the issuance of Continuing Certificates of Occupancy or certifications pursuant to N.J.A.C. 5:80-26.11.

F. Records retention.

- (1) Creating and maintaining a file on each restricted unit for its control period, including the recorded deed with restrictions, recorded recapture mortgage, and note, as appropriate.
- (2) Records received, retained, retrieved, or transmitted in furtherance of crediting affordable units of a municipality constitute public records of the municipality as defined by N.J.S.A. 47:3-16, and are legal property of the municipality.

G. Resales and re-rentals.

- (1) Instituting and maintaining an effective means of communicating information between owners and the Administrative Agent regarding the availability of restricted units for resale or re-rental.
- (2) Instituting and maintaining an effective means of communicating information to very low-, low-, or moderate-income households regarding the availability of restricted units for resale or re-rental.

H. Processing requests from unit owners.

- (1) Reviewing and approving requests from owners of restricted units who wish to refinance or take out home equity loans during the term of their ownership to determine that the amount of indebtedness to be incurred will not violate the terms of this ordinance.
- (2) 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.
- (3) Notifying the municipality of an owner's intent to sell a restricted unit.
- (4) Making determinations on requests by owners of restricted units for hardship waivers.

I. Enforcement.

- (1) Securing annually from the municipality a list of all affordable ownership units for which property tax bills are mailed to absentee owners, and notifying all such owners that they must either move back to their unit or sell it;
- (2) 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;

- (3) Sending annual mailings to all owners of affordable dwelling units reminding them of the notices and requirements outlined in N.J.A.C. 5:80-26.19(d)4;
 - (4) Establishing a program for diverting unlawful rent payments to the municipal Affordable Housing Trust Fund; and
 - (5) Creating and publishing a written operating manual for each affordable housing program administered by the Administrative Agent setting forth procedures for administering the affordability controls.
- J. The Administrative Agent(s) shall, as delegated by the municipality, have the authority to take all actions necessary and appropriate to carry out its/their responsibilities, herein.
- K. Responsibilities of The Owner of a development containing affordable units.
- (1) The owner of all developments containing affordable units subject to this subchapter or the assigned management company thereof shall provide to the administrative agent:
 - (a) Site plan, architectural plan, or other plan that identifies the location of each affordable unit, if subject to the site plan approval, settlement agreement, or other applicable document regulating the location of affordable units. The administrative agent shall determine the location of affordable units if not set forth in the site plan approval, settlement agreement, or other applicable document.
 - (b) The total number of units in the project and the number of affordable units.
 - (c) The breakdown of the affordable units by or identification of affordable unit locations by bedroom count and income level, including street addresses / unit numbers, if subject to the site plan approval, settlement agreement, or other applicable document regulating the breakdown of affordable units. The administrative agent shall determine the bedroom and income distribution if not set forth in the site plan approval, settlement agreement, or other applicable document.
 - (d) Floor plans of all affordable units, including complete and accurate identification of all rooms and the dimensions thereof.
 - (e) A projected construction schedule.
 - (f) The location of any common areas and elevators.
 - (g) The name of the person who will be responsible for official contact with the administrative agent for the duration of the project, which must be updated if

the contact changes.

- (2) In addition to A above, the owner of rental developments containing affordable rental units subject to this subchapter or the assigned management company thereof shall:
 - (a) Send to all current tenants in all restricted rental units an annual mailing containing a notice as to the maximum permitted rent and a reminder of the requirement that the unit must remain their principal place of residence, which is defined as residing in the unit at least 260 days out of each calendar year, together with the telephone number, mailing address, and email address of the administrative agent to whom complaints of excess rent can be issued.
 - (b) Provide to the administrative agent a description of any applicable fees.
 - (c) Provide to the administrative agent a description of the types of utilities and which utilities will be included in the rent.
 - (d) Agree and ensure that the utility configuration established at the start of the rent-up process not be altered at any time throughout the restricted period.
 - (e) Provide to the administrative agent a proposed form of lease for any rental units.
 - (f) Ensure that the tenant selection criteria for the applicants for affordable units not be more restrictive than the tenant selection criteria for applicants for non-restricted units.
 - (g) Strive to maintain the continued occupancy of the affordable units during the entire restricted period.
- (3) In addition to A, above, the owner of affordable for-sale developments containing affordable for-sale units subject to this subchapter or the assigned management company thereof shall provide the administrative agent:
 - (a) Proposed pricing for all units, including any purchaser options and add-on items.
 - (b) Condominium or homeowner association fees and any other applicable fees.
 - (c) Estimated real property taxes.
 - (d) Sewer, water, trash disposal, and any other utility assessments.
 - (e) Flood insurance requirement, if applicable.
 - (f) The State-approved planned real estate development public offering statement and/or master deed, where applicable, as well as the full build-out budget.

§ 81-22. Enforcement of Affordable Housing Regulations.

- A. Upon the occurrence of a breach of any of the regulations governing the 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, municipal fines,

a requirement for household recertification, acceleration of all sums due under a mortgage, recouplement 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.

B. After providing written notice of a violation to an owner, developer or tenant of an affordable unit and advising the owner, developer or tenant of the penalties for such violations, the municipality may take the following action against the owner, developer or tenant for any violation that remains uncured for a period of 60 days after service of the written notice:

(1) 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 found 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 \$500/day or imprisonment for a period not to exceed 90 days, or both, unless otherwise specified below, 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 his or her low- or moderate-income unit in violation of the regulations governing affordable housing units, payment into the municipal Affordable Housing Trust Fund of the gross amount of rent illegally collected;

(c) In the case of an owner who has rented his or her affordable unit in violation of the regulations governing affordable housing units, payment of an innocent tenant's reasonable relocation costs, as determined by the Court.

C. The municipality shall have the authority to levy fines against the owner of the development for instances of noncompliance with NJHRC advertising requirements (N.J.S.A. 52:27D-321.6.e.(2)), following written notice to the owner. The fine for the first offense of noncompliance shall be \$5,000, the fine for the second offense of noncompliance shall be \$10,000, and the fine for each subsequent offense of noncompliance shall be \$15,000.

D. The municipality may file a court action in the Superior Court seeking a judgment, which would result in the termination of the owner's equity or other interest in the unit, in the nature of a mortgage foreclosure. Any 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 low- or moderate-income unit.

(1) Such judgment shall be enforceable, at the option of the municipality, by means of

an execution sale by the Sheriff, at which time the affordable 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 the right to possession terminated as well as the title conveyed pursuant to the Sheriff's sale.

- (2) 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 low- or 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 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.
- (3) Foreclosure due to violation of the regulations governing affordable housing units shall not extinguish the restrictions of the regulations governing affordable housing units as they apply to the 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.
- (4) 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 affordable 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 affordable 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 that would have been realized from an actual sale as previously described.
- (5) Failure of the low- or 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 that may be referred to the owner by the municipality, with such offer to purchase being equal to the maximum resale price of the low- or moderate-income unit as permitted by the regulations governing affordable housing units.
- (6) The affordable unit owner shall remain fully obligated, responsible and liable for complying with the terms and restrictions of governing affordable housing units until such time as title is conveyed from the owner.
- E. It is the responsibility of the municipal housing liaison and the administrative agent(s) to ensure that affordable housing units are administered properly. All affordable units must be occupied within a reasonable amount of time and be re-leased within a reasonable amount of time upon the vacating of the unit by a tenant. If an administrative agent or municipal housing liaison becomes aware of or suspects that a developer, landlord, or property manager has not complied with these regulations, it shall report this activity to the Division. The Division must notify the developer, landlord, or property manager, in writing, of any violation of these regulations and provide a 30-day cure period. If, after the 30-day cure period, the developer, landlord, or property manager remains in violation of any terms of this subchapter, including by keeping a unit vacant, the developer, landlord, or property manager may be fined up to the amount required to construct a comparable affordable unit of the same size and the deed-restricted control period will be extended for the length of the time the unit was out of compliance, in addition to the remedies provided for in this section. For the purposes of this subsection, a reasonable amount of time shall presumptively be 60 days, unless a longer period of time is required due to demonstrable market conditions and/or failure of the municipal housing liaison or the administrative agent to refer a certified tenant.
- F. Banks and other lending institutions are prohibited from issuing any loan secured by owner occupied real property subject to the affordability controls set forth in this subchapter if such loan would be in excess of amounts permitted by the restriction documents recorded in the deed or mortgage book in the county in which the property is located. Any loan issued in violation of this subsection is void as against public policy.
- G. The Agency and the Department hereby reserve, for themselves and for each administrative agent appointed pursuant to this subchapter, all of the rights and remedies available at law and in equity for the enforcement of this subchapter, including, but not limited to, fines, evictions, and foreclosures as approved by a county-level housing judge.
- H. Appeals
- (1) Appeals from all decisions of an administrative agent appointed pursuant to this subchapter must be filed, in writing, with the municipal housing liaison. A decision by the municipal housing liaison may be appealed to the Division. A written

decision of the Division Director upholding, modifying, or reversing an administrative agent's decision is a final administrative action.

ARTICLE IV

Development Fees

§ 81-23. Purpose.

- A. This section establishes standards for the collection, maintenance, and expenditure of development fees that are consistent with the amended Fair Housing Act (P.L.2024, c.2), N.J.A.C. 5:99, and the Statewide Non-Residential Development Fee Act (C. 40:55D-8.1 through 8.7). Fees collected pursuant to this Ordinance shall be used for the sole purpose of providing very low-, low- and moderate-income housing in accordance with a Court-approved Spending Plan.

§ 81-24. Basic Requirements

- A. The municipality previously adopted a development fee ordinance, which established the Municipal Affordable Housing Trust Fund.
- B. The municipality shall not spend development fees until the court has approved a plan for spending such fees. Approval of a Round 3 Spending Plan shall suffice to satisfy this requirement until such time as a Round 4 Spending Plan or subsequent amendments is/are approved.

§ 81-25. Residential Development Fees

- A. Imposed fees
 - (1) 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 for residential development, provided no increased density is permitted. Development fees shall also be imposed and collected when an additional dwelling unit is added to an existing residential structure; in such cases, the fee shall be calculated based on the increase in the equalized assessed value of the property due to the additional dwelling unit.
 - (2) When an increase in residential density is permitted pursuant to a "d" variance granted under N.J.S.A. 40:55D-70d(5), developers shall be required to pay a "bonus" development fee of 6.0% of the equalized assessed value for each additional unit that may be realized, except that this provision shall not be applicable to a development that will include affordable housing. 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 1.5% of the equalized assessed value on the first two units; and the specified higher percentage of 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.

B. Eligible exactions, ineligible exactions and exemptions for residential development

- (1) 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 an eligible payment in lieu of on-site construction of affordable units, if permitted by ordinance, or by agreement with the municipality and if approved by a municipality.
- (2) Developments that have received preliminary or final site plan approval prior to the adoption of this ordinance and any preceding ordinance permitting the collection of development fees shall be exempt from the payment of development fees, unless the developer seeks a substantial change in the original approval. Where a site plan approval does not apply, the issuance of a zoning and/or building permit shall be synonymous with preliminary or final site plan approval for the purpose of determining the right to an exemption. In all cases, the applicable fee percentage shall be determined based upon the development fee ordinance in effect on the date that the construction permit is issued.
- (3) Development fees shall be imposed and collected when an existing structure undergoes a change to a more intense use, is demolished and replaced, or is expanded, if the expansion is not otherwise exempt from the development fee requirement. The development fee shall be calculated on the increase in the equalized assessed value of the improved structure.
- (4) No development fee shall be collected for the demolition and replacement of a residential building resulting from a fire or natural disaster.

§ 81-26. Non-Residential Development Fees

A. Imposition of 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) Within all zoning districts, 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 non-residential structure is demolished 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 improvements and the equalized assessed value of the newly improved structure; i.e., land and improvements; and such calculation shall be made at the time a 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.
- B. Eligible exactions, ineligible exactions and exemptions for non-residential development
- (1) The non-residential portion of a mixed-use inclusionary or market-rate development shall be subject to a 2.5% development fee, unless otherwise exempted below.
- (2) 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.
- C. Non-residential developments shall be exempt from the payment of non-residential development fees in accordance with the exemptions required pursuant to the Statewide Non-Residential Development Fee Act (N.J.S.A. 40:55D-8.1 through 8.7), as specified in Form N-RDF "State of New Jersey Non-Residential Development Certification/Exemption." Any exemption claimed by a developer shall be substantiated by that developer.
- D. A developer of a non-residential development exempted from the non-residential development fee pursuant to the Statewide Non-Residential Development Fee Act shall be subject to the fee at such time as 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.
- E. If a property that 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 municipality as a lien against the real property of the owner.
- F. Notwithstanding anything to the contrary, if there are any inconsistencies between these regulations and the Statewide Non-residential Development Fee Act ([N.J.S.A. 40:55D-8.1](#) through [40:55D-8.7](#)), the Act controls.

§ 81-27. Collection Procedures

- A. 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.
- B. 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 by the developer as per the instructions provided in the Form N-RDF. The construction official shall verify the information submitted by the non-residential developer as per the instructions provided on Form N-RDF. The tax assessor shall verify exemptions and prepare estimated and final assessments as per the instructions provided in Form N-RDF.
- C. The construction official responsible for the issuance of a building permit shall notify the tax assessor of the issuance of the first construction permit for a development that is subject to a development fee.
- D. Within 90 days of receipt of that notice, the tax assessor shall provide an estimate, based on the plans filed, of the equalized assessed value of the development.
- E. The construction official responsible for the issuance of a final certificate of occupancy shall notify the tax assessor of any and all requests for the scheduling of a final inspection on property that is subject to a development fee.
- F. Within 10 business days of a request for the scheduling of a final inspection, the tax assessor shall confirm or modify the previously estimated equalized assessed value of the improvements associated with the development; calculate the development fee; and thereafter notify the developer of the amount of the fee.
- G. Should the municipality 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 (N.J.S.A. 40:55D-8.6).
- H. Fifty percent (50%) of the development fee shall be collected at the time of issuance of the construction permit. The remaining portion shall be collected at the time of issuance of the certificate of occupancy. The developer shall be responsible for paying the difference between the fee calculated at the time of issuance of the construction permit and that determined at the time of issuance of certificate of occupancy.

§ 81-28. 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 that board, collected fees shall be placed in an interest-bearing escrow account by the municipality. 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, R.S. 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 municipality. 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, R.S. 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.

§ 81-29. Affordable Housing Trust Fund

- A. A separate, interest-bearing Municipal Affordable Housing Trust Fund shall be maintained by the chief financial officer of the municipality for the purpose of depositing development fees collected from residential and non-residential developers and proceeds from the sale of units with extinguished controls.
- B. The following additional funds shall be deposited in the Municipal Affordable Housing Trust Fund and shall at all times be identifiable by source and amount:
 - A. Payments in lieu of on-site construction of an affordable unit, where previously permitted by ordinance or by agreement with the municipality and if approved by a municipality prior to the statutory elimination of payments in-lieu on March 20, 2024 per P.L.2024, c.2;
 - B. Funds contributed by developers to make 10% of the adaptable entrances in a townhouse or other multistory attached dwelling unit development accessible;
 - C. Rental income from municipally operated units;
 - D. Repayments from 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 municipal affordable housing program including but not limited to interest earned on fund deposits.
- C. The municipality shall provide the Division with written authorization, in the form of a tri-party escrow agreement(s) between the municipality, the Division and the financial institution in which the municipal affordable housing trust fund has been established to permit the Division to direct the disbursement of the funds as provided for in N.J.A.C. 5:99-2.1 et seq.

- D. Occurrence of any of the following deficiencies may result in the Division requiring the forfeiture of all or a portion of the funds in the municipal Affordable Housing Trust Fund:
- A. Failure to meet deadlines for information required by the Division in its review of a development fee ordinance;
 - B. Failure to commit or expend development fees within four years of the date of collection in accordance with N.J.A.C. 5:99-5.5;
 - C. Failure to comply with the requirements of the Non-Residential Development Fee Act and N.J.A.C. 5:99-3;
 - D. Failure to submit accurate monitoring reports pursuant to this subchapter within the time limits imposed by the Act, this chapter, and/or the Division;
 - E. Expenditure of funds on activities not approved by the Superior Court or otherwise permitted by law;
 - F. Revocation of compliance certification or a judgment of compliance and repose;
 - G. Failure of a municipal housing liaison or administrative agent to comply with the requirements set forth at N.J.A.C. 5:99-6, 7, and 8;
 - H. Other good cause demonstrating that municipal affordable housing funds are not being used for an approved purpose.
- E. All interest accrued in the housing trust fund shall only be used on eligible affordable housing purposes approved by the Court.

§ 81-30. Use of Funds

- A. The expenditure of all funds shall conform to a Spending Plan approved by Superior Court. Funds deposited in the municipal Affordable Housing Trust Fund may be used for any activity approved by the Court to address the 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; housing rehabilitation; new construction of affordable housing units and related costs; accessory apartments; a market-to-affordable program; 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; and/or any other activity permitted by Superior Court and specified in the approved Spending Plan.
- B. Funds shall not be expended to reimburse the municipality or activities that occurred prior to the authorization of a municipality to collect development fees.

- C. At least a portion of all development fees collected and interest earned shall be used to provide affordability assistance to very low-, low- and moderate-income households in affordable units included in the municipal Fair Share Plan. A portion of the development fees which provide affordability assistance shall be used to provide affordability assistance to very low-income households.
 - A. 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, infrastructure assistance, and assistance with emergency repairs. The specific programs to be used for affordability assistance shall be identified and described within the Spending Plan.
 - B. Affordability assistance for very low income households may include producing very low-income units or 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.
- D. No more than 20% of all affordable housing trust funds, exclusive of those collected to fund an RCA prior to July 17, 2008, shall be expended on administration, including, but not limited to, salaries and benefits for municipal employees or consultants' fees necessary to develop or implement a new construction program, prepare and implement a Housing Element and Fair Share Plan, administer an Affirmative Marketing Program and for compliance with the Superior Court and the Program including the costs to the municipality of resolving a challenge.

§ 81-31. Monitoring

- A. On or before February 15 of each year, the municipality shall provide annual electronic data reporting of trust fund activity for the previous year from January 1st to December 31st through the AHMS Reporting System. This reporting shall include an accounting of all Municipal Affordable Housing Trust Fund activity, including the sources and amounts of all funds collected and the amounts and purposes for which any funds have been expended. Such reporting shall include an accounting of development fees collected from residential and non-residential developers, previously eligible payments in lieu of constructing affordable units on site (if permitted by ordinance or by agreement with the municipality prior to the March 20, 2024 statutory elimination per P.L. 2024, c.4), funds from the sale of units with extinguished controls, barrier-free escrow funds, rental income from municipally-owned affordable housing units, repayments from affordable housing program loans, interest and any other funds collected in connection with municipal housing programs, as well as an accounting of the expenditures of revenues and implementation of the Spending Plan approved by the Court.

§ 81-32. Ongoing Collection of Fees

- A. The ability to impose, collect and expend development fees shall continue so long as the municipality retains authorization from the Court in the form of Compliance Certification or the good faith effort to obtain it.
- B. If the municipality fails to renew its ability to impose and collect development fees prior to the expiration of its Judgment of Compliance, it may be subject to forfeiture of any or all funds remaining within its Affordable Housing 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. 52:27D-320).

§ 81-33. Emergent Affordable Housing Opportunities.

- A. Requests to expend affordable housing trust funds on emergent affordable housing opportunities not included in the municipal fair share plan shall be made to the Division and shall be in the form of a governing body resolution. Any request shall be consistent with N.J.A.C. 5:99-4.1.

ARTICLE V

Waivers

A waiver may be granted of any provision of this ordinance if it would advance the interests of low- and moderate-income households or if strict compliance would cause an unreasonable result.

Section 2

All Ordinances of the Borough of Allendale which are inconsistent with the provisions of this Ordinance are hereby repealed to the extent of such inconsistency.

Section 3

If any section, subsection, sentence, clause or phrase of this Ordinance is for any reason held to be unconstitutional or invalid, such decision shall not affect the remaining portions of this Ordinance.

Section 4

This Ordinance shall take effect immediately upon final passage, approval and publication as required by law.

Council	Motion	Second	Yes	No	Abstain	Absent
O'Connell						
O'Toole						
Lovisollo						
Homan						
Daloisio						
Yaccarino						
Mayor Wilczynski	-----	-----				

I hereby certify the above to be a true copy of an Ordinance adopted by the Governing Body of the Borough of Allendale on February 19, 2026.

Linda Louise Cervino, RMC
Municipal Clerk

Amy Wilczynski
Mayor

ATTEST:

BOROUGH OF ALLENDALE
COUNTY OF BERGEN
STATE OF NEW JERSEY

Linda Louise Cervino, Borough Clerk

By: _____
Amy Wilczynski, Mayor

**BOROUGH OF ALLENDALE
COUNTY OF BERGEN
STATE OF NEW JERSEY**

ORDINANCE #26-06

**AN ORDINANCE TO AMEND, SUPPLEMENT AND REVISE THE CODE OF THE
BOROUGH OF ALLENDALE, PROPERTY MAINTENANCE, CHAPTER 199-12(N)
ARTICLE V MAINTENANCE STANDARDS**

BE IT ORDAINED by the Mayor and Council of the Borough of Allendale, County of Bergen, State of New Jersey that Chapter 199-12(N) Article V Maintenance Standards of the Code of the Borough of Allendale, be and hereby is amended, supplemented and revised in its entirety to read as follows:

N. All fire hydrants shall have a minimum of a three-foot radius clearance from any plantings, snow, mailboxes and fencing, and there shall be no obstructions from the front of the hydrant to the street or right-of-way. Clearance of snow must be accomplished within 48 hours after the snow event ends.

BE IT FURTHER ORDAINED that, except as modified herein, all other provisions of Chapter 199 shall remain in full force and effect as previously adopted.

Council	Motion	Second	Yes	No	Abstain	Absent
O'Connell						
O'Toole						
Lovisolo						
Homan						
Daloisio						
Yaccarino						
Mayor Wilczynski	-----	-----				

I hereby certify the above to be a true copy of an Ordinance introduced by the Governing Body of the Borough of Allendale on February 19, 2026.

Linda Louise Cervino, RMC
Municipal Clerk

BOROUGH OF ALLENDALE
COUNTY OF BERGEN
STATE OF NEW JERSEY

ORDINANCE #26-07

AN ORDINANCE TO AMEND, SUPPLEMENT AND REVISE THE CODE OF THE
BOROUGH OF ALLENDALE, CHAPTER 233, ARTICLE V SNOW AND ICE REMOVAL

BE IT ORDAINED by the Mayor and Council of the Borough of Allendale, County of Bergen, State of New Jersey that Chapter 233-27 Article V Snow and Ice Removal, of the Code of the Borough of Allendale, be and hereby is amended in its entirety to read as follows:

§ 233-27 Duty of owners or tenants.

The owner of any premises abutting on any public sidewalk in the Borough shall remove all snow and ice from the portion of the sidewalk abutting his or her premises. The owners of premises used for business, commercial or industrial purposes shall, in addition, remove all snow and ice from parking lots, walkways and other areas used by their customers or employees. Ice which is so frozen as to make removal impractical shall either be treated with rock salt or other chemicals which will thaw it sufficiently to permit removal or be thoroughly covered with sand, ashes or cinders. Removal or covering shall be accomplished within 48 hours after the snow or ice event ends.

BE IT FURTHER ORDAINED that, except as modified herein, all other provisions of Chapter 233 shall remain in full force and effect as previously adopted.

Council	Motion	Second	Yes	No	Abstain	Absent
O'Connell						
O'Toole						
Lovisolo						
Homan						
Daloisio						
Yaccarino						
Mayor Wilczynski	-----	-----				

I hereby certify the above to be a true copy of an Ordinance introduced by the Governing Body of the Borough of Allendale on February 19, 2026.

Linda Louise Cervino, RMC
Municipal Clerk

RESOLUTION
BOROUGH OF ALLENDALE
BERGEN COUNTY, NJ

DATE: 02/19/2026

RESOLUTION# 26-97

Council	Motion	Second	Yes	No	Abstain	Absent
O'Connell						
O'Toole						
Lovisolo						
Homan						
Daloisio						
Yaccarino						
Mayor Wilczynski	-----	-----				

- Carried
- Defeated
- Tabled
- Approved on
Consent Agenda

A RESOLUTION AUTHORIZING A PROFESSIONAL SERVICES AGREEMENT WITH TANTALUM LABS LLC FOR CYBERSECURITY SECURITY TESTING SERVICES

WHEREAS, the Borough of Allendale has a need to acquire professional cybersecurity services for external and internal penetration testing of municipal systems; and

WHEREAS, Tantalum Labs LLC has submitted a proposal dated December 19, 2025 to provide External and Internal Penetration Testing Services for a period of twelve (12) months commencing upon execution; and

WHEREAS, the total cost of said services shall not exceed \$11,000.00; and

WHEREAS, the services to be provided constitute professional services within the meaning of the Local Public Contracts Law, N.J.S.A. 40A:11-5(1)(a)(i), and are therefore exempt from public bidding; and

WHEREAS, funds are available for this purpose and have been certified by the Chief Financial Officer; and

WHEREAS, the Borough Attorney has reviewed or will review the agreement for legal sufficiency.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the Borough of Allendale, County of Bergen, State of New Jersey, as follows:

RESOLUTION
BOROUGH OF ALLENDALE
BERGEN COUNTY, NJ

DATE: 02/19/2026

RESOLUTION# 26-97

1. The Mayor and Borough Clerk are hereby authorized to execute a Professional Services Agreement with Tantalum Labs LLC for External and Internal Penetration Testing Services for a term of twelve (12) months.
2. The total compensation under the agreement shall not exceed \$11,000.00.
3. This contract is awarded without competitive bidding as a professional service in accordance with N.J.S.A. 40A:11-5.
4. A copy of this resolution and the executed agreement shall be on file in the Office of the Borough Clerk and available for public inspection.
5. This resolution shall take effect immediately.

I hereby certify the above to be a true copy of a Resolution adopted by the Governing Body of the Borough of Allendale on February 19, 2026.

Linda Louise Cervino, RMC
Municipal Clerk

2026 - SECURITY TESTING SERVICES PROPOSAL

Prepared for

Borough of Allendale

Prepared by

Donna Ciccone

Issued date: **Dec 19, 2025**

Valid till: **Mar 19, 2026**

Start date: **Feb 11, 2026**

End date: **12 months**



About Tantalum Labs

At Tantalum Labs LLC, we're more than a cybersecurity company, **we're dedicated cyber partners** in protecting organizations against the world's most sophisticated threats. As passionate cybersecurity community leaders who have created open-source tools utilized by thousands every year, **our team is consistently at the forefront of the ever-changing cybersecurity landscape**. This includes analyzing the latest threats, implementing adaptive defensive measures, creating new community tools, and understanding the evolving information security regulatory climate.

From small businesses to Fortune 1000 companies, we've had the privilege of collaborating with a diverse range of organizations as a **world-class cyber team that has matriculated from past positions of managing and contributing to security programs** for major cloud service providers, national banks, large healthcare providers, fintech companies, prestigious investment firms, and the US Department of Defense.

Regardless of the size of the organization, we lead with "**Quality & Integrity Above All Else**" and deliver the best bespoke cybersecurity experience that translates into meaningful results.

Driven by innovation and fueled by expertise, our team of battle-tested security champions brings a wealth of experience across offensive security, defensive security, and building information security compliance programs.

Cybersecurity Community Leaders At The Vanguard Of The Threat Landscape



Christian Scott
Founder, CEO

*20+ Years of Technology,
Cybersecurity & Governance
Risk Compliance Experience*

*Renowned White Hat Ethical
Hacker With Over +2500
Security Testing Engagements &
Multiple Discovered CVEs Under
His Purview*

*Subject Matter Expertise
Building Information Security
Programs Aligned To NIST CSF,
ISO27001, SOC2, CIS CSC, CSA
CCM & CMMC Frameworks
From SMB to Fortune 1000
Companies*



Shane Scott
Founder, CTO

*20+ Years of Technology, AI/ML,
Software Development &
Cybersecurity Experience*

*Subject Matter Expertise
Building Security Into The
Software Development Lifecycle,
Including SCA/SAST/DAST Within
The CI/CD Pipeline &
Implementing Continuous
Security Testing Frameworks*

*Holds Multiple Patents &
Advanced IP In AI/ML
& Quantum Resistant
Cryptography*

Our Community & Open Source Projects



An **educational non-profit** providing cybersecurity insights and **training to hundreds of organizations and individuals** trying to improve their security posture.



Legion

An **open-source** semi-automated penetration testing framework that's **packaged in Kali Linux and utilized by hundreds of other cybersecurity firms** every year.

Security Testing Methodology

Standard External Penetration Testing Process:



Define, Engage & Kick Off Penetration Testing Engagement

- Establish Rules of Engagement, Communications, Testing Scope & Timeline



External Attack Surface Reconnaissance

MITRE ATT&CK: TA0043, TA0042

- Discover Domains/Sub-Domains & Analyze Security Configurations
- Search For Publicly Leaked Sensitive Data With Google Dork Regex
- Search Breached User Credentials & Paste Leaks For Dark Net
- Identify Potentially Compromised Assets Via Threat Intelligence Analysis
- Identify Exposed C-Level Executive Details Used In Social Engineering Attacks
- Scan For Doppelgänger Domains Created By Malicious Actors
- Perform Passive Analysis of Public IP Addresses Via Shodan & Census



Active Analysis & Exploitation of External Attack Surface

MITRE ATT&CK: TA0001, T1580, T1526, T1613

- Perform Web Endpoint Reconnaissance of Security Headers, Web Components, Web Application Firewall and TLS Encryption
- Identify Exposed Public Cloud Infrastructure, Storage & Databases
- Identify Vulnerable Container Infrastructure & Serverless Cloud Services
- Perform Active Vulnerability Analysis & CPE/CVE Identification on Public Systems
- Search For Exposed API Keys & Secrets In Client Side Web Apps
- Exploit Identified Vulnerabilities & Gain Initial Systems Foothold



Gain Foothold, Establish Persistence, Escalate Privilege & Move Laterally

MITRE ATT&CK: TA0002, TA0003, TA0004, TA0005, TA0006, TA0007, TA0008

- Establish Internal Systems Persistence With Command & Control (C2) Agents
- Evade Security Controls Such As EDR & Anti-Malware Systems
- Attempt Local System Privilege Escalation
- Perform Local Network Discovery & Collect Credentials
- Move Laterally Across Additional Network, Server & Workstation Systems



Collection, Exfiltration & Impact

MITRE ATT&CK: TA0009, TA0010, TA0011, T1486, T1496, T1657

- Attempt Gaining Administrative Access To Active Directory, Cloud SaaS/PaaS Systems & Network Infrastructure
- Simulate The Collection, Exfiltration & Encryption of Company Files



Deliver Penetration Testing Engagement Report & Letter of Attestation

- Includes Identified Security Findings, Completed Test Cases, Kill Chain Details, Exploitation Techniques & Risk Reduction Recommendations

Standard Internal Penetration Testing Process:



Define, Engage & Kick Off Penetration Testing Engagement

- Establish Rules of Engagement, Communications, Testing Scope & Timeline
- Configure, Ship & Deploy Security Testing Appliance (Hardware or Virtual Machine) on Workstation VLAN/Subnet That Simulates Initial Network Intrusion Point



Internal Attack Surface Reconnaissance

MITRE ATT&CK: TA0042, T1200, T1040, T1558, T1614, T1046

- Scan Corporate Wireless Networks In Security Testing Appliance Proximity (Hardware-Based Security Testing Appliance Only)
- Analyze Local VLAN Broadcast & Multicast Traffic (ARP,LLDP, CDP, STP/RSTP, NBNS, LLDP, mDNS, SSDP, IGMP, VTP, MVRP, VRRP, MQTT, etc.) & Local IPv6 Traffic
- Identify Local Interface Native VLAN ID & Accessible Tagged VLANs
- Analyze Potential SPF Bypass Vulnerabilities & Over Permissive SPF Records
- Perform Obfuscated Port Scans of Adjacent Systems on Local Network
- Identify Routable & Accessible RFC 1918 Private Subnets & Systems



Active Analysis & Exploitation of Internal Attack Surface

MITRE ATT&CK: TA0001, T1580, T1526, T1613

- Capture Corporate Wireless Network Client Authentication Traffic For Cracking (Hardware-Based Security Testing Appliance Only)
- Perform Active Vulnerability Analysis & CPE/CVE Identification on Internal Systems
- Attempt Controlled MiTM Attacks Via Broadcast Name Resolution Poisoning, DHCP Rogue Server, ARP Cache Poisoning & IPv6 RA/NDP/MLD Spoofing
- Exploit Identified Vulnerabilities & Gain Initial Systems Foothold



Gain Foothold, Establish Persistence, Escalate Privilege & Move Laterally

MITRE ATT&CK: TA0002, TA0003, TA0004, TA0005, TA0006, TA0007, TA0008

- Establish Internal Systems Persistence With Command & Control (C2) Agents
- Evade Security Controls Such As EDR & Anti-Malware Systems
- Attempt Local System Privilege Escalation
- Move Laterally Across Additional Network, Server & Workstation Systems



Collection, Exfiltration & Impact

MITRE ATT&CK: TA0009, TA0010, TA0011, T1486, T1496, T1657

- Attempt Gaining Administrative Access To Active Directory, Cloud SaaS/PaaS Systems & Network Infrastructure
- Simulate The Collection, Exfiltration & Encryption of Company Files



Deliver Penetration Testing Engagement Report & Letter of Attestation

- Includes Identified Security Findings, Completed Test Cases, Kill Chain Details, Exploitation Techniques & Risk Reduction Recommendations

Standard Social Engineering Testing Process:



Define, Engage & Kick Off Social Engineering Testing Engagement

- Establish Rules of Engagement, Communications, Testing Scope & Timeline



Organization & Staff Reconnaissance

MITRE ATT&CK: TA0043, T1589, T1597, T1589, T1591

- Discover Domains/Sub-Domains & Analyze Security Configurations
- Search For Publicly Leaked Sensitive Data With Google Dork Regex
- Search Breached User Credentials & Paste Leaks For Dark Net
- Identify Company Employees, Customers, Vendors and Investors
- Map Company Reporting Structure & Probable Operational Processes
- Build Dossier on C-Level Executives & Social Engineering Targets



Social Engineering Campaign Creation & Customer Approval

MITRE ATT&CK: TA0001, T1583, T1585, T1586, T1110, T1598, T1566, T1657, T1558

- Develop Multiple Customized Social Engineering Campaigns Based On Reconnaissance Data That Leverage Varying Social Engineering Techniques On Distinct Targets Over Several Days/Weeks
- **Social Engineering Techniques Include:** Credential Stuffing, Multi-Factor Authentication Bypass, Email Phishing, Phone Call Phishing, Caller ID Spoofing, Message Phishing, Calendar Jacking, Real-Time Voice & Face Cloning On Meetings
- **Each Campaign Includes:** The Proposed Execution Date, A List Of Targets & Involved Social Engineering Techniques For Customer Review



Social Engineering Campaign Execution

MITRE ATT&CK: TA0001, TA0002, TA0003, TA0004, TA0005, TA0006

- After Customer Approval, Execution Each Social Engineering Campaign On The Agreed Upon Dates Across The Listed Targets
- Real-Time Status Updates Are Provided During Each Social Engineering Campaign As Employee Accounts & Systems Are Compromised



Gain Foothold, Establish Persistence, Collection, Exfiltration & Impact

MITRE ATT&CK: TA0007, TA0008, TA0009, TA0010, TA0011, T1486, T1496, T1657

- Establish Persistence With Command & Control (C2) Agents & API/oAuth Backdoors
- Evade Security Controls Such As Endpoint Detection & Response (EDR) systems
- Move Laterally Across Additional Network, Server & Workstation Systems
- Simulate The Collection, Exfiltration & Encryption of Company Files



Deliver Social Engineering Testing Report & Letter of Attestation

- Includes Identified Security Findings, Compromised Accounts & Systems, Kill Chain Details, Social Engineering Techniques & Risk Reduction Recommendations

Proposed Cybersecurity Services

Pricing

Complete Pentesting Selected 

Rekurs yearly Starting on proposal acceptance	\$11,000.00
External Penetration Testing - Annual Service Rekurs yearly - Billed 100% Net30 Terms	\$4,000.00
Internal Penetration Testing - Annual Service Rekurs yearly - Billed 100% Net30 Terms	\$7,000.00
Every year	\$11,000.00

Summary

External Penetration Testing - Annual Service

Service description:

- Tantalum Labs' security team will replicate the vantage point of an external malicious actor targeting your organization's public perimeter-facing systems and exploiting identified technical vulnerabilities in an attempt to gain a foothold into internal corporate systems. Tantalum Labs' penetration testing will be conducted from a black box perspective without any prior knowledge or access to any corporate systems and will include targeting vulnerable network infrastructure, servers, websites (unauthenticated), misconfigured DNS records, and unintentionally exposed cloud systems that are reachable via the public internet.

Scope of testing:

- External organization endpoints (IPs, domains, subdomains, unique URLs, cloud infrastructure URIs, etc.)

Security testing frequency & timeline:

- Annual Test - 2 to 4 weeks till completion

- Retest Request - 1 to 5 business days

Employed security testing methodologies:

- PTES (penetration testing execution standard)
- MITRE ATT&CK Framework – Enterprise
- NIST SP 800-115 – Technical Guide To Information Security Testing And Assessment

Key deliverables:

- External penetration testing report:
 - A comprehensive report that includes Tantalum Labs' open-source intelligence data gathering, systems reconnaissance, vulnerability analysis, and exploitation processes; details of executed kill-chains and risk reduction recommendations with a prioritized remediation roadmap.
- External penetration testing letter of attestation:
 - A letter of security testing attestation for key stakeholders, regulatory authorities, and partners/customers that summarizes the security testing engagement, employed methodology, and overall observations by the Tantalum Labs offensive cybersecurity team.
- Annual services include:
 - 12 Months of access to Tantalum Lab's *SecurityScope* portal.
 - Up to 10 individual security findings are retested monthly.
 - Up to 1 updated security testing report & letter of attestation a month.
 - Monthly cybersecurity remediation guidance and advisory meetings.

Service prerequisites & requirements:

- A list of external IP addresses, CIDR subnets, and domains in scope.

Internal Penetration Testing - Annual Service

Service description:

- Tantalum Labs' security team will replicate the vantage point of an internal malicious actor with an established foothold on the internal network, who is attempting lateral movement and privilege escalation across your corporate systems. This process will include chaining together several tailored exploits in an attempt to gain access to the highest privilege company systems. Tantalum Labs' penetration testing will be conducted from a gray box perspective with only internal network access and will include targeting internal network infrastructure, servers, ICS/SCADA/IoT devices, corporate workstations, VPN connected cloud infrastructure, and more.

Scope of testing:

- Internal company endpoints (network infrastructure, server infrastructure, virtualization infrastructure, workstations, printers, networked IoT devices)

Security testing frequency & timeline:

- Annual Test - 2 to 4 weeks till completion
- Retest Request - 1 to 5 business days

Employed security testing methodologies:

- PTES (penetration testing execution standard)
- MITRE ATT&CK Framework – Enterprise
- NIST SP 800-115 – Technical Guide To Information Security Testing And Assessment

Key deliverables:

- External penetration testing report:
 - A comprehensive report that includes Tantalum Labs' internal network reconnaissance, vulnerability analysis, and exploitation processes; details of executed kill-chains and risk reduction recommendations with a prioritized remediation roadmap.
- External penetration testing letter of attestation:
 - A letter of security testing attestation for key stakeholders, regulatory authorities, and partners/customers that summarizes the security testing engagement, employed methodology, and overall observations by the Tantalum Labs offensive cybersecurity team.
 - Annual services include:
 - 12 Months of access to Tantalum Lab's *SecurityScope* portal.
 - Up to 10 individual security findings are retested monthly.

- Up to 1 updated security testing report & letter of attestation a month.
- Monthly cybersecurity remediation guidance and advisory meetings.

Service prerequisites & requirements:

- A list of internal IP addresses, CIDR subnets, and VLANs in scope.
- Deployment of a physical or virtual security testing appliance would reside on the main workstation subnet and VLAN.

Roles, Responsibilities and Communication Protocols

By clearly defining roles and responsibilities, this section facilitates efficient cybersecurity service delivery and ensures that all parties are aware of their duties and communication expectations throughout the engagement.

- **Cybersecurity Services Delivery Team Structure:** A dedicated team consisting of Tantalum Labs LLC and Borough of Allendale staff will be established to ensure a clear delineation of roles and responsibilities during the cybersecurity services delivery process. This team will facilitate effective communication, collaboration, and alignment of cybersecurity service delivery activities.
- **Roles and Responsibilities:**
- **Account Management Team** The Account Management Team serves as the primary point of contact for overall engagement coordination, contract management, and issue escalation.
- **Account Manager:** Donna Ciccone, Donna.Ciccone@TantalumLabs.io
- **Engineering Team** The Engineering Team performs the security engineering & testing activities according to the defined scope and timeline. Provide technical expertise and recommendations for mitigating identified vulnerabilities to ensure all testing activities comply with the agreed-upon rules of engagement and do not disrupt Borough of Allendale's operations.
- **Engineering Resources(s):**
- Christian Scott, Christian.Scott@TantalumLabs.io
- Shane Scott, Shane.Scott@TantalumLabs.io
- Robert Barrett, Robert.Barrett@TantalumLabs.io
- **Communication Protocols:**

- **Email & Chat:** Communications between Tantalum Labs LLC and Borough of Allendale pertaining to cybersecurity services delivery, status updates and deliverables may be conducted via email, Microsoft Teams or Slack at Borough of Allendale's preference.
- **Regular Meetings:** Regular meetings will be scheduled with all relevant team members between Tantalum Labs LLC and Borough of Allendale to discuss cybersecurity service delivery status updates, any obstacles, and upcoming activities. Ad hoc meetings will be scheduled as needed to ensure effective cybersecurity service delivery.
- **Documentation:** Tantalum Labs LLC will provide detailed documentation and deliverables on all scope activities within the defined timeline. Borough of Allendale requested changes to draft deliverables will be permitted up to 3 times, assuming the deliverables meet the statement of work objectives.
- **Reporting High-Severity Security Findings:** In the event that a high-severity security finding is observed, the Cybersecurity Engineering Team will immediately notify the Account Management Team and the designated Borough of Allendale point of contact within 1 hour of discovery.
- **Standard Operating Hours:**
 - Tantalum Labs LLC's standard operating hours are Monday through Friday, 8:00 AM to 5:00 PM Eastern Time Zone, following the USA federal holiday schedule.
 - Any activities outside of standard operating hours must be scheduled and mutually agreed upon in advance.
- **Client Responsibilities:**
 - Borough of Allendale will ensure that all necessary prerequisites for testing are met, including system access, allow-listing of security testing appliances, and availability of key personnel.
 - Borough of Allendale will ensure timely responses to draft deliverables. Borough of Allendale delays exceeding a total of 3 weeks may result in deliverables being automatically finalized at Tantalum Labs LLC's discretion. Delays attributed to Borough of Allendale are not factored into the statement of work timeline, and such delays may impact that timeline.
 - Borough of Allendale will provide a dedicated point of contact to coordinate with Tantalum Labs LLC during the engagement.



General Services Agreement About Tantalum Labs

Tantalum Labs and Customer may each be referred to as a "Party" or collectively as the "Parties."

1. Services

1.1 **Scope of Services.** Tantalum Labs will provide the services as described in applicable Statements

of Work ("SOW") or Service Orders executed by the Parties (the "Services").

1.2 Modification of Services. Any changes to the scope of Services must be documented in a written amendment to the applicable SOW or Service Order signed by both Parties. Verbal or informal changes to the scope of Services will not be binding on either Party.

2. Confidentiality

2.1 Confidential Information. Both Parties may have access to confidential information of the other Party during the performance of this Agreement. "Confidential Information" includes all non-public information, data, know-how, trade secrets, and materials provided by one Party to the other, whether disclosed orally or in writing.

2.2 Obligations. Each Party agrees to maintain the confidentiality of the other Party's Confidential Information and to use such information solely for the purpose of performing under this Agreement. Neither Party will disclose any Confidential Information to any third party without the prior written consent of the other Party, except as required by law or regulation.

2.3 Exclusions. Confidential Information does not include information that (a) is or becomes publicly known through no breach of this Agreement; (b) was in the receiving Party's possession prior to disclosure by the disclosing Party; (c) is independently developed by the receiving Party; or (d) is received from a third party without breach of any obligation of confidentiality.

2.4 Survival. The obligations under this section will survive termination of this Agreement for a period of two (2) years.

3. Rights to Work Product

3.1 Customer Ownership. All work product, deliverables, inventions, and other materials created, developed, or delivered by Tantalum Labs under this Agreement ("Work Product") will be the exclusive property of the Customer. Work Product does not include pre-existing materials, general knowledge, or methodologies independently developed by Tantalum Labs.

3.2 License. Tantalum Labs retains a non-exclusive, royalty-free, perpetual right to use and modify the Work Product for its internal business purposes and to perform services for other customers, provided that such use does not disclose or infringe upon the Confidential Information of the Customer.

4. Payments, Fees, and Taxes

4.1 Fees. Customer agrees to pay Tantalum Labs the fees specified in the applicable SOW or Service Order. Fees are payable within thirty (30) days of receipt of an invoice unless otherwise specified. Additional hours can be purchased at \$300 for any out of scope cybersecurity services or work.

4.2 Authorization for ACH Drafts. Customer hereby authorizes Tantalum Labs to initiate automatic debit entries from Customer's designated bank account via Automated Clearing House (ACH) for all fees, charges, and payments due under this Agreement. ACH drafts will be initiated by Tantalum Labs payment processor, Stripe. Such ACH drafts will occur on the due date specified in the applicable invoice or as otherwise agreed by the Parties.

4.3 Customer Obligations. Customer agrees to provide Tantalum Labs with all necessary bank account information and to maintain sufficient funds in the designated account to cover the payments. If any ACH draft is rejected due to insufficient funds or any other reason, Customer agrees to pay any applicable fees and promptly provide an alternative method of payment.

4.4 Late Payments. Late payments may be subject to a late fee of 1.5% per month or the maximum allowed by law, whichever is lower.

4.4 Suspension of Services. Tantalum Labs reserves the right to suspend the Services if any undisputed invoice remains unpaid after ninety (90) days from the due date. In the event of such suspension, Tantalum Labs further reserves the right to revoke all Rights to Work Product previously granted to the Customer under this Agreement, until the outstanding payments are received in full. Customer acknowledges that such revocation may include, but is not limited to, restricting access to any deliverables, systems, or platforms containing the Work Product.

5. Warranty

5.1 Services Warranty. Tantalum Labs warrants that the Services will be performed in a professional and workmanlike manner, in accordance with industry standards.

5.2 Warranty Disclaimer. Except as expressly provided in this Agreement, Tantalum Labs disclaims all warranties, express or implied, including any implied warranties of merchantability, fitness for a particular purpose, and non-infringement.

6. Limitation of Liability

6.1 No Consequential Damages. In no event will either Party be liable for any indirect, incidental, special, consequential, or punitive damages arising out of or related to this Agreement.

6.2 Liability Cap. Tantalum Labs' total liability under this Agreement for any claim, including but not limited to contract, tort, or negligence, will not exceed the total amount of fees paid by Customer to Tantalum Labs under this Agreement during the twelve (12) months preceding the event giving rise to the claim. The limitations of liability set forth herein will not apply to breaches of confidentiality obligations or indemnity obligations under this Agreement.

7. Term and Termination

7.1 Term. This Agreement will commence on the Effective Date and continue until terminated as provided herein.

7.2 Termination for Convenience. Either Party may terminate this Agreement or any SOW, without cause, by providing written notice to the other Party at least sixty (60) days prior to the end of the then-current term of the Agreement or applicable SOW (the "Notice Period"). Termination will be effective as of the end of the then-current term. No termination for convenience may occur during an active term or service period, except as stated herein.

7.3 Termination for Cause. Either Party may terminate this Agreement immediately upon written notice if the other Party materially breaches this Agreement or associated SOW and fails to cure such breach within thirty (30) days of receiving written notice of the breach ("Cure Period").

7.4 Cure Period for SOW Requirements. In the event that either Party fails to fulfill any material requirement specified in the applicable SOW, the non-breaching Party will notify the breaching Party in writing. The breaching Party will have thirty (30) days from the date of such notice to cure the failure. If the breaching Party does not cure the failure within the Cure Period, the non-breaching Party may terminate the applicable SOW and seek any remedies available under this Agreement or applicable law.

7.5 Effect of Termination. Upon termination, all outstanding fees owed to Tantalum Labs will become immediately due and payable. Each Party will return or destroy the other Party's Confidential Information within thirty (30) days of termination upon request.

8. Independent Contractor Relationship

8.1 **Independent Contractor.** Tantalum Labs is an independent contractor, and nothing in this Agreement will be construed to create an employer-employee, partnership, or joint venture relationship between the Parties.

9. Governing Law

9.1 **Governing Law.** This Agreement will be governed by and construed in accordance with the laws of the State of Texas, without regard to its conflict of laws principles.

9.2 **Venue.** The Parties agree that any legal action or proceeding arising under this Agreement will be brought exclusively in the state or federal courts located in Texas, and each Party irrevocably submits to the personal jurisdiction of such courts.

10. Force Majeure

10.1 **Force Majeure Events.** Neither Party will be liable for any delay or failure to perform its obligations under this Agreement if such delay or failure arises from causes beyond the reasonable control of the Party affected, including acts of God, natural disasters, terrorism, war, labor disputes, or government actions.

10.2 **Notice.** The affected Party must notify the other Party as soon as practicable of the occurrence of a force majeure event and use reasonable efforts to mitigate the effects of the force majeure event.

10.3 **Resumption of Performance.** The affected Party will resume performance as soon as reasonably practicable after the force majeure event ceases.

11. Mutual Non-Reverse Engineering

11.1 **Prohibition on Reverse Engineering.** Each Party agrees not to, and will not permit any third party to, decompile, disassemble, reverse engineer, or otherwise attempt to derive or gain access to the source code, underlying structure, algorithms, or know-how of the other Party's services, platforms, or work products provided under this Agreement.

11.2 **Restriction on Competitive Use.** Each Party agrees not to use any of the other Party's services, platforms, work products, or related materials to develop, enhance, or operate any competing service or product, or to assist any third party in doing so.

11.3 **No Circumvention.** Each Party agrees not to use any confidential information, methodologies, or technologies disclosed by the other Party for the purpose of circumventing the business relationship established under this Agreement or for any other purpose that could result in a competitive disadvantage to the disclosing Party.

11.4 **Survival.** The obligations set forth in this section will survive the termination or expiration of this Agreement for a period of two (2) years.

12. Data Privacy

12.1 **Data Usage and Sharing.** Tantalum Labs will not sell, distribute, or disclose any personally identifiable information ("PII") of the Customer to any third parties for its own purposes, including but not limited to marketing affiliates. Tantalum Labs will only share Customer PII with third parties when expressly permitted by the Customer and solely for the purpose of enabling partner services that the Customer is seeking.

12.2 **Data Utilization Restrictions.** Tantalum Labs will not use any Customer data, whether identified or de-identified, for its own tracking, product improvement, or AI training purposes.

12.3 **Downstream Processors.** Tantalum Labs utilizes the following downstream processors for specific business functions that may process Customer data.

- **Microsoft 365:** Collaboration & Communications
- **Google Workspace:** Collaboration & Communications
- **Proton Business:** Collaboration & Communications
- **Slack:** Collaboration & Communications
- **Zoom:** Collaboration & Communications
- **Microsoft Azure:** Platform Hosting
- **Cone:** Proposal Management
- **Framer:** Website Hosting
- **Coda.io:** Project Management & Documentation
- **Notion:** Project Management & Documentation
- **Make:** Workflow Automation & APIs
- **Stripe:** Payment Processing
- **Xero:** Bookkeeping & Accounting
- **Xendoo:** Bookkeeping Services

12.4 **Compliance with Data Protection Laws.** Tantalum Labs will comply with all applicable data protection and privacy laws and regulations in connection with its processing of Customer data.

13. Marketing and Publicity Rights

13.1 **Public Announcements.** Except as provided in this section, neither Party will issue any press release or make any public announcement regarding the existence or terms of this Agreement without the prior written consent of the other Party.

13.2 **Use of Customer Name and Logo.** Tantalum Labs will not use Customer's name or logo in any marketing materials, website, presentations, or other promotional content without obtaining explicit, prior written consent from Customer. Such consent must be requested by Tantalum Labs and will specify the exact manner and context in which Customer's name or logo will be used. Any usage will only occur in a mutually agreed-upon manner and will comply with Customer's brand guidelines.

13.3 **Customer Testimonial.** Upon mutual agreement, Customer may provide a testimonial or case study regarding its experience with Tantalum Labs' services. Such content may be used in Tantalum Labs' marketing and promotional materials, including but not limited to websites, social media, and printed publications.

13.4 **Opt-Out.** Customer may opt-out of being used as a reference by providing written notice to Tantalum Labs at any time. Upon receipt of such notice, Tantalum Labs will promptly cease using Customer's name, logo, and testimonials in any new marketing materials.

14. Non-Disclosure of Competitive Information

14.1 **Restrictions on Disclosure.** Customer agrees not to disclose, share, or distribute any information related to Tantalum Labs' pricing, proposals, or work products to any third party that is a competitor or potential competitor of Tantalum Labs without Tantalum Labs' prior written consent. This includes, but is not limited to, sharing such information with third parties for the purpose of obtaining competitive bids or engaging in negotiations that could adversely affect Tantalum Labs' competitive position.

14.2 Definition of Competitor. For the purposes of this Agreement, a "competitor" or "potential competitor" is defined as any entity that provides or plans to provide services or products that are substantially similar to or directly competitive with the services or products offered by Tantalum Labs.

14.3 Non-Use. Customer agrees not to use Tantalum Labs' pricing, proposals, or work products in any manner that would result in a competitive disadvantage to Tantalum Labs or in a way that benefits any competitor or potential competitor.

14.4 Survival. The obligations set forth in this section will survive the termination or expiration of this Agreement for a period of two (2) years.

15. Mutual Non-Solicitation of Employees

15.1 Non-Solicitation Obligation. During the term of this Agreement and for a period of two (2) years following its termination or expiration, neither Party will, directly or indirectly, solicit, recruit, or hire any employee, consultant, or contractor of the other Party, or encourage any such individual to leave their employment or engagement with the other Party, without the prior written consent of the other Party.

15.2 Mutual Agreement Exception. This non-solicitation obligation may be waived or modified only through a mutually agreed-upon written consent between the Parties.

16. Miscellaneous

16.1 Amendments. Any modification to this Agreement must be in writing and signed by both Parties.

16.2 Severability. If any provision of this Agreement is found to be invalid or unenforceable, the remaining provisions will remain in full force and effect.

16.3 Waiver. No waiver of any provision of this Agreement will be effective unless in writing and signed by the Party against whom the waiver is asserted.

16.4 Assignment. Neither Party may assign its rights or obligations under this Agreement without the prior written consent of the other Party, except in connection with a merger, acquisition, or sale of substantially all assets. Each Party will provide the other with written notice within thirty (30) days of any change of control, merger, or acquisition affecting its ownership or structure.

CONFIRMATION SUMMARY

Starts on	proposal acceptance
Contract term	12 months
Status	Accepted
Reference number	4ad9a3f3-d0ee-454f-8000-436291b1730d

SIGNATURE CERTIFICATE

Proposal reference number: 4ad9a3f3-d0ee-454f-8000-436291b1730d

Alison Altano

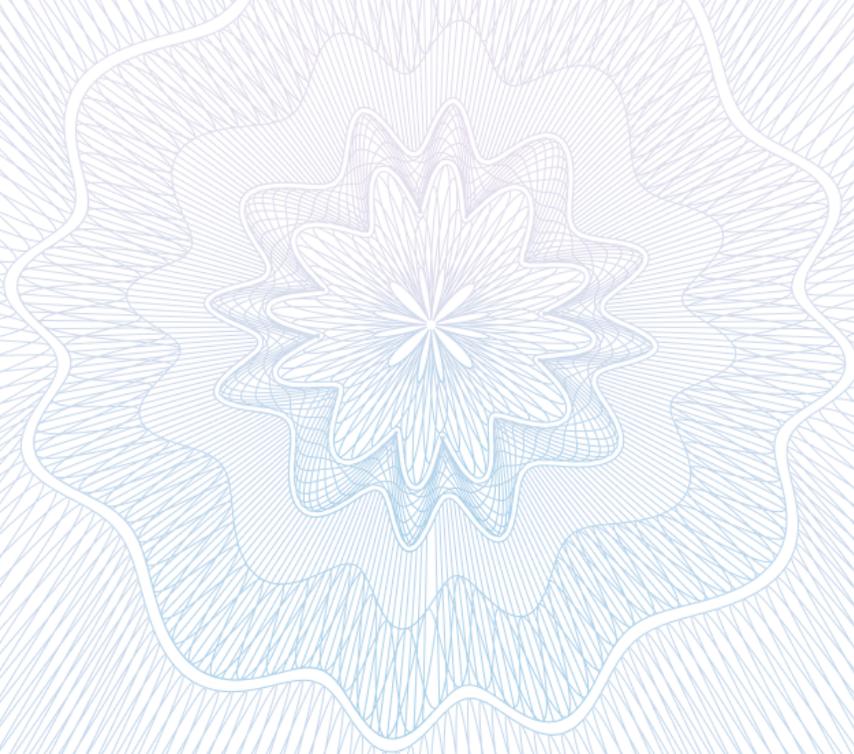
✉ alisonaltano@allendalenj.gov

🕒 Wednesday, 11 Feb 2026, 22:14 UTC

🌐 209.76.207.4 , United States

Alison Altano

Ref ID: d88cfd8d-3c72-49a0-b386-cf1a79f0f814



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RESOLUTION
BOROUGH OF ALLENDALE
BERGEN COUNTY, NJ

DATE: 02/19/2026

RESOLUTION# 26-98

Council	Motion	Second	Yes	No	Abstain	Absent
O'Connell						
O'Toole						
Lovisolo						
Homan						
Daloisio						
Yaccarino						
Mayor Wilczynski	-----	-----				

- Carried
- Defeated
- Tabled
- Approved on
Consent Agenda

APPOINTMENT OF HOURLY PART-TIME BUILDING MONITOR

BE IT RESOLVED by the Mayor and Council of the Borough of Allendale, County of Bergen, State of New Jersey, that Sorcha Powell be appointed as a hourly part-time building monitor, effective February 25, 2026, at a rate of \$16.00 per hour.

I hereby certify the above to be a true copy of a Resolution adopted by the Governing Body of the Borough of Allendale on February 19, 2026.

Linda Louise Cervino, RMC
Municipal Clerk

RESOLUTION
BOROUGH OF ALLENDALE
BERGEN COUNTY, NJ

DATE: 02/19/2026

RESOLUTION# 26-99

Council	Motion	Second	Yes	No	Abstain	Absent
O'Connell						
O'Toole						
Lovisolo						
Homan						
Daloisio						
Yaccarino						
Mayor Wilczynski	-----	-----				

- Carried
- Defeated
- Tabled
- Approved on Consent Agenda

RESOLUTION OF THE BOROUGH COUNCIL OF THE BOROUGH OF ALLENDALE, IN THE COUNTY OF BERGEN, NEW JERSEY, COVENANTING TO COMPLY WITH THE PROVISIONS OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED, APPLICABLE TO THE EXCLUSION FROM GROSS INCOME FOR FEDERAL INCOME TAX PURPOSES OF INTEREST ON OBLIGATIONS ISSUED BY THE BOROUGH OF ALLENDALE AND AUTHORIZING THE MAYOR, BOROUGH CLERK, CHIEF FINANCIAL OFFICER AND OTHER BOROUGH OFFICIALS TO TAKE SUCH ACTION AS THEY MAY DEEM NECESSARY OR ADVISABLE TO EFFECT SUCH COMPLIANCE AND DESIGNATING A \$6,350,000 BOND ANTICIPATION NOTE, DATED FEBRUARY 19, 2026, PAYABLE FEBRUARY 19, 2027, AS A "QUALIFIED TAX-EXEMPT OBLIGATION" PURSUANT TO SECTION 265(b)(3) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED.

WHEREAS, the Borough of Allendale, in the County of Bergen, New Jersey (the "Borough") from time to time issues bonds, notes and other obligations, the interest on which is excluded from gross income for Federal income tax purposes, and desires to take such action as may be necessary or advisable to establish and maintain such exclusion; and

WHEREAS, the Internal Revenue Code of 1986, as amended (the "Code"), contains provisions with respect to the exclusion from gross income for Federal income tax purposes of interest on

RESOLUTION
BOROUGH OF ALLENDALE
BERGEN COUNTY, NJ

DATE: 02/19/2026

RESOLUTION# 26-99

obligations, including provisions, among others, which require issuers of tax-exempt obligations, such as the Borough to account for and rebate certain arbitrage earnings to the United States Treasury and to take other action to establish and maintain such Federal tax exclusion; and

WHEREAS, the Borough desires to designate a \$6,350,000 Bond Anticipation Note, dated February 19, 2026, payable February 19, 2027 (the "Note"), as a "qualified tax-exempt obligation" pursuant to Section 265(b)(3) of the Code;

NOW, THEREFORE, BE IT RESOLVED by the Borough Council of the Borough of Allendale, in the County of Bergen, New Jersey, as follows:

SECTION 1. The Borough Council hereby covenants on behalf of the Borough, to the extent permitted by the Constitution and the laws of the State of New Jersey, to do and perform all acts and things permitted by law and necessary to assure that interest paid on bonds, notes or other obligations of the Borough (including the Note) be and remain excluded from gross income of the owners thereof for Federal income tax purposes pursuant to Section 103 of the Code.

RESOLUTION
BOROUGH OF ALLENDALE
BERGEN COUNTY, NJ

DATE: 02/19/2026

RESOLUTION# 26-99

SECTION 2. The Mayor, Borough Clerk, Chief Financial Officer and the other officials of the Borough are hereby authorized and directed to take such action, make such representations and give such assurances as they may deem necessary or advisable to effect compliance with the Code.

SECTION 3. The Note is hereby designated as a "qualified tax-exempt obligation" for the purpose of Section 265(b) (3) of the Code.

SECTION 4. It is hereby determined and stated that (1) said Note is not a "private activity bond" as defined in the Code and (2) the Borough and its subordinate entities, if any, do not reasonably anticipate issuing in excess of \$10 million of new money tax-exempt obligations (other than private activity bonds) during the calendar year 2026.

SECTION 5. It is further determined and stated that the Borough has not, as of the date hereof, issued any tax-exempt obligations (other than the Note) during the calendar year 2026.

SECTION 6. The Borough will, to the best of its ability, attempt to comply with respect to the limitations on issuance of tax-exempt obligations pursuant to Section 265(b) (3) of the Code; however, said Borough does not covenant to do so, and hereby expressly states that a covenant is not made hereby.

RESOLUTION
BOROUGH OF ALLENDALE
BERGEN COUNTY, NJ

DATE: 02/19/2026

RESOLUTION# 26-99

SECTION 7. The issuing officers of the Borough are hereby authorized to deliver a certified copy of this resolution to the original purchaser of the Note and to further provide such original purchaser with a certificate of obligations issued during the calendar year 2026 dated as of the date of delivery of the Note.

SECTION 8. This resolution shall take effect immediately upon its adoption.

I hereby certify the above to be a true copy of a Resolution adopted by the Governing Body of the Borough of Allendale on February 19, 2026.

Linda Louise Cervino, RMC
Municipal Clerk

RESOLUTION
BOROUGH OF ALLENDALE
BERGEN COUNTY, NJ

DATE: 02/19/2026

RESOLUTION# 26-100

Council	Motion	Second	Yes	No	Abstain	Absent
O'Connell						
O'Toole						
Lovisolo						
Homan						
Daloisio						
Yaccarino						
Mayor Wilczynski	-----	-----				

- Carried
- Defeated
- Tabled
- Approved on Consent Agenda

APPROVAL OF FEBRUARY 19, 2026 LIST OF BILLS

NOW, THEREFORE BE IT RESOLVED by the Mayor and Council of the Borough of Allendale, County of Bergen, State of New Jersey, that it hereby approves the Bill List dated February 19, 2026 in the amounts of:

Bill List Numbers	February 19, 2026
Current Fund	\$ 1,981,552.08
Payroll Account	204,048.27
General Capital	258,368.24
Animal Fund	226.80
Grant Fund	
COAH/Housing Trust	4,125.85
Improvement & Beautification	
Unemployment Fund	
Trust Fund	4,904.17
Water Operating	
Water Capital	
Total	\$ 2,453,225.41

I hereby certify the above to be a true copy of a Resolution adopted by the Governing Body of the Borough of Allendale on February 19, 2026.

Linda Louise Cervino, RMC
Municipal Clerk



THE BOROUGH OF ALLENDALE

N E W J E R S E Y

500 WEST CRESCENT AVENUE, ALLENDALE, NJ 07401

WWW.ALLENDALENJ.GOV

OFFICE OF TAX COLLECTOR
OFFICE OF CHIEF FINANCIAL OFFICER

201-818-4400 EXT 205

I, Alison Altano, Chief Financial Officer of the Borough of Allendale, having reviewed the bill list for the Borough, do hereby certify that funds are available in the accounts so designated.

Certified 2/19/26

Alison Altano

Alison Altano
Chief Financial Officer

RESOLUTION
BOROUGH OF ALLENDALE
BERGEN COUNTY, NJ

DATE: 02/19/2026

RESOLUTION# 26-101

Council	Motion	Second	Yes	No	Abstain	Absent
O'Connell						
O'Toole						
Lovisollo						
Homan						
Daloisio						
Yaccarino						
Mayor Wilczynski	-----	-----				

- Carried
- Defeated
- Tabled
- Approved on
Consent Agenda

RESOLUTION OF THE BOROUGH COUNCIL OF THE BOROUGH OF ALLENDALE, COUNTY OF BERGEN, STATE OF NEW JERSEY, ADOPTING THE AFFORDABLE HOUSING TRUST FUNDS OWNER-OCCUPIED AND RENTAL REHABILITATION MANUAL PREPARED BY LECKINGTON ADVISORS

WHEREAS, the Borough of Allendale (“Borough”) is required to administer its Affordable Housing Trust Funds in accordance with the New Jersey Fair Housing Act, N.J.S.A. 52:27D-301 et seq., applicable Court Orders, and the Borough’s Court-approved Housing Element and Fair Share Plan; and

WHEREAS, the proper administration of Affordable Housing Trust Funds includes the establishment of clear written policies governing eligibility, program procedures, income verification, rehabilitation standards, and compliance requirements for both owner-occupied and rental rehabilitation activities; and

WHEREAS, Leckington Advisors, LLC, the Borough’s affordable housing consultant, has prepared a comprehensive document for the rehab of for-sale units occupied by low or moderate income households and a comprehensive document for rental units occupied by low or moderate income households (hereinafter collectively “the Manual”), outlining the policies, procedures, and administrative protocols necessary to implement the Borough’s rehabilitation programs in accordance with State law and regulatory requirements; and

WHEREAS, the Borough Council finds that the Manual is in the best interest of the Borough, ensures compliance with affordable housing requirements, and provides a clear operational framework for the administration of the rehabilitation programs funded by the Borough’s Affordable Housing Trust Fund; and

WHEREAS, the Borough Council desires to formally adopt the Manual and authorize its use by Borough officials, staff, and designated administrative agents.

RESOLUTION
BOROUGH OF ALLENDALE
BERGEN COUNTY, NJ

DATE: 02/19/2026

RESOLUTION# 26-101

NOW, THEREFORE, BE IT RESOLVED by the Borough Council of the Borough of Allendale, County of Bergen, State of New Jersey, as follows:

1. The Borough Council hereby adopts the Owner-Occupied and Rental Rehabilitation Manuals, as prepared by Leckington Advisors, LLC, for use in administering the Borough's rehabilitation programs.
2. The Borough Council hereby authorizes the Borough Administrator, Municipal Housing Liaison, and the Borough's Administrative Agent to implement the policies and procedures contained in said Manual.
3. The Manual may be amended from time to time to ensure continued compliance with State regulations, Court Orders, and Borough procedures, provided such amendments are approved by the Borough Council.
4. This Resolution shall take effect immediately upon adoption.

I hereby certify the above to be a true copy of a Resolution adopted by the Governing Body of the Borough of Allendale on February 19, 2026.

Linda Louise Cervino, RMC
Municipal Clerk

Amy Wilczynski
Mayor



OWNER-OCCUPIED HOUSING REHABILITATION

POLICIES AND PROCEDURES MANUAL
BOROUGH OF ALLENDALE

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Borough of Allendale

Owner-Occupied Housing Rehabilitation Program

Policies and Procedures Manual

Introduction

This Policy and Procedures Manual has been prepared to guide the administration of the Borough of Allendale Owner-Occupied Housing Rehabilitation Program (the Program). The Manual serves as a reference for Program staff and applicants and establishes the policies, procedures, and requirements governing Program operations, consistent with applicable State regulations, including 5:80-26.1 et seq., Uniform Housing Affordability Controls (UHAC). Specifically, this Manual:

- Explains the objectives and structure of the Program;
- Describes the steps involved in the rental rehabilitation process;
- Sets forth eligibility requirements for participation;
- Defines applicable criteria, funding terms and conditions, and record-keeping requirements; and
- Establishes procedures for overall Program administration.

This Manual is intended to function as a working document and has been prepared in a flexible format to allow for periodic updates to individual sections, as necessary, in response to changes in regulations, administrative practices, or Program requirements.

The Program is funded by the Borough's Affordable Housing Trust Fund.

Program Purpose and Goals

The Borough of Allendale Owner-Occupied Housing Rehabilitation Program has been established to rehabilitate substandard owner-occupied housing units occupied by income-eligible households within the Borough of Allendale.

As part of the Borough's Housing Element and Fair Share Plan, the Program is intended to:

- Facilitate the repair or replacement of major building systems necessary to bring units into compliance with applicable codes and standards;
- Improve health, safety, and living conditions;
- Preserve and extend the useful life of the local owner-occupied housing stock;
- Reduce energy consumption in older homes and lower utility costs;
- Reduce the risk of childhood lead poisoning associated with deteriorated lead-based paint hazards; and

The Program is designed to achieve these objectives through the following means:

- Providing forgivable loans to eligible property owners for qualified housing rehabilitation and energy-efficiency improvements;
- Assisting property owners in identifying the type and scope of necessary rehabilitation work through inspections and cost estimates prepared by the Program Inspector/Cost Estimator (see Section III: Overview of the Administrative Process); and
- Ensuring that rehabilitation work is completed in accordance with Program standards, applicable codes, and approved work write-ups.

- Assisting property owners in selecting a qualified contractor at a fair price using Program-approved Contractors and the assistance of the Program Inspector/Cost Estimator (see Section IV. Work Write-up, Contractor Selection, Bidding & Awarding Bids).

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 Opportunity laws, the Uniform Housing Affordability Controls (UHAC) N.J.A.C. 5:80-26.1 *et seq.*, the Substantive rules of the Council on Affordable Housing, N.J.A.C. 5:93 and Procedural Rules of the Council on Affordable Housing N.J.A.C. 5:97 and the affordable housing regulations of the Borough of Allendale (hereafter referred to as the “Regulations”). Copies of these regulations are available online at: <https://www.nj.gov/dca/dlps/hss/thirdroundregs.shtml> and <https://www.nj.gov/dca/hmfa/about/uhac/>. Additional information on the Borough’s Affordable Housing obligation and its Fair Share Plan can be found here:

Rehabilitation Assistance

Owner-occupied homes located in the Borough of Allendale are eligible for \$20,000 in assistance to repair or replace one or more failing or deteriorating major systems and to otherwise remove all health and safety violations. Applicants are assisted on a first-come, first-served basis. At the Borough’s discretion, the maximum assistance of \$20,000 may be exceeded on a case-by-case basis.

Fair Housing and Equal Housing Opportunities



In accordance with the Federal Fair Housing Act, it is unlawful to discriminate against any person in the sale, rental, or financing of housing, or in the provision of services or facilities in connection therewith, because of race, color, religion, sex, national origin, disability, or familial status. In addition, New Jersey Law prohibits discrimination in housing on the basis of race, creed, color, national origin, ancestry, nationality, marital or domestic partnership or civil union status, familial status, sex, gender identity or expression, affectional or sexual orientation, disability, source of lawful income or source of lawful rent payment (including Section 8) by all persons including real estate agents or brokers, financial institutions, property owners, landlords, or building superintendents, and their agents and employees with respect to the sale, rental or lease of real property, listing or advertising of real property, receipt or transmittal of offers to purchase or rent real property, application and terms of a mortgage or other loan.

Regulatory Objectives and Compliance

The use of the Borough’s Affordable Housing Trust Funds will require compliance with various State affordable housing rules, including the Uniform Housing Affordability Controls (N.J.A.C. 5:80-26.1 *et seq.*), the Substantive Rules of the Council on Affordable Housing N.J.A.C. 5:97, and the Procedural Rules of the Council on Affordable Housing N.J.A.C. 5:96, including:

- Each assisted unit must meet or exceed New Jersey State Housing Code, N.J.A.C. 5:28. For 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; and
- Complete replacement or substantial repair of at least one major system.

Summary of Program

Characteristic	Rehabilitation Assistance Program
Funding Limit	\$20,000 per unit
Eligible Homes	Owner-occupied homes owned by households earning less than 80% of the area median income by household size.
Program Objective	Assisted units 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.
Target Area	Borough-wide
Affordability Controls	Interest-free, deferred loans secured by a Mortgage and Mortgage Note. Loans will be forgiven on the 10-year anniversary of the unit's certification as standard.
Funding Source	Allendale Borough's Affordable Housing Trust Fund
Income Limits	Regional income limits shall be established for the housing region in which the Borough is located (Housing Region 1) 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. Income limits are posted at the NJ HMFA Website: https://www.nj.gov/dca/hmfa/about/uhac/

General Program Information

Eligible Properties and Program Assistance

Owner-occupied homes are eligible for assistance of up to \$20,000 each to repair or replace any failing or deteriorated major system. In order to be eligible for assistance, there must be a reasonable expectation of bringing each assisted home up to New Jersey State Housing Code (N.J.A.C. 5:28) and Rehabilitation Subcode (N.J.A.C. 5:23-6) within the available funding and homeowner contributions, if necessary. At the Borough's discretion, the maximum assistance of \$20,000 may be exceeded on a case-by-case basis.

Eligible Households

To be eligible for assistance, owner-households must be income-eligible. Specifically, the owner's household must earn less than the Program's Income Limits by household size. While any household earning less than the Program's Income Limit will be considered income-eligible, each household will be tracked for statistical purposes in one of three categories based on the Program's median income limits: 80% (moderate), 50% (low), and 30% (very low).

Income Limits

The Income Limits used to determine income eligibility of tenant households are published annually by NJ HMFA and posted at <https://www.nj.gov/dca/hmfa/about/uhac/>. Income limits are established for multiple geographic

regions and household sizes. Allendale Borough is part of “Region 1” – Bergen, Hudson, Passaic, and Sussex Counties. The income level that establishes eligibility for the Program is less than eighty percent (80%) of the Area Median Income by household size. This limit is also referred to as “moderate income”.

The Program's income certification process follows N.J.A.C. 5:80-26.14, Uniform Housing Affordability Controls. Detailed information on determining eligibility is provided in the section of this manual entitled Income Eligibility Determinations.

Other Eligibility Requirements

- The property must be *located within the Borough of Allendale* with a deed recorded in the name of the applicant(s) with the Bergen County Clerk’s Office.
- The property consists of *an owner-occupied residential unit*, in accordance with the land use regulations of the Borough of Allendale as determined by the Borough’s Zoning Officer
- *Property taxes and mortgage payments* for the subject property must be current.
- *Water and sewer utility bills* must be current.
- *Homeowners’ Insurance and Flood Insurance (if applicable)* must be current (*The cost of insurance can be included for one year if the property is not or cannot be insured at the time of application*).

Ownership and Occupancy

Proof of ownership of the property and its use as a principal place of residence must be established by the following:

1. Copy of deed;
2. Copy of declaration page from Homeowner's Insurance and Flood Insurance (if applicable);
3. Copy of a current mortgage statement, if applicable; and
4. Signed Declaration of Occupancy, which is part of the Program Application.

Certification of Substandard

To be eligible for Program assistance, at least one major system must require replacement or repair. A major system in need of repair or replacement is considered *substandard*. The substandard certification is prepared by the Program Inspector during the comprehensive inspection.

For the purposes of the Program, the following components of a dwelling are considered “major systems.”

- Roof;
- Plumbing (including wells and connections to public water systems);
- Heating;
- Electrical;
- Sanitary plumbing (including septic systems and connections to public sewer systems);
- Load-bearing structural systems;
- Removal or “control” of lead-based paint hazards; or
- 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).

Certification Existing Conditions

To receive assistance, each home must have a verifiable need. A Program Inspector will visit each home to document existing conditions.

Eligible Improvements

Program funds will be available to address quality-of-life housing issues, correct existing and emerging code violations, minimize the risk of lead-based paint poisoning, and correct weatherization deficiencies as identified in the project's Work Write-Up, with detailed specifications.

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, correct applicable code violations, as well as any other work that is reasonable and deemed necessary or is related to the necessary repairs. The cost for one year of property insurance can be included in the assistance if no insurance is in place at the time of application.

In addition to and after the repair or replacement of all major systems, work may 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; or
- Exterior rain carrying system repair.

Any agreements between the Contractor and the Owner for "side work", outside the scope of the Program's work write-up, will not be accepted and cannot be completed during participation in the Program. The Borough shall not be held responsible for any work performed by the Contractor that is not part of the work write-up and/or approved change order.

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 reimbursable under this program. The cost of removing any illegally converted living space (e.g., illegal bedrooms in the basement) is not eligible for assistance.

Loan Amount and Terms

The entire cost of repairs and improvements made through this Program will be paid directly by the Borough to the Contractor as work is completed and inspected. Loans will be interest-free, deferred-payment loans secured by a secondary mortgage or another instrument on the property being repaired. The principal will remain unchanged and will be forgivable at the end of the term.

Loan Subordination

The Borough will consider requests to subordinate the Program's recorded mortgage to subsequent financing or refinancing. In all cases, the property owner must supply information listed in the Program's "Subordination Request Check List," which includes information on the new financing terms, recent appraisal of the value of the

property and intended uses of the proceeds of any new financing. This and other required program documentation will be reviewed by the Borough solicitor, who will recommend to the Program Administrator whether to grant the subordination request.

Borrower's Agreement and Terms

The Borough will enter into a Borrower's Agreement with the Applicant that specifies the terms and conditions of the Program assistance to be made available, including reference to a Work Write-Up and Cost Estimate, which will be attached and made part of the Construction Agreement. The Borrower's Agreement will include a requirement that the Applicant sign a Mortgage and Note. The mortgage will be recorded with the County Clerk and will serve as the legal instrument for securing the Program Assistance.

Copies of the Borrower's Agreement and form of Mortgage and Note to be used in implementing the Program are attached and made part of this Manual.

Overview of Administrative Process

The following provides a brief overview of a typical home rehabilitation. Details on each of these steps can be found elsewhere in this Manual.

1. Application package is received. If incomplete, notice is sent to application. There are no application fees associated with the program
2. Administrative Agent (Piazza & Associates) reviews the application package and determines eligibility. Homeowner(s) review and sign the Borrower's Agreement.
3. Program Inspector visits the home; performs a comprehensive inspection and lead-based paint risk assessment (if necessary). Certification of Substandard Conditions is issued if one or more major systems need repair or replacement.
4. A work write-up is prepared by the Program and reviewed by the homeowner, along with the list of Program Contractors.
5. The job is placed out to bid.
6. Bids are received, evaluated by the Program Administrator and the Program Inspector.
7. Bids are reviewed with the Homeowner.
8. The homeowner awards the job to the chosen bidder.
9. Loan closing is conducted. The construction agreement and all affordability controls are executed.
10. Contractor is given authorization to proceed.
11. Contractor obtains permits (as necessary).
12. Construction phase begins.
13. Inspections are performed. Up to 2 progress payments are made.
14. Permits are closed out. Final Inspection is conducted. Certification of Standard is completed.
15. Contractor provides warranty information and signs Release of Liens.
16. Final Payment is made.

17. Case is closed out.

Marketing

The Borough will disseminate program information via newsletters, electronic communications, flyers included annually with tax bills, or other individual communication channels. Program information will be available at the municipal building, the library, and the senior center, as well as on the Borough website.

All marketing initiatives will – at a minimum – include the following information:

- Length of the affordability controls (lien);
- Circumstances that require the assistance to be repaid;
- A statement about household income eligibility requirements;
- The maximum assistance amount;
- Examples of eligible improvements; and
- The types of structures eligible for assistance.

Program Staffing

The Program will rely on Borough staff and one or more consultants to administer the Program. They are as follows:

1. *Municipal Housing Liaison*. Marisa Mesropian, the Borough Business Administrator, serves in this role. The MHL serves as the Program's liaison to the Special Adjudicator assigned to the Borough and the New Jersey Department of Community Affairs Office of Local Planning Services.
2. *Administrative Agent*. Leckington Advisors, LLC will provide income certification services for the Program. The Administrative Agent will perform income eligibility determinations.
3. *Program Administrator (to be determined)* will be responsible for the day-to-day operations of the Program. The Program Administrator will be the primary point of contact between the Program and the Borough and MHL. The Program Administrator will be responsible for providing a Program Inspector/Cost Estimator and a Lead Risk Assessor.
4. *Borough Building Code Official* will provide permit inspections as may be necessary during the rehabilitation.

Income Eligibility Determinations

To be eligible for Program assistance, each member of an applicant household who is 18 years of age or older, except full-time students under the age of 26 and those under the age of 26 participating in a registered apprenticeship program, must provide documentation to verify the member's income, including income received by adults on behalf of minor children for their benefit. The Program will follow the procedures in N.J.A.C. 5:80-26.17, except that households in owner-occupied units are exempt from the regional asset limit (N.J.A.C. 5:80-26.17(b)3).

What Counts as Income

The following is a list of wage types, payments, rebates, and credits. Those that must be considered as part of the household's income are listed in the Income column. Those that are not to be considered as part of the household's income are listed in Not Income. Restricted units constructed with Federal funds should consult the applicable regulations, such as HUD Section 42, to ensure compliance.

<i>INCOME</i>	<i>NOT INCOME</i>
<ul style="list-style-type: none"> ▪ Wages, salaries, tips, commissions ▪ Alimony ▪ Regularly scheduled overtime ▪ Pensions ▪ Social security ▪ Unemployment compensation (verify the remaining number of weeks they are eligible to receive) ▪ TANF ▪ 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 of two percent) from non-income producing assets, such as equity in real estate ▪ Rent from real estate is considered income ▪ Any other forms of regular income reported to the Internal Revenue Service 	<ul style="list-style-type: none"> ▪ 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, and insurance settlements ▪ Part-time income of persons enrolled as full-time students ▪ Court ordered payments for alimony or child support paid to another household shall be deducted from gross annual income

Required Documentation from Applicants

In order to fulfill the documentation requirements of the Program, all members of the applying household, eighteen (18) years of age or over, must provide copies of the following documents with the application:

- Four consecutive pay stubs, not more than 120 days old, including bonuses, overtime, or tips, or a letter from the employer stating the present annual income figure;
- A signed copy of regular IRS Form 1040, 1040A, or 1040EZ (as applicable) and state income tax returns filed for the last three (3) years prior to the date of interview or a notarized tax waiver letter for the respective tax year(s);
- Social Security, Disability, and SSI Benefit Statements or Pension Benefits statement if applicable;

- Social Security Cards for each household member;
- A letter or appropriate reporting form verifying any other sources of income claimed, such as alimony and child support. This includes a separation agreement or divorce papers signed by the presiding judge;
- Reports from the last two consecutive months that verify income from assets to be submitted by banks or other financial institutions managing trust funds, money market accounts, certificates of deposit, stocks, or bonds. Examples include copies of all interest and dividend statements for savings accounts, checking accounts, and investments;
- Evidence or reports that verify assets such as real estate or businesses owned by any household member;
- If the applicant is a widow or widower, a copy of the spouse's Death Certificate should be included;
- Signed Eligibility Release form, signed Inspection Acknowledgment, and signed Financial Privacy Act Notice.

In addition to the above documents to establish income eligibility, the applicant's household must also provide documentation on the home:

- Documentation of the most current property tax assessment;
- Recorded deed to the property to be assisted;
- Current statement of property taxes;
- Current mortgage statement; and
- Copy of current homeowner's insurance declarations page (not the policy or receipt).

Work Write-up, Contractor Selection, Bidding & Awarding Bids

Property inspections will be performed by the Program Administrator retained by the Borough. In consultation with the Property Owner, the Program Administrator's Inspector will perform detailed inspections of the property, outlining deficiencies and the methods to correct them in a Work Write-Up with detailed specifications. Based on the Work Write-Ups, the Program Inspector will prepare Cost Estimates for use in evaluating contractor bids. The Program will engage a certified lead-based paint risk assessor to assess properties built before 1978 and identify hazardous lead-based paint conditions.

Eligible contractors

The Borough, on behalf of the property owners, will solicit bids from eligible rehabilitation contractors on the Program Contractor List. To be placed on the approved Program Contractor List, a contractor must:

- Complete a Program Contractor application;
- Provide three (3) professional references;
- Furnish evidence of a valid current insurance policy that protects the property owner for not less than \$100,000/\$300,000 in the event of bodily injury, including death, and \$100,000 in the event of property damage arising out of the work performed by the contractor;
- Carry or require that there be carried full and complete Workmen's Compensation Insurance for all employees and those of his sub-contractors engaged in the work. All insurance certificates must be provided to the Program before any awards are given; and
- Have a valid State of New Jersey Business Registration Certificate and Home Improvement Contractor's registration and any other relevant documentation requested by the Program.

Additionally, to be eligible to bid on work in houses constructed prior to 1978, the contractor must provide evidence of the required lead hazard training as required by HUD and the U.S. Environmental Protection Agency.

The Program will verify that all applying contractors are not on the State debarred contractor list. The contractor must also comply with other regulations established by the Borough of Allendale and the State of New Jersey.

Bid Openings and Contractor Selection

The Program will receive bids prior to a date and time specified for a bid opening. The bid opening will be open to the public. Completed bid packages may be submitted via Email, hand-delivered, or mailed to the Borough as instructed in the Bid Instructions issued to all contractors. Bid prices must include all permits, licenses, labor, materials, fixtures, and equipment necessary for the satisfactory completion of the rehabilitation of the property identified in the Work Write-up

The Program Administrator will review the proposals and provide the Property Owner with a list of contractors whose bids are eligible for the work. Eligible bids will be those that:

- Satisfy the specifications of the Work Write-Up;
- Have no math errors;
- Have been submitted by an eligible contractor;
- Are no more than 10% above or 20% below the Program Cost Estimator's final cost estimate for the work, unless an exception has been recommended by the Cost Estimator and approved by the Program Administrator; and
- Have been submitted by a contractor who, in the opinion of the Program Administrator, can perform the designated tasks within a responsible period of time as is specified in the Contract documents.

The Property Owner will then select a contractor from the list of eligible bids. Generally, the lowest-responsible bid will be accepted and nominated for award. If the Property Owner selects a contractor other than the contractor who submitted the lowest eligible bid, the Property Owner must, prior to the start of work, provide the difference between the lowest responsible bid and the selected bid. The amount provided by the Property Owner will be placed in escrow with the Borough. Any additional funding beyond the Program's maximum amount provided by the Property Owner must also be provided in advance and placed in escrow.

The Property Owner will be required to execute the contract documents with the selected Contractor (see Section V Loan Closings and Construction Agreements).

Contractor Performance

Timeliness and quality of work: Contractors are expected to complete all work within the timeframe specified in their contract with the Property Owner and to provide work that, at a minimum, meets the Program's Rehabilitation Standards. The time allowed for completion of work will be established by the Program Administrator before construction begins and will be based on the scope and complexity of the work.

Probationary period: Contractors with no prior experience with the Program will not be awarded more than one rehabilitation contract until one property is completed and satisfactory. At such time that a track record has been established that demonstrates quality work in a timely, professional, and workmanlike manner that complies with the Program's Rehabilitation Standards, the contractor's probationary period will be over, and a larger scope of work may be awarded. Contractors with a favorable performance record with the Borough may be awarded up to three projects from a single bid opening, based on their work schedule and the potential to complete the projects in a timely manner.

Contractor disqualification: It should be noted that contractors that receive poor references from program staff, Property Owners, businesses, or other government agencies, may be kept from participating in the program or placed or replaced on probationary status. Other factors that will be considered in determining eligibility and continued program participation are:

- Failure to make payments to sub-contractors;
- Debarment from any government program;
- Failure to complete punch lists or respond to reasonable Property Owner complaints as determined by the Program staff;
- The use of alcohol or drugs during the course of work by the contractor or any sub-contractor or anyone in the employ of a contractor or sub-contractor;
- Reports of theft, malicious damage, or burglary to any property while participating in the Residential Rehab Program;
- Indictment of any criminal offense;
- Failure to comply with the laws and ordinances of the municipality;
- Continued failure to obtain permits before the start of work;
- Abusive and vulgar language and behavior during the course of work; or
- Threats or harassment made to any person during the course of work.

If a contractor, sub-contractor, or employee of such violates any of the provisions of this section, the Program Administrator may disqualify the contractor or sub-contractor from future participation in the Program.

Replacement contractor: If a situation arises where a rehabilitation project has begun, and the contractor must be removed from, or refuses to complete a project, the work write-up will be revised to describe the balance of work needed on the home and will be put out to bid. Should the replacement contractor's cost to complete the rehabilitation be higher than that of the original contractor, the original contractor will be responsible for the difference.

Loan Closings and Construction Agreements

Loan Closings will be conducted at the Borough of Allendale offices and attended by the Program staff, the Homeowner and Contractor. Prior to the Loan Closing, the Homeowner will be provided with copies of the Construction Agreement, Mortgage and Mortgage Note for review.

Mortgage & Mortgage Note

The Program Administrator will start the Loan Closing by reviewing the rules outlined in the Mortgage and Mortgage Note with the Homeowner to help insure their understanding. The Homeowner will then be asked to sign the documents and the Notice of Right of Rescission. A signed copy of each of these documents will be left with the homeowner and the originals will be filed in the Homeowner's Program Case File.

Construction Agreement

All cases will have an executed Construction Agreement between the Contractor and Homeowner. The Program Administrator will ask both parties to review and execute the Construction Agreement at the Loan Closing after the Mortgage and Note have been signed. The Contractor will be requested to list Subcontractors to be engaged for the project. The Construction Agreement includes a variety of protections for both the Homeowner and Contractor, including, but not limited to:

- Dates by which the Contractor must begin and have completed the scope of work;
- Payment procedures;
- End of Work Day requirements and provisions; and
- The complete work specifications issued in the bid package and bid from the Contractor.

Both the Homeowner and the Contractor will receive a signed copy of the Construction Agreement. Once signed, the Inspector will encourage the Contractor to discuss the job's schedule. If the specifications allow for the homeowner's choice on any items in the scope (i.e., roof shingle colors), the Inspector will review those items with both to facilitate dialogue and decision-making.

On the 4th business day after the loan closing, the Program will issue to the Contractor a written Notice to Proceed.

Inspections

Inspections are conducted at various points in a home's rehabilitation. Six (6) types of inspections will be completed during any project:

- **Lead Risk Assessments** are completed for any rental unit built prior to 1978 to identify any hazardous lead-based paint.
- **Comprehensive Inspections** are completed to assess the rehabilitation needs of every rental unit. All major systems are evaluated during the comprehensive inspection. A checklist of all major components ensures that every aspect is evaluated during the comprehensive inspection.
- **Progress/Payment Inspections** are performed during the construction process to assess the contractor's level of completion and to ensure their strict adherence to the work write-up and specifications. A rental unit will receive one or more Progress/Payment Inspections. Payments for rehabilitation work will not be made without an inspection that physically verifies the satisfactory completion of all work.
- **Permit Inspections.** Permit inspections are completed by the Borough's construction code officials in order to ensure building code compliance with any work items that require a Borough construction permit.
- **Final Inspections** are done after any necessary permit inspections have been completed with a satisfactory result. Final Inspections are conducted to certify the completion of the construction phase and all contracted work items.
- **Lead Clearance Tests are performed at the conclusion of construction** on units that have identified lead-based paint hazards during the Lead Risk Assessment. The purpose of the Lead Clearance Test is to ensure that the Contractor properly cleaned all surfaces of lead dust.

Lead-Based Paint Hazards

All Program-assisted homes constructed prior to 1978 will be inspected by a Lead Risk Assessor to determine if any lead paint hazards exist in the home. In homes built prior to 1978, a lead risk assessment will be performed to identify deteriorated lead-painted surfaces that create dust or otherwise pose a lead hazard in the home. The cost to address identified lead hazards will be included in the work write-up and be considered an eligible use of Program funds.

At the appropriate time, the Program will provide the homeowner with copies of the following:

- Lead Hazard Information Pamphlet;
- Property Owner Disclosure (distributed to owners of a unit known to contain lead-based paint or lead-based paint hazards for disclosure to tenants or prospective purchasers);
- Notice of Lead Hazard Evaluation or Presumption; and

- Notice of Lead Hazard Reduction Activity, including Clearance.

Both Notices of Lead Hazard Evaluation and Lead Hazard Reduction will be provided to the occupants within 15 calendar days of the Program's receipt of the evaluation report or completion of the lead hazard reduction work. A lead hazard evaluation will consist of one or more of the following:

- Visual Assessment performed by a Program Inspector; and
- Paint Testing performed by a Certified Lead Risk Assessment.

The lead hazard reduction will always include safe work practices and clearance, and will also include paint stabilization or interim controls.

Prior to the rehabilitation and lead-based paint hazard work going out to bid, the Program will determine the type of contractor needed to complete the work required. The Program staff, homeowner, and contractor(s) awarded the job will review the key aspects of the lead hazard reduction during the pre-construction conference.

The awarded contractor(s) will always comply with Lead Safe Work Practices, which includes but is not limited to:

- Occupant protection;
- Work site preparation;
- Daily cleanup;
- Safe work practices; and
- Worker protection.

Occupants will be notified of any lead-hazard reduction measures that were taken. Following the program's final inspection, the Lead-based Paint Inspector will conduct a clearance examination, including dust sampling, to confirm that the unit is safe for occupancy and that lead hazard reduction was performed in accordance with the Program's work specifications.

Permits & Permit Inspections

As outlined in the General Conditions of the Bid Package, Contractors are responsible for obtaining, paying for, and scheduling inspections of all necessary permits for the job. No final payments will be processed until the Contractor has submitted copies of all closed permits to the Program.

Contractor Payment

Contractors will be paid only for completed work. No "upfront" payments will be made by the Program to a Contractor. A progress payment equal to 50% of the contract amount, after the Contractor completes work that represents at least 50% of the project cost, will be available to the Contractor. If satisfactory progress has been made at the time of the request, the Program will approve a progress payment.

Upon contract signing, the Borough will prepare a payment requisition to issue a Purchase Order for the project. Contractors must sign the Purchase Order and include it with each payment request.

Checks will be made payable directly to the Contractor. Final payment will be made after the following:

- All items in the project scope have been completed according to Program Rehabilitation Standards, as verified by Program staff;
- The Property Owner has signed a statement stating that he/she is satisfied with the work, or the Program Inspector and Administrator have determined that the owner's refusal to sign a completion form is not warranted;

- Lead hazard clearances, if any, have been received;
- Copies of all warranties have been received by the Property Owner and the Program.

Resolution of Disputes

Should any dispute arise regarding the true meaning of the Work Write-Up, or should any dispute arise regarding the true value of the extra work or of the work omitted, or of improper workmanship or materials, or of any loss sustained by the Homeowner, the Homeowner may request a hearing before the Borough. Such a request must be made in writing to the Program Administrator and shall state the nature of the dispute. All parties to the dispute shall be notified in writing of the date and location of the hearing. An arbitration committee of three members shall convene, and the final decision rests with the committee; there is no further recourse for the property owner.

Maintenance of Records

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;
- Income Verification; and
- Letter of Certification of Eligibility or Letter of Determination of Ineligibility.

Files to be Maintained on Approved Applicants

- Housing Inspection Report;
- Photographs – Before;
- Certification of Property Eligibility or Determination of Ineligibility;
- Proof of Homeowners Insurance;
- Copy of Deed to Property;
- 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; and
- Certification of Completion.

Rehabilitation Log

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

Monitoring

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

- Head of Household Name;

- Household Size;
- Street Address;
- Block/Lot/Unit Number;
- Income Category: Moderate/Low/Very Low;
- Final Inspection Date;
- Homeowner's Contribution to Hard Costs (if any);
- Total Rehabilitation Cost;
- Funds Recaptured;
- Major Systems Repaired;
- Unit Below Code & Raised to Code;
- Effective Date of Affordability Controls;
- Length of Affordability Controls;
- Date Affordability Controls Removed; and
- Reason for Removal of Affordability Controls.

Appeals

Appeals of Program decisions or policies that are not considered acceptable by Property Owners, tenants, or other stakeholders shall be made in writing to the Executive Director of the New Jersey Housing Mortgage and Finance Agency (637 South Clinton Avenue, P.O. Box 18550, Trenton, NJ 08650). The NJ HMFA Executive Director's written decision, which shall be made within 15 days of receipt of an appeal, shall serve as the final decision on the appeal.



RENTAL HOUSING REHABILITATION

PROGRAM POLICIES AND PROCEDURES MANUAL
BOROUGH OF ALLENDALE

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Borough of Allendale Rental Rehabilitation Program

Policies and Procedures Manual

Introduction

This Policy and Procedures Manual has been prepared to guide the administration of the Allendale Rental Housing Rehabilitation Program (the Program). The Manual describes the Program's purpose, policies, and operational procedures, and provides guidance for implementation in accordance with applicable State regulations, including 5:80-26.1 et seq., Uniform Housing Affordability Controls (UHAC). Specifically, this Manual:

- Explains the objectives and structure of the Program;
- Describes the steps involved in the rental rehabilitation process;
- Sets forth eligibility requirements for participation;
- Defines applicable criteria, funding terms and conditions, and record-keeping requirements; and
- Establishes procedures for overall Program administration.

This Manual is intended to function as a working document and has been prepared in a flexible format to allow for periodic updates to individual sections, as necessary, in response to changes in regulations, administrative practices, or Program requirements.

The Program is funded by the Borough's Affordable Housing Trust Fund.

Program Purpose and Goals

The Borough of Allendale Rental Housing Rehabilitation Program has been established to rehabilitate substandard rental dwelling units occupied by income-eligible households, or currently vacant units intended for occupancy by such households, within the Borough of Allendale.

As part of the Borough's Housing Element and Fair Share Plan, the Program is intended to:

- Facilitate the repair or replacement of major building systems necessary to bring units into compliance with applicable codes and standards;
- Improve health, safety, and living conditions;
- Preserve and extend the useful life of the local rental housing stock;
- Reduce energy consumption in older rental units and lower utility costs; and
- Reduce the risk of childhood lead poisoning associated with deteriorated lead-based paint.

Implementation of any procedure, even if it is not included in this Policies and Procedures Manual, shall be in accordance with the Federal Fair Housing Act and Equal Opportunity laws, the Uniform Housing Affordability Controls (UHAC) N.J.A.C. 5:80-26.1 et seq., the substantive rules of the Council on Affordable Housing, N.J.A.C. 5:93 and 5:97 and the Borough of Allendale's affordable housing ordinance of the (hereafter referred to as the "Regulations"). Copies of these regulations are available online at:

<https://www.nj.gov/dca/dlps/hss/thirdroundregs.shtml> and <https://www.nj.gov/dca/hmfa/about/uhac/>.

Additional information on the Borough's Affordable Housing obligation and its Fair Share Plan can be found here:

The Program is designed to achieve these objectives through the following means:

- Providing forgivable loans of up to **\$20,000 per unit** to eligible property owners for qualified rehabilitation work;

- Assisting property owners in identifying necessary rehabilitation improvements through inspections and cost estimates prepared by the Program Inspector/Cost Estimator (see Section III: Overview of the Administrative Process); and
- Assisting property owners in the selection of qualified contractors at reasonable and competitive prices through the use of Program-approved contractors and a structured bidding and award process (see Section III: Work Write-Up, Contractor Selection, Bidding, and Award of Contracts).

Program Assistance

Residential rental units are eligible for assistance of up to **\$20,000/unit** to repair or replace any failing or deteriorated major system and otherwise remove all health and safety violations. At the Borough's discretion, the maximum assistance of \$20,000 may be exceeded on a case-by-case basis.

As a condition of Program assistance, a ten-year affordability control will be recorded against the title of the property, requiring that contract rents remain affordable and that tenancy be limited to income-eligible households. Specifically, property owners must agree to:

- Restrict the units for occupancy by households that have been certified as income eligible by the Administrative Agent.
- Limit contract rents to an affordable price initially set by the Administrative Agent according to 5:80-26.13.
- Limit annual increases based on the standards in N.J.A.C. 5:80-26.1 et seq.
- Advertisements for prospective tenants must adhere to the Borough's Affirmative Marketing Plan.
- Repayment of Program assistance will take the form of a forgivable loan. There are no monthly payments.

Fair Housing & Equal Housing Opportunities



In accordance with the Federal Fair Housing Act, it is unlawful to discriminate against any person in the sale, rental, or financing of housing, or in the provision of services or facilities in connection therewith, because of race, color, religion, sex, national origin, disability, or familial status. In addition, New Jersey Law prohibits discrimination in housing on the basis of race, creed, color, national origin, ancestry, nationality, marital or domestic partnership or civil union status, familial status, sex, gender identity or expression, affectional or sexual orientation, disability, source of lawful income or source of lawful rent payment (including Section 8) by all persons including real estate agents or brokers, financial institutions, Property Owners, landlords, or building superintendents, and their agents and employees with respect to the sale, rental or lease of real property, listing or advertising of real property, receipt or transmittal of offers to purchase or rent real property, application and terms of a mortgage or other loan.

Regulatory Objectives and Compliance

In order to be considered an eligible use of Program funds, the Program must comply with the Regulations, including:

- Each assisted unit must meet or exceed the New Jersey State Housing Code, N.J.A.C. 5:28. Projects that require the issuance of a construction permit pursuant to the Uniform Construction Code 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.
- Each unit must require complete replacement or substantial repair of at least one major system.

Summary of Program

Characteristic	Rehabilitation Assistance Program
Funding Limit	\$20,000 per unit
Eligible Homes	1- to 4-family rental properties
Program Objective	Assisted units 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.
Target Area	Municipal-wide
Affordability Controls	Interest-free, forgivable loans secured by a Mortgage, Note, and Affordability Control. Loans will be forgiven at the 10-year anniversary of the units being certified as standard. Existing and future tenants must be certified as income-eligible. Rents must remain affordable throughout the affordability period.
Funding Source	Local Affordable Housing Trust Fund.
Income Limits	Regional income limits shall be established for the housing region in which the Borough is located (Housing Region 1) 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. Income limits are posted at the NJ HMFA Website: https://www.nj.gov/dca/hmfa/about/uhac/

General Program Information

Eligible Properties and Program Assistance

One- to four-family rental properties are eligible for assistance of up to \$20,000 per unit to repair or replace any failing or deteriorated major system. At the Borough’s discretion, the maximum assistance of \$20,000 may be exceeded on a case-by-case basis.

To be eligible for assistance, there must be a reasonable expectation of bringing each assisted unit into compliance 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.

For a unit to be eligible for Program assistance, the current tenant must be income-eligible. If the Program determines that a tenant household is not income-eligible, the unit cannot be assisted by the Program. It is not required that *all* units on a given rental property be eligible for assistance. The Program may provide assistance for units occupied by income-eligible tenants and/or vacant units. An owner-occupied unit may also receive assistance from the Program if the owner’s household is income-eligible. The owner will be required to provide a prorated share of the rehabilitation costs for any improvements that benefit units deemed ineligible for direct assistance (e.g., roof, sewer line).

Income Eligible Tenants

Income eligibility will be conducted in accordance with N.J.A.C. 5:80-26.14. Detailed information on determining eligibility is provided in the section of this manual entitled Income Eligibility Determinations.

While vacant units are eligible to apply, tenant households must all be evaluated at the time of application for their unit to be eligible for Program assistance. All future tenants of assisted units will be required to be certified as income-eligible by the Borough's Administrative Agent.

Restrictions on Rents

Rental units assisted by the Program will be restricted to occupancy by tenants certified to be income-eligible for an affordability period of ten (10) years. In addition, rent will be set at a rate affordable to households earning 60% of the regional median income limit, by household size, and in accordance with N.J.A.C. 5:80-26.13. In situations where assisted units are occupied at the time of rehabilitation, future rent charged to those tenants will be set at the lowest of the current rent or the maximum allowable rent pursuant to N.J.A.C. 5:97-9 and N.J.A.C. 5:80-26.13. Rent increases during the affordability period will be limited to the permitted increase under N.J.A.C. 5:97-9. Such increases will be published by NJ HMFA and posted at <https://www.nj.gov/dca/hmfa/about/uhac/>.

The initial maximum affordable rent for a rehabilitated unit will be set by the Program Administrator in accordance with applicable State regulations. The initial rents for vacant units will be set at 60% of the median income for a household of the appropriate size based on the bedroom count, in accordance with N.J.A.C. 5:80-26.3(d). Thirty percent (30%) of that figure (N.J.A.C. 5:80-26.13(a)) 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. Prior to applying for assistance, the Program can provide Property Owners with a reasonable estimate of the affordable base rent.

Income Limits

The Income Limits used to determine income eligibility of tenant households are published annually by NJ HMFA and posted at <https://www.nj.gov/dca/hmfa/about/uhac/>. Income limits are established for multiple geographic regions and household sizes. Allendale Borough is part of "Region 1" – Bergen, Hudson, Passaic, and Sussex Counties. The income level that establishes eligibility for the Program is less than eighty percent (80%) of the Area Median Income by household size. This limit is also referred to as "moderate income".

Other Eligibility Requirements

- The property is *located within municipal boundaries* and has a deed recorded in Bergen County in the name(s) of the Applicant(s).
- The property consists of *one to four family residential units*, one of which may be occupied by the Property Owner. All rental units must comply with the local use regulations.
- *Property taxes and mortgage payments* for the subject property must be current.
- *Water and sewer utility bills* must be current.
- *Property Insurance and Flood Insurance (if applicable)* must be current.
- The owner's *equity* in the property must be greater than the maximum amount of assistance that could be made available by the Borough for home improvements. For the sake of this rule, the market value of the property will be calculated using the Borough's assessed value divided by the equalization ratio.
- In the event the initial inspection reveals an extraordinary degree of property deficiencies that are of a serious nature, an evaluation will be made as to the feasibility of investing Program funds into the property. If this evaluation indicates that the amount of rehabilitation required for the property will be

75% of the property's value after rehabilitation, the Administrator will have discretion to disqualify the applicant.

- The applicant has not previously defaulted on a loan or loans to the Borough of Allendale.

Ownership and Occupancy

Proof of ownership of the property and its use as a principal place of residence (if an owner-occupied property) must be established by the following:

1. Copy of Deed;
2. Copy of Declaration page from Property Insurance;
3. Copy of current Mortgage Statement, if applicable; and
4. Copy of Flood Insurance, if within 100 years flood plain.

Certification of Substandard

To be eligible for the Program, *at least* one major system in each assisted unit must require replacement or repair. A major system in need of repair or replacement is considered *substandard*. The Program Inspector will prepare the substandard certification for each unit to be assisted during the comprehensive inspection.

For the purposes of the Program, the following components of a dwelling are considered “major systems.”

- Roof;
- Plumbing (including wells and connections to public water systems);
- Heating;
- Electrical;
- Sanitary plumbing (including septic systems and connections to public sewer systems);
- Load-bearing structural systems;
- Removal or “control” of lead-based paint hazards; or
- 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).

Certification Existing Conditions

The Program Inspector will visit each unit to document existing conditions through a work write-up.

Eligible Improvements

Program funds are available to address quality-of-life housing issues, correct existing and emerging code violations, reduce the risk of lead-based paint poisoning, and correct weatherization deficiencies, as identified in the project’s Work Write-Up with detailed specifications.

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, to correct applicable code violations, and for any other work that is reasonable and deemed necessary or related to the necessary repairs.

In addition to and after the repair or replacement of all major systems, work may 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; and
- Exterior rain carrying system repair.

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 is not reimbursable under this program. The cost of removing any illegally converted living space (e.g., illegal bedrooms in the basement) is not eligible for assistance.

Only required repairs to units occupied by income-eligible households will be funded through the Program. If the Property Owner desires work not fundable through the program, including work on an owner-occupied unit of a multi-unit rental property, 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 with the Borough prior to the commencement of the rehabilitation of the property equivalent to the estimated cost of the elective work.

Loan Amount and Terms

The entire cost of repairs and improvements made through this program, up to the Program maximum (see below), will be paid directly by the Program to the contractor. That amount will then become a forgivable loan to the Property Owner. Loans will be interest-free and secured by a secondary mortgage or other instrument on the property being repaired. The principal will remain unchanged, and repayment will be forgiven at the end of the affordability period.

In some cases, the maximum assistance of \$20,000 per unit may be exceeded if, in the Borough's opinion, the need for rehabilitation justifies the extension. If the cost of repairs exceeds the Program's available funds, the applicant will be responsible for the additional costs.

If the total estimated cost exceeds the available funding, the Property Owner will be advised of the amount required to cover the cost difference. Should the Property Owner not have the means or funds to complete all repairs, the Program Administrator, in conjunction with the Property Owner, will prioritize the list of repairs, placing life, safety, and code issues ahead of aesthetic improvements, to be funded through a lending institution or private source.

Loan Subordination

The Borough will consider requests to subordinate the program mortgage to subsequent financing or refinancing. In all cases, the Property Owner must supply information listed in the Program's "Subordination Request Check List," which includes information on the new financing terms, recent appraisal of the value of the property, and intended uses of the proceeds of any new financing. This and other required program documentation will be reviewed by the Borough solicitor, who will recommend to the Program Administrator whether to grant the subordination request.

Borrowers Agreement and Terms

The Borough will enter into an Agreement with the Borrower that specifies the terms and conditions of the funds to be made available through the Program, including reference to a Work Write-Up and Cost Estimate. Included in the Borrower's Agreement will be the requirement that the Borrower sign a Mortgage, Note, and Restrictive

Covenant. The Mortgage and Restrictive Covenant will be recorded with the County Clerk and will serve as the appropriate security device for Program funds.

Copies of the Borrower's Agreement and form of Mortgage, Note and Restrictive Covenant to be used in implementing the Program are attached and made part of this Manual.

Overview of Administrative Process

The following is intended to provide a brief overview of a typical rental rehabilitation. Details on each of these steps can be found elsewhere in this Manual.

1. Application package is received. If incomplete, notice is sent to the applicant. There is no application fee associated with the program
2. The Borough's Administrative Agent reviews the application package and determines the income eligibility of tenants, if any. If eligible, Property Owner(s) review and sign a Borrowers Agreement. The application and Certification of tenant eligibility are forwarded to the Program Administrator (TBD), who is responsible for the Program's day-to-day operations.
3. The Program Inspector (provided by the Program Administrator) visits the home, performing a comprehensive inspection and lead-based paint risk assessment (if necessary). The Program Inspector will prepare a Certification of Substandard Conditions if a major system is found to require repair or replacement.
4. Work write-up is prepared by the Program Inspector and reviewed by the Property Owner, along with a list of Program Contractors.
5. The job is placed out to bid.
6. Bids are received and evaluated by the Program Administrator.
7. Program recommends the lowest responsible bidder to the Property Owner for award. Property Owner awards bid.
8. Loan closing is conducted. The construction agreement and all affordability controls are executed.
9. After the 3-day Right of Rescission, the Contractor is given authorization to proceed.
10. Contractor obtains permits (as necessary).
11. Construction phase begins.
12. Inspections are performed. Up to two progress payments are made.
13. Any permits are closed out by the Borough Building Code Official(s). Final Inspection is conducted. Certification of Standard is issued.
14. Contractor provides warranty information and signs the Release of Liens.
15. Final Payment is made.
16. Case is closed out.

Marketing

As needed, the Program will implement marketing initiatives to identify potential applicants. While most marketing efforts will aim to reach all property owners in the Borough, the Program will also target special populations, including, but not limited to, civic organizations, senior groups, and religious institutions.

All marketing initiatives will – at a minimum – include the following information:

- Length of the affordability controls (lien);
- Circumstances that require assistance to be repaid;
- A statement that eligibility is limited to vacant units or those rented by existing low and moderate-income households.
- A statement that rents on assisted units will be restricted for ten (10) years;
- The maximum assistance amount; and
- Examples of eligible improvements.

Program Staffing

The Program will rely on Borough staff and one or more consultants to administer the Program. They are as follows:

1. *Municipal Housing Liaison.* Alison Altano, the MHL serves as the Program's liaison to the Special Adjudicator assigned to the Borough and the New Jersey Department of Community Affairs Office of Local Planning Services.
2. *Administrative Agent.* Leckington Advisors, LLC will provide income certification services for the Program. The Administrative Agent will perform income eligibility determinations.
3. *Program Administrator (to be determined)* will be responsible for the day-to-day operations of the Program. The Program Administrator will be the primary point of contact between the Program and the Borough and MHL. The Program Administrator will be responsible for providing a Program Inspector/Cost Estimator and a Lead Risk Assessor.
4. *Borough Building Code Official* will provide permit inspections as may be necessary during the rehabilitation.

Income Eligibility Determinations

To be eligible for assistance, each member of an applicant household who is 18 years of age or older, except full-time students under the age of 26 and those under the age of 26 participating in a registered apprenticeship program, must provide documentation to verify the member's income, including income received by adults on behalf of minor children for their benefit. The income eligibility process will comply with the procedures in N.J.A.C. 5:80-26.14.

What Counts as Income

The following is a list of wage types, payments, rebates, and credits. Those that must be considered as part of the household's income are listed in the Income column. Those that are not to be considered as part of the household's income are listed in Not Income. Restricted units constructed with Federal funds should consult the applicable regulations, such as HUD Section 42, to ensure compliance.

<i>INCOME</i>	<i>NOT INCOME</i>
<ul style="list-style-type: none"> ▪ Wages, salaries, tips, commissions ▪ Alimony ▪ Regularly scheduled overtime ▪ Pensions ▪ Social security ▪ Unemployment compensation (verify the remaining number of weeks they are eligible to receive) ▪ TANF ▪ 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 of two percent) from non-income producing assets, such as equity in real estate ▪ Rent from real estate is considered income ▪ Any other forms of regular income reported to the Internal Revenue Service 	<ul style="list-style-type: none"> ▪ 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, and insurance settlements ▪ Part-time income of persons enrolled as full-time students ▪ Court ordered payments for alimony or child support paid to another household shall be deducted from gross annual income

Proof of Income

All members of tenant households, eighteen (18) years of age or over, except full-time students under the age of 26 and those under the age of 26 participating in a registered apprenticeship program, must provide copies of the following documents with their application:

- Four consecutive pay stubs, not more than 120 days old, including bonuses, overtime or tips, or a letter from the employer stating the present annual income figure;
- 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 year prior to the date of interview or notarized tax waiver letter for respective tax year(s), including all applicable “schedules;”
- Social Security, Disability and SSI Benefit Statements or Pension Benefits statement, if applicable.;

- Social Security Cards for each household member;
- Copy of current Property Owner's insurance declarations page (not the policy or receipt);
- A letter or appropriate reporting form verifying any other sources of income claimed, such as alimony and child support. This includes a separation agreement or divorce papers signed by the presiding judge;
- Reports from the last two consecutive months that verify income from assets to be submitted by banks or other financial institutions managing trust funds, money market accounts, certificates of deposit, stocks, or bonds. Examples include copies of all interest and dividend statements for savings accounts, checking accounts, and investments;
- Recorded deed to the property to be assisted in the name(s) of the Applicant(s);
- Evidence or reports that verify assets such as real estate or businesses owned by any household member;
- If a widow or widower, a copy of the Death Certificate; and
- Signed Eligibility Release form, signed Inspection Acknowledgment, and signed Financial Privacy Act Notice.

Work Write-up, Contractor Selection, Bidding & Awarding Bids

Property inspections will be carried out by the Program Inspector. In consultation with the Property Owner, the Program Inspector will perform detailed inspections of the property, outlining deficiencies and the methods to correct them in a Work Write-Up with detailed specifications. Based on the Work Write-Ups, the Program Inspector will prepare Cost Estimates for use in evaluating contractor bids. The Program will engage a certified lead-based paint risk assessor to assess properties built before 1978 for hazardous lead-based paint conditions.

If the Program Inspector identifies potentially illegal improvements, such as illegal basement apartments or bedrooms, the matter must be brought to the Program Administrator's attention. The Program Administrator will then advise Borough enforcement personnel, such as zoning and housing inspectors. If illegal conversions are found, the case will be immediately placed on hold until the Property Owner has fully complied with all applicable zoning and building code requirements arising from the illegal conversions.

Eligible contractors

The Program Administrator, on behalf of the Property Owners, will solicit bids from eligible rehabilitation contractors on the Program Contractor list. To be placed on the Approved Contractor list, a contractor must:

- Complete a Contractor Application;
- Provide three (3) professional references;
- Furnish evidence of a valid current insurance policy for not less than \$100,000/\$300,000 in the event of bodily injury, including death, and \$100,000 in the event of property damage arising out of the work performed by the contractor;
- Carry or require that there be carried full and complete Workmen's Compensation Insurance for all employees and those subcontractors engaged in the work. All insurance certificates must be provided to the Residential Rehab Program before any awards are given;
- Provide a State of New Jersey Business Registration Certificate and Home Improvement Contractor's registration and any other relevant documentation requested by the Program staff;
- Have an EPA Renovation Repair and Paint (RRP) Certification for any properties identified as having lead-based paint hazards;

Any contractor is on the State debarred contractors list will be ineligible to participate in the Program. The contractor must also comply with other appropriate regulations established by the Borough of Allendale and State of New Jersey.

Bid Openings and Contractor Selection

The Program will receive bids prior to a date and time specified for a bid opening. The bid opening will be open to the public. Completed bid packages may be submitted via Email, hand-delivered, or mailed to the Borough as instructed in the Bid Instructions issued to all contractors. Bid prices must include all permits, licenses, labor, materials, fixtures, and equipment necessary for the satisfactory completion of the rehabilitation of the property identified in the Work Write-up

The Program Administrator will review the proposals and provide the Property Owner with a list of contractors whose bids are eligible for the work. Eligible bids will be those that:

- Satisfy the specifications of the Work Write-Up;
- Have no math errors;
- Have been submitted by an eligible contractor;
- Are no more than 10% above or 20% below the Program Cost Estimator's final cost estimate for the work, unless an exception has been recommended by the Cost Estimator and approved by the Program Administrator; and
- Have been submitted by a contractor who, in the opinion of the Program Administrator, can perform the designated tasks within a responsible period of time as is specified in the Contract documents.

The Property Owner will then select a contractor from the list of eligible bids. Generally, the lowest-responsible bid will be accepted and nominated for award. If the Property Owner selects a contractor other than the contractor who submitted the lowest eligible bid, the Property Owner must, prior to the start of work, provide the difference between the lowest responsible bid and the selected bid. The amount provided by the Property Owner will be placed in escrow with the Borough. Any additional funding beyond the Program's maximum amount provided by the Property Owner must also be provided in advance and placed in escrow.

The Property Owner will be required to execute the contract documents with the selected Contractor (see Section V Loan Closings and Construction Agreements).

Contractor Performance

Timeliness and quality of work: Contractors are expected to complete all work within the timeframe specified in their contract with the Property Owner and to provide work that, at a minimum, meets the Program's Rehabilitation Standards. The time allowed for completion of work will be established by the Program Administrator before construction begins and will be based on the scope and complexity of the work.

Probationary period: Contractors with no prior experience with the Program will not be awarded more than one rehabilitation contract until one property is completed and satisfactory. At such time that a track record has been established that demonstrates quality work in a timely, professional, and workmanlike manner that complies with the Program's Rehabilitation Standards, the contractor's probationary period will be over, and a larger scope of work may be awarded. Contractors with a favorable performance record with the Borough may be awarded up to three projects from a single bid opening, based on their work schedule and the potential to complete the projects in a timely manner.

Contractor disqualification: It should be noted that contractors that receive poor references from program staff, Property Owners, businesses, or other government agencies, may be kept from participating in the program or

placed or replaced on probationary status. Other factors that will be considered in determining eligibility and continued program participation are:

- Failure to make payments to sub-contractors;
- Debarment from any government program;
- Failure to complete punch lists or respond to reasonable Property Owner complaints as determined by the Program staff;
- The use of alcohol or drugs during the course of work by the contractor or any sub-contractor or anyone in the employ of a contractor or sub-contractor;
- Reports of theft, malicious damage, or burglary to any property while participating in the Residential Rehab Program;
- Indictment of any criminal offense;
- Failure to comply with the laws and ordinances of the municipality;
- Continued failure to obtain permits before the start of work;
- Abusive and vulgar language and behavior during the course of work; or
- Threats or harassment made to any person during the course of work.

If a contractor, sub-contractor, or employee of such violates any of the provisions of this section, the Program Administrator may disqualify the contractor or sub-contractor from future participation in the Program.

Replacement contractor: If a situation arises where a rehabilitation project has begun, and the contractor must be removed from, or refuses to complete a project, the work write-up will be revised to describe the balance of work needed on the home and will be put out to bid. Should the replacement contractor's cost to complete the rehabilitation be higher than that of the original contractor, the original contractor will be responsible for the difference.

Loan Closings and Construction Agreements

Loan Closings will be conducted in person at the subject property and attended by the Program Administrator, the Property Owner, and the Contractor. At the Loan Closing, the Property Owner will be provided with copies of the Construction Agreement, Mortgage, Note, and Restrictive Covenant for review.

Mortgage, Mortgage Note & Restrictive Covenant

The Program Administrator will start the Loan Closing by reviewing the rules outlined in the Mortgage, Mortgage Note, and Restrictive Covenant with the Property Owner to help ensure their understanding. The Property Owner will then be asked to sign the documents and the Notice of Right of Rescission. A signed copy of each of these documents will be left with the Property Owner, and the originals will be filed in the project case file.

Construction Agreement

All cases will have an executed Construction Agreement between the Contractor and Property Owner. The Program Administrator will ask both parties to review and execute the Construction Agreement at the Loan Closing after the Mortgage, Note, and Restrictive Covenant have been signed. The Contractor will be requested to list Subcontractors to be engaged for the project. The Construction Agreement includes a variety of protections for both the Property Owner and Contractor, including, but not limited to:

- Dates by which the Contractor must begin and have completed the scope of work;

- Payment procedures;
- End of workday requirements and provisions; and
- The complete work specifications issued in the bid package and bid from the Contractor.

Both the Property Owner and Contractor will receive a signed copy of the Construction Agreement. Once signed, the Program Inspector will encourage the Contractor to discuss the job schedule. If the specifications allow the Property Owner's choice for any items within the scope (e.g., roof shingle colors), the Inspector will review those items with both parties to facilitate dialogue and decision-making.

On the 4th business day after the loan closing, the Program will issue to the Contractor a written Notice to Proceed.

Inspections

Unless otherwise noted, all inspections are completed by Borough staff or contracted professionals, such as a Lead Risk Assessor. Inspections are conducted at various points in a rental unit's rehabilitation. Six (6) types of inspections may be completed during any project:

- **Lead Risk Assessments** are completed for any rental unit built prior to 1978 to identify any hazardous lead-based paint.
- **Comprehensive Inspections** are completed to assess the rehabilitation needs of every rental unit. All major systems are evaluated during the comprehensive inspection. A checklist of all major components ensures that every aspect is evaluated during the comprehensive inspection.
- **Progress/Payment Inspections** are performed during the construction process to assess the contractor's level of completion and to ensure their strict adherence to the work write-up and specifications. A rental unit will receive one or more Progress/Payment Inspections. Payments for rehabilitation work will not be made without an inspection that physically verifies the satisfactory completion of all work.
- **Permit Inspections.** Permit inspections are completed by the Borough's construction code officials in order to ensure building code compliance with any work items that require a Borough construction permit.
- **Final Inspections** are done after any necessary permit inspections have been completed with a satisfactory result. Final Inspections are conducted to certify the completion of the construction phase and all contracted work items.
- **Lead Clearance Tests are performed at the conclusion of construction** on units that have identified lead-based paint hazards during the Lead Risk Assessment. The purpose of the Lead Clearance Test is to ensure that the Contractor properly cleaned all surfaces of lead dust.

Permits & Permit Inspections

As outlined in the General Conditions of the Bid Package, Contractors are responsible for obtaining, paying for, and scheduling inspections of all necessary permits for the job. No final payments will be processed until the Contractor has submitted copies of all closed permits to the Program.

Contractor Payment

Contractors will be paid only for completed work. No "upfront" payments will be made by the Program to a Contractor. A progress payment equal to 50% of the contract amount, after the Contractor completes work that represents at least 50% of the project cost, will be available to the Contractor. If satisfactory progress has been made at the time of the request, the Program will approve a progress payment.

Upon signing the contract, the Borough will prepare a payment requisition to issue a Purchase Order for the project. Contractors must sign the Purchase Order and include it with each payment request.

Checks will be made payable directly to the Contractor. Final payment will be made after the following:

- All items in the project scope have been completed according to Program Rehabilitation Standards, as verified by Program staff;
- The Property Owner has signed a statement stating that he/she is satisfied with the work, or the Program Inspector and Administrator have determined that the owner’s refusal to sign a completion form is not warranted;
- Lead hazard clearances, if any, have been received;
- Copies of all warranties have been received by the Property Owner and the Program.

Lead-Based Paint Provisions

All Program-assisted rental units constructed prior to 1978 will be tested for lead-based paint hazards by a Lead Risk Assessor. Rehabilitation exemptions from lead-based paint regulations are as follows:

- Residential structures built after January 1, 1978;
- Properties found not to have lead-based paint during earlier testing that meets the requirements of prior evaluations; or
- Properties where all lead-based paint has been identified and removed using approved methods.

At the appropriate time, the Program will provide the Property Owner and any tenants with copies of the following:

- Lead Hazard Information Pamphlet;
- Property Owner Disclosure (distributed to owners of a unit known to contain lead-based paint or lead-based paint hazards for disclosure to tenants or prospective purchasers);
- Notice of Lead Hazard Evaluation or Presumption; and
- Notice of Lead Hazard Reduction Activity, including Lead Clearance Test results.

Both Notices of Lead Hazard Evaluation and Lead Hazard Reduction will be provided to the occupants within 15 calendar days of the Program's receipt of the evaluation report or completion of the lead hazard reduction work.

The Borough has developed its own policy to reduce the likelihood of lead-based paint poisoning. Specifically, the Program has elected to remove and/or control hazardous lead-paint.

Program Policy Concerning Lead-Based Paint	
Amount of Program Assistance	Any amount of assistance
Approach to Lead Hazard Evaluation and Reduction	Identify and control lead hazards
Notification	Yes
Lead Hazard Evaluation	Paint Testing of surfaces to be disturbed by rehabilitation, and a Risk Assessment of the entire unit
Lead Hazard Reduction	Interim Controls, Safe work practices, and Clearance of unit

A lead hazard evaluation will consist of one or more of the following:

- Visual Assessment performed by a Program Inspector; or
- Paint Testing performed by a Certified Inspector/Risk Assessment (or Lead Hazard Screen) performed by a Certified Risk Assessor.

The lead hazard reduction will always include safe work practices and clearance, and will also include one or more of the following:

- Paint Stabilization; or
- Interim Controls (or Standard Treatment).

Any properties not inclusive of the exemptions and applying for program assistance will be inspected by the appropriate professional to identify and evaluate lead hazards. If hazards are identified, the Program will then determine the following:

- Required level of lead hazard reduction;
- What methods will be used to reduce or eliminate the hazards; and
- Whether or not relocation of occupants is necessary.

The occupants will be notified of the Program's determination. The decision to relocate occupants during construction is based on the extent of rehabilitation and lead hazard reduction work, as outlined in New Jersey Administrative Code Title 5, Chapter 17.

Prior to the rehabilitation and lead-based paint hazard work going out to bid, the Program will determine the type of certified lead-based paint contractor required to complete the work. The Program Administrator, Property Owner, and contractor(s) awarded the job will review the key aspects of the lead hazard reduction during the pre-construction conference.

The awarded contractor(s) will always perform lead safe work practices which includes but is not limited to:

- Occupant protection;
- Work site preparation;
- Daily cleanup;
- Safe work practices; and
- Worker protection.

Occupants will be notified of any lead-hazard reduction measures that were taken. After the Program's final inspection, a lead clearance test will be conducted, including dust sampling, to confirm that the unit is safe for occupancy and that lead hazard reduction was performed in accordance with the Program's work specifications.

Resolution of Disputes

Should any dispute arise respecting the true meaning of the Work Write-Up, or should any dispute arise respecting the true value of the extra work or of the work omitted, or of improper workmanship or materials, or of any loss sustained by the Property Owner, the Property Owner may request a hearing before the Borough. Such a request must be made in writing to the Program Administrator and shall state the nature of the dispute. All parties to the dispute shall be notified in writing of the date and location of the hearing. An arbitration committee, consisting of three members, shall convene, and the final decision rests with the arbitration committee, with no further recourse on the part of the Property Owner.

Maintenance of Records

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;
- Income Verification; and
- Letter of Certification of Eligibility or Letter of Determination of Ineligibility.

Files to be Maintained on Approved Applicants

- Housing Inspection Report;
- Photographs – Before;
- Certification of Property Eligibility or Determination of Ineligibility;
- Proof of Property Insurance;
- Copy of Deed to Property;
- 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; and
- Certification of Completion.

Rehabilitation Log

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

Monitoring

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

- Head of Household Name;
- Household Size;
- Street Address;
- Block/Lot/Unit Number;
- Income Category: Moderate/Low/Very Low;
- Final Inspection Date;
- Homeowner's Contribution to Hard Costs (if any);
- Funds Recaptured;
- Major Systems Repaired;
- Cost of Repair;
- Unit Below Code & Raised to Code;
- Effective Date of Affordability Controls;
- Length of Affordability Controls;

- Date Affordability Controls Removed; and
- Reason for Removal of Affordability Controls.

Appeals

Appeals of Program decisions or policies that are not considered acceptable by Property Owners, tenants, or other stakeholders shall be made in writing to the Executive Director of the New Jersey Housing Mortgage and Finance Agency (637 South Clinton Avenue, P.O. Box 18550, Trenton, NJ 08650). The NJ HMFA Executive Director's written decision, which shall be made within 15 days of receipt of an appeal, shall serve as the final decision on the appeal.

RESOLUTION
BOROUGH OF ALLENDALE
BERGEN COUNTY, NJ

DATE: 02/19/2026

RESOLUTION# 26-102

Council	Motion	Second	Yes	No	Abstain	Absent
O'Connell						
O'Toole						
Lovisollo						
Homan						
Daloisio						
Yaccarino						
Mayor Wilczynski	-----	-----				

- Carried
- Defeated
- Tabled
- Approved on Consent Agenda

RESOLUTION OF THE MAYOR AND COUNCIL OF THE BOROUGH OF ALLENDALE OF THE COUNTY OF BERGEN, STATE OF NEW JERSEY, STATING ITS INTENT TO BOND OR TAKE SUCH OTHER STEPS AS MAY BE NECESSARY TO FULLY FUND ITS HOUSING ELEMENT AND FAIR SHARE PLAN

WHEREAS, the New Jersey Department of Community Affairs (DCA) issued a report wherein it assigned the Borough a Present Need obligation of 159 and a Round 4 prospective need of 200 ; and

WHEREAS, as a result of the foregoing, the Borough has planned to address a fair share of 359 ; and

WHEREAS, on June 17, 2025 the Borough of Allendale Planning Board adopted a Housing Element and Fair Share Plan (hereinafter "HEFSP"), which fully addressed a fair share of 359 ; and

WHEREAS, the HEFSP addresses a fair share of 359 by adjusting the Present Need based on a survey and through various compliance techniques that cost money to implement; and

WHEREAS, the Borough understands that if it intends to rely on a compliance technique that cost money, it must have a plan to pay for it; and

WHEREAS, the Borough has ample money in its Spending Plan to fully fund its plan; and

WHEREAS, in the unlikely event that trust fund monies are insufficient to fully fund the Borough's plan, the Borough is committed to provide sufficient funds to address the shortfall through bonding or some other lawful means.

RESOLUTION
BOROUGH OF ALLENDALE
BERGEN COUNTY, NJ

DATE: 02/19/2026

RESOLUTION# 26-102

NOW THEREFORE BE IT RESOLVED by the Mayor and Council of the Borough of Allendale, Bergen County, that the Borough will bond or take other legal measures to fully fund its Housing Element and Fair Share Plan in the unlikely event that trust fund monies prove to be insufficient to fully fund the plan;

BE IT FURTHER RESOLVED that the Borough may repay debt through future collections of development fees, as such funds become available.

BE IT FURTHER RESOLVED that the Mayor and Borough Clerk are authorized and designated to execute any and all necessary documents in order to implement the intent of this Resolution.

I hereby certify the above to be a true copy of a Resolution adopted by the Governing Body of the Borough of Allendale on February 19, 2026.

Linda Louise Cervino, RMC
Municipal Clerk

Amy Wilczynski
Mayor

RESOLUTION
BOROUGH OF ALLENDALE
BERGEN COUNTY, NJ

DATE: 02/19/2026

RESOLUTION# 26-103

Council	Motion	Second	Yes	No	Abstain	Absent
O'Connell						
O'Toole						
Lovisollo						
Homan						
Daloisio						
Yaccarino						
Mayor Wilczynski	-----	-----				

- Carried
- Defeated
- Tabled
- Approved on Consent Agenda

A RESOLUTION OF THE BOROUGH COUNCIL OF THE BOROUGH OF ALLENDALE ENDORSING AN AMENDMENT TO THE HOUSING ELEMENT AND FAIR SHARE PLAN ADOPTED BY THE LAND USE BOARD ON FEBRUARY 11, 2026

WHEREAS, on January 24, 2025, the Borough of Allendale (“Borough” or “Allendale”) filed a Declaratory Judgment Action pursuant to the New Jersey Fair Housing Act, N.J.S.A. 52:27D-301 et seq.as amended (“FHA II”); and

WHEREAS, on May 5, 2025, the Superior Court entered an Order setting the Borough’s Fourth Round Present Need obligation at 159 and its Round 4 Prospective Need obligation at 200 and directing the Borough to file its Housing Element and Fair Share Plan (“HEFSP”) no later than June 30, 2025; and

WHEREAS, on or about June 17, 2025, the Borough filed a HEFSP duly adopted by the Land Use Board and sought approval of same; and

WHEREAS, on June 26, 2025, the Borough endorsed the HEFSP previously adopted by the Planning Board; and

WHEREAS, on August 31, 2025, Fair Share Housing Center (“FSHC”) and AvalonBay Communities, Inc (“AvalonBay”) (collectively “Objectors”) wrote a letter challenging the Borough’s plan pursuant to N.J.S.A. 52:27D-304.1(f)(2)(b); and

WHEREAS, on November 7, 2025, the Borough provided responsive materials to FSHC; and

WHEREAS, the Borough and FSHC participated in mediation sessions before the Program, an entity created by FHA II, and negotiated a Mediation Agreement, dated December 31, 2025 resolving all issues raised by FSHC’s challenge; and

RESOLUTION
BOROUGH OF ALLENDALE
BERGEN COUNTY, NJ

DATE: 02/19/2026

RESOLUTION# 26-103

WHEREAS, to implement the Mediation Agreement, certain changes need to be made to the Borough's HEFSP; and

WHEREAS, accordingly, the Borough's professionals have prepared an amendment to the HEFSP the Borough endorsed and filed with the Program in June of 2025; and

WHEREAS, that Amendment is attached hereto as Exhibit A; and

WHEREAS, on February 11, 2026, the Allendale Borough Land use Board adopted the Amendment; and

WHEREAS, after considering the comments of the public, the Borough of Allendale finds the Amendment to be in the best interest of the Borough;

NOW, THEREFORE, BE IT RESOLVED by the Borough Council of the Borough of Allendale, County of Bergen, State of New Jersey, as follows:

1. The Borough of Allendale hereby endorses the Amendment to the Housing Element and Fair Share Plan adopted by the Land Use Board on February 11, 2026.
2. The Borough hereby authorizes the Borough's professionals to make any non-substantive or *de minimis* revisions or clarifications as may be reasonably required to effectuate the intent of this Resolution and to facilitate review and approval of the Housing Element and Fair Share Plan as amended.
3. The Borough's professionals are hereby authorized to file such supplementary material as they deem appropriate to secure approval of the HEFSP as amended.
4. This Resolution shall take effect immediately upon adoption.

I hereby certify the above to be a true copy of a Resolution adopted by the Governing Body of the Borough of Allendale on February 19, 2026.

Linda Louise Cervino, RMC
Municipal Clerk

Amy Wilczynski
Mayor

RESOLUTION
BOROUGH OF ALLENDALE
BERGEN COUNTY, NJ

DATE: 02/19/2026

RESOLUTION# 26-104

Council	Motion	Second	Yes	No	Abstain	Absent
O'Connell						
O'Toole						
Lovisollo						
Homan						
Daloisio						
Yaccarino						
Mayor Wilczynski	-----	-----				

- Carried
- Defeated
- Tabled
- Approved on Consent Agenda

RESOLUTION OF THE BOROUGH COUNCIL OF THE BOROUGH OF ALLENDALE, COUNTY OF BERGEN, STATE OF NEW JERSEY, ADOPTING THE AFFIRMATIVE MARKETING PLAN PREPARED BY LECKINGTON ADVISORS, LLC

WHEREAS, the Borough of Allendale (“Borough”) is required to administer its affordable housing programs in accordance with the New Jersey Fair Housing Act, N.J.S.A. 52:27D-301 et seq., the Uniform Housing Affordability Controls (UHAC), N.J.A.C. 5:80-26.1 et seq., applicable court orders, and the Borough’s Court-approved Housing Element and Fair Share Plan; and

WHEREAS, the proper implementation of affordable housing programs requires that all housing opportunities be affirmatively marketed to low- and moderate-income households in compliance with State regulations, including targeted outreach to racial and ethnic minorities, persons with disabilities, and other protected classes; and

WHEREAS, Leckington Advisors, LLC, serving as the Borough’s affordable housing consultant, has prepared a comprehensive Affirmative Marketing Plan outlining procedures for public outreach, advertising methods, eligibility guidelines, referral networks, application intake, lottery protocols, and compliance monitoring; and

WHEREAS, the Borough Council has reviewed the Affirmative Marketing Plan and finds it compliant with UHAC requirements, consistent with the Borough’s affordable housing obligations, and in the best interest of ensuring fair and equal access to all affordable housing opportunities within the Borough; and

WHEREAS, the Borough Council desires to formally adopt the Affirmative Marketing Plan and authorize its use by Borough officials, staff, and the Borough’s Administrative Agent.

RESOLUTION
BOROUGH OF ALLENDALE
BERGEN COUNTY, NJ

DATE: 02/19/2026

RESOLUTION# 26-104

NOW, THEREFORE, BE IT RESOLVED by the Borough Council of the Borough of Allendale, County of Bergen, State of New Jersey, as follows:

1. The Borough Council hereby adopts the Affirmative Marketing Plan, as prepared by Marc Leckington of Leckington Advisors, LLC, for implementation in the administration of all affordable housing units and programs within the Borough.
2. The Borough Administrator, Municipal Housing Liaison, and the Borough's Administrative Agent are hereby authorized and directed to implement and enforce the policies and procedures contained in the Affirmative Marketing Plan.
3. The Affirmative Marketing Plan may be updated from time to time to ensure ongoing compliance with applicable law, provided such updates are approved by the Borough Council.
4. This Resolution shall take effect immediately upon adoption.

I hereby certify the above to be a true copy of a Resolution adopted by the Governing Body of the Borough of Allendale on February 19, 2026.

Linda Louise Cervino, RMC
Municipal Clerk

Amy Wilczynski
Mayor

The steps involved in conducting the randomization are as follows:

1. Download the complete database of all pre-applications in the applicant pool into Excel.
2. Identify and remove any duplicate records. When a duplicate record is found, the oldest record or records will be deleted, leaving the most recent record.
3. Using a Random Sequence Generator at Random.org, generate a set of random numbers beginning with 1 and ending with the total number of pre-applications. Select Get Sequence.
4. Print or save as PDF the resulting page as evidence of the random selection.
5. Paste the column of random numbers into a new column in the pre-application database, assigning each pre-applicant one of the randomly generated numbers.
6. Sort the spreadsheet based on the random number column.

III. MARKETING

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)

- White (non-Hispanic)
 Black (non-Hispanic)
 Hispanic
 American Indian or Alaskan Native
 Asian or Pacific Islander
 Other group:

REQUIRED

5:80-26.16(g)1 requires you to advertise your project on the New Jersey Housing Resource Center for at least sixty days before conducting the random selection.

- HOUSING RESOURCE CENTER** (www.njhousing.gov) A free, online listing of affordable housing

Regional Newspapers

5:80-26.16(g)3 requires you to advertise your project in at least one regional newspaper (either online or in print). You may also select several papers with partial regional coverage, as long as all counties in the region are covered.

TARGETS ENTIRE HOUSING REGION 1

			D-Digital or ND-Non-Digital
<input checked="" type="checkbox"/>	The Star Ledger	Entire Region	Both

Housing Search Websites – D – Digital

5:80-26.16(g)4 requires you to advertise your project on at least one housing search website in addition to the NJHRC. **“Housing search website”** means any publicly accessible internet-based platform used to advertise residential dwelling units to the general public, including but not limited to:

- Online real estate sections of newspapers or news organizations;
- Internet websites operated or maintained by a municipal AA or affordable housing service provider that advertise affordable units in one or more municipalities;
- Commercial real estate listing platforms; and
- Other comparable online platforms customarily used to market rental or ownership housing.

List below all housing search websites to be used:

NJ.com Real Estate Classifieds Page (<https://classifieds.nj.com/nj/category/real-estate>)

ELECTIVES

If you selected a print newspaper(s) as your regional paper above, select TWO additional strategies below with AT LEAST ONE NON-DIGITAL MARKETING STRATEGY.

If you selected a digital newspaper(s) as your regional paper above, select AT LEAST TWO NON-DIGITAL MARKETING STRATEGIES below.

Paid Targeted Digital Advertising (must be selected in addition to stations above) – D - Digital	
<i>5:80-26.16(e)1 offers paid targeted digital advertising as an option. Some common platforms are listed below.</i>	
<input type="checkbox"/>	Google Ads
<input type="checkbox"/>	Microsoft Ads
<input type="checkbox"/>	Bing Ads
<input type="checkbox"/>	Other (please list)

<input type="checkbox"/> Employers Throughout the Housing Region – ND – Non-Digital
<i>5:80-26-16(e)3 offers outreach to regional employers as an option. A comprehensive and regularly updated list of employers is available in the Marketing Outreach Tool. Please reach out to each listed employer in the region; you may add more if desired. If an employer no longer exists or has moved, please inform DCA.</i>

<input type="checkbox"/> Community Organizations Throughout the Housing Region – ND – Non-Digital
<i>5:80-26-16(e)4 offers community and regional organizations as an option, including nonprofit, religious, governmental, fraternal, civic, and other organizations. A comprehensive and regularly updated list of organizations is available in the Marketing Outreach Tool. Please reach out to each listed organization in the region. You may add more if desired. If an organization no longer exists or has moved, please inform DCA.</i>
The Fair Share Housing Center The Latino Action Network New State Conference of NAACP Bergen County NAACP Bergen Urban League Bergen County Housing Corporation

<input type="checkbox"/> Municipal and County Websites – D – Digital
<i>5:80-26-16(e)5 offers municipal and county website advertising as an option. Insert the URL for the municipality. To ensure regional outreach, advertise on all county websites listed below.</i>
Municipality: Borough of Allendale (https://www.allendalenj.gov)
Bergen County (https://www.bergencountynj.gov)
Passaic County (https://www.passaiccountynj.org)
Sussex County (https://www.sussex.nj.us)
Hudson County (https://www.hcnj.us)

<input type="checkbox"/> Social Media– D – Digital	
<i>5:80-26.16(e)6 offers social media as an option. Some common platforms are listed below. You may place ads on these platforms or market for free on your own page.</i>	
<input type="checkbox"/>	Facebook
<input type="checkbox"/>	TikTok
<input type="checkbox"/>	Instagram

<input type="checkbox"/>	Reddit
<input type="checkbox"/>	YouTube
<input type="checkbox"/>	Snapchat
<input type="checkbox"/>	Other (please list)
<input type="checkbox"/> Public Transit Stops – ND – Non-Digital	
A comprehensive and regularly updated list of NJ Transit stops is available at https://www.nj.gov/dca/hmfa/about/has/ , or in map form at njogis-newjersey.opendata.arcgis.com . Note that you must get permission from NJ Transit to post flyers.	
<input type="checkbox"/> Other Advertising Efforts to Groups Least Likely to be Reached	

IV. SUMMARY

Add additional outreach efforts chosen from the options above to supplement these mandatory efforts:

Non-Digital Outreach	Digital Outreach
The Fair Share Housing Center The Latino Action Network New State Conference of NAACP Bergen County NAACP Bergen Urban League Bergen County Housing Corporation	NJ.com Real Estate Classifieds Page (https://classifieds.nj.com/nj/category/real-estate) NJ Housing Resource Center

V. APPLICATIONS

Applications for affordable housing or notices thereof, if offered online, for the above units will be available in all County Administration Buildings and Libraries for all counties in the housing region:	
BUILDING	LOCATION
<input checked="" type="checkbox"/> Sussex County Main Library	125 Morris Turnpike, Newton, NJ 07860
<input checked="" type="checkbox"/> Hudson County Administration Building	595 Newark Avenue, Jersey City, NJ 07306
<input checked="" type="checkbox"/> Passaic County Administration Building	401 Grand Street, Paterson, NJ 07505
<input checked="" type="checkbox"/> Bergen County Administration Building	One Bergen County Plaza, Hackensack, NJ 07601
Municipality in which the units are located (list municipal building and municipal library and address)	
Allendale Borough (500 W Crescent Ave, Allendale, NJ 07401)	
Lee Memorial Library (500 W Crescent Ave, Allendale, NJ 07401)	
Sales/Rental Office for units (if applicable)	

V. CERTIFICATIONS AND ENDORSEMENTS

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 Municipality's compliance and/or any state funding.

Name (Type or Print)

Title/Municipality

Signature

Date