

ELIZABETH C. MCKENZIE, P.P., P.A.

COMMUNITY PLANNING AND DEVELOPMENT

9 MAIN STREET

FLEMINGTON, NEW JERSEY 08822

TELEPHONE (908) 782-5564

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June 8, 2010

Eileen Swan, Executive Director
New Jersey Highlands Water Protection and Planning Council
100 North Road, County Route 513
Chester, New Jersey 07930-2322
DELIVERED BY PERSONAL SERVICE

Re: Adopted 2010 Third Round Housing Element and Fair Share Plan for the Borough of Califon

Dear Ms. Swan:

Enclosed please find one copy of the adopted 2010 Third Round Housing Element and Fair Share Plan for the Borough of Califon, along with a CD containing this document in electronic (pdf) format. This document was adopted by the Planning Board following a public hearing on June 7, 2010. It was endorsed by the Borough Council, also on June 7, 2010, and submitted with a petition for substantive certification to COAH on June 8, 2010. Copies of the Resolutions adopting this document and endorsing it and petitioning for substantive certification and of the COAH Application are also enclosed. Please place this material in your Califon Borough file. If you should require anything else in connection with this submission, please do not hesitate to let me know.

Very truly yours,

Elizabeth C. McKenzie, AICP, PP

Enclosures

cc: Peter Jost, Esquire
William Caldwell, Esquire
Laura Eidsvaag, RMC, Borough Clerk (with enclosures)
Linda Beers, Planning Board Secretary (with enclosures)
The Honorable Charles Daniel, Mayor
Bruce Morrow, Planning Board Chairman
New Jersey Highlands Council (with enclosures)
New Jersey Council on Affordable Housing (with enclosures)
Caroline Armstrong, AICP, PP (with enclosures)

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COPY

June 8, 2010

BY PERSONAL SERVICE

New Jersey Council on Affordable Housing
101 South Broad Street
Seventh Floor
Trenton, New Jersey 08625-0813

Attention: Sean Thompson, Acting Executive Director

Re: Borough of Califon, Hunterdon County - Petition for Substantive Certification of 2010 Third Round Housing Element and Fair Share Plan

Dear Mr. Thompson:

The Borough of Califon, Hunterdon County, is pleased to submit the following documents to the Council on Affordable Housing in support of its Petition for Substantive Certification, which was adopted by Resolution of the Califon Borough Council on June 7, 2010.

1. Three (3) copies plus one CD containing a pdf version of the 2010 Third Round Housing Element and Fair Share Plan, adopted by the Califon Borough Planning Board on June 7, 2010.
2. Three (3) copies of the Califon Planning Board's Resolution dated June 7, 2010, adopting the 2010 Third Round Housing Element and Fair Share Plan.
3. Three (3) copies of the Resolution adopted by the Califon Borough Council on June 7, 2010, endorsing the 2010 Third Round Housing Element and Fair Share Plan and petitioning for Substantive Certification of that document.
4. One copy of the 2007 Reexamination Report for the Borough of Califon which was adopted as an amendment to the 1995 Master Plan (already on file with COAH).
5. One copy of Califon Borough's current Land Development Ordinance.
6. Three (3) copies of an updated Service List.
7. One full-sized set of current Tax Maps for the Borough.
8. Three (3) copies of the completed Application Form.

ELIZABETH C. MCKENZIE, P.P., P.A.

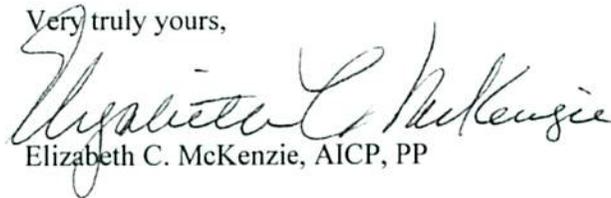
New Jersey Council on Affordable Housing
June 8, 2010
Page Two of Two

9. One copy each of the letters transmitting copies of the adopted 2010 Third Round Housing Element and Fair Share Plan to the Hunterdon County Planning Board and to the New Jersey Highlands Council.

Notice of the Borough's petition for Substantive Certification will be published in a newspaper of general circulation within the County upon confirmation that our submission is complete for the purposes of notification. A copy of the Proof of Publication will be forwarded to COAH as soon as it has been received by the Borough Clerk.

Should you or your staff have any questions concerning our submission or require additional material, please do not hesitate to call me.

Very truly yours,



Elizabeth C. McKenzie, AICP, PP

Enclosures

cc: Eileen Swan, Executive Director, New Jersey Highlands Council (with encl.)
Susan Dziamara, Planning Director, Hunterdon County Planning Department (with encl.)
Peter Jost, Esquire, Borough Attorney (without encl.)
William Caldwell, Esquire, Planning Board Attorney (without encl.)
Laura Eidsvaag, RMC, Borough Clerk (with encl.)
Linda Beers, Planning Board Secretary (with encl.)
Caroline Armstrong, AICP, PP (with encl.)
The Honorable Charles Daniel, Mayor (without encl.)
Bruce Morrow, Planning Board Chair (without encl.)

COPY

ELIZABETH C. MCKENZIE, P.P., P.A.

COMMUNITY PLANNING AND DEVELOPMENT

9 MAIN STREET

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TELEPHONE (908) 782-5564

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June 8, 2010

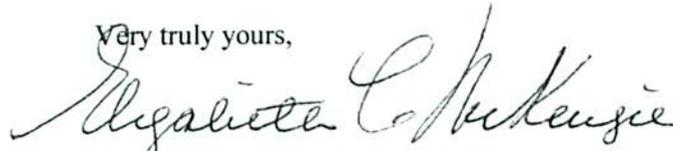
Susan Dziamara, P.P.
Director, Hunterdon County Planning Department
Hunterdon County Administration Building
Route 12
P.O. Box 2900
Flemington, New Jersey 08822
DELIVERED BY PERSONAL SERVICE

Re: Adopted 2010 Third Round Housing Element and Fair Share Plan for the Borough of Califon

Dear Ms. Dziamara:

Enclosed please find one copy of the adopted 2010 Third Round Housing Element and Fair Share Plan for the Borough of Califon. This document was adopted by the Planning Board following a public hearing on June 7, 2010. It was endorsed by the Borough Council, also on June 7, 2010, and submitted with a petition for substantive certification to COAH, with a copy to the Highlands Council. The Resolutions adopting this document and endorsing it and petitioning for substantive certification are also enclosed. Please place this material in your Califon Borough file.

Very truly yours,



Elizabeth C. McKenzie, AICP, PP

Enclosures

cc: Peter Jost, Esquire
William Caldwell, Esquire
Laura Eidsvaag, RMC, Borough Clerk (with enclosures)
Linda Beers, Planning Board Secretary (with enclosures)
The Honorable Charles Daniel, Mayor
Bruce Morrow, Planning Board Chairman
New Jersey Highlands Council (with enclosures)
New Jersey Council on Affordable Housing (with enclosures)

BOROUGH OF CALIFON
COUNTY OF HUNTERDON, STATE OF NEW JERSEY

RESOLUTION ENDORSING THE ADOPTED THIRD ROUND
HOUSING ELEMENT AND FAIR SHARE PLAN
AND PETITIONING THE NEW JERSEY COUNCIL ON AFFORDABLE HOUSING
FOR SUBSTANTIVE CERTIFICATION

Resolution 2010-62

WHEREAS, the Califon Borough Planning Board did consider and hold a public hearing on a proposed Third Round Housing Element and Fair Share Plan at a special meeting of said Planning Board held on June 7, 2010, and did on that date adopt said Third Round Housing Element and Fair Share Plan; and

WHEREAS, the Califon Borough Planning Board has recommended that the Borough Council of the Borough of Califon endorse the adopted Third Round Housing Element and Fair Share Plan and submit it to the New Jersey Council on Affordable Housing (COAH) along with a resolution petitioning COAH for substantive certification of the Third Round Housing Element and Fair Share Plan; and

WHEREAS, the Borough Council of the Borough of Califon, County of Hunterdon, State of New Jersey, desires to petition the New Jersey Council on Affordable Housing (COAH) for substantive certification of Califon Borough's Third Round Housing Element and Fair Share Plan;

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

1. The Borough Council of the Borough of Califon does hereby endorse the Third Round Housing Element and Fair Share Plan as adopted by the Planning Board on June 7, 2010; and
2. The Borough Council of the Borough of Califon does hereby petition COAH for substantive certification of Califon Borough's Third Round Housing Element and Fair Share Plan as adopted by the Planning Board on June 7, 2010; and
3. The Borough Council of the Borough of Califon does hereby direct that a copy of this resolution shall be submitted to COAH immediately, along with a copy of the adopted Third Round Housing Element and Fair Share Plan and any other materials required by COAH in connection with a petition for substantive certification; and
4. Notice of the petition for substantive certification of Califon's Third Round Housing Element and Fair Share Plan shall be given within seven (7) days of notification from COAH's Executive Director that Califon's petition for substantive certification is complete; said notice shall appear in a newspaper of general circulation throughout the County and shall be served upon all interested parties as required at N.J.A.C. 5:95-3.7.

CERTIFICATION

I, Laura Eidsvaag, RMC, Clerk of the Borough of Califon, hereby certify the foregoing to be a true copy of a resolution adopted by the Borough Council of the Borough of Califon at a duly convened meeting held on the 7th day of June, 2010.



Laura Eidsvaag, RMC, Borough Clerk

RESOLUTION OF THE PLANNING BOARD (2010-04)
OF THE BOROUGH OF CALIFON, HUNTERDON COUNTY, NEW JERSEY
ADOPTING THE 2010 THIRD ROUND HOUSING ELEMENT AND FAIR SHARE PLAN
AND RECOMMENDING THAT THE BOROUGH COUNCIL
PETITION COAH FOR SUBSTANTIVE CERTIFICATION OF THE
ADOPTED 2010 THIRD ROUND HOUSING ELEMENT AND FAIR SHARE PLAN

WHEREAS, the Planning Board of the Borough of Califon has the statutory power, after public hearing, to adopt or amend a Master Plan, and any of the elements thereto, to guide the use of the lands within the Borough in a manner that protects public health and safety and promotes the general welfare pursuant to N.J.S.A. 40:55D-28; and

WHEREAS, the Planning Board has reviewed and considered the proposed 2010 Third Round Housing Element and Fair Share Plan dated May 13, 2010; and

WHEREAS, notice was duly given, and a public hearing was held on June 7, 2010, to obtain input from the public on the proposed 2010 Third Round Housing Element and Fair Share Plan;

NOW, THEREFORE BE IT RESOLVED, that the Planning Board of the Borough of Califon hereby adopts the proposed 2010 Third Round Housing Element and Fair Share Plan; and

BE IT FURTHER RESOLVED, that the Planning Board of the Borough of Califon hereby recommends that the adopted 2010 Third Round Housing Element and Fair Share Plan, along with all appendices and supplementary material that may be required by COAH, be endorsed by the Borough Council of the Borough of Califon and submitted to the New Jersey Council on Affordable Housing (COAH) along with a resolution petitioning COAH for substantive certification of Califon's 2010 Third Round Housing Element and Fair Share Plan.

BE IT FURTHER RESOLVED, that the Planning Board of the Borough of Califon hereby directs that a copy of the adopted 2010 Third Round Housing Element and Fair Share

Plan in the form in which it is submitted to COAH also be filed with the New Jersey Highlands Council in fulfillment of the Module 3 Basic Plan Conformance requirements.

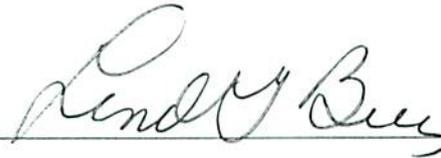
BE IT FURTHER RESOLVED, that the Planning Board of the Borough of Califon hereby directs that a copy of the adopted 2010 Third Round Housing Element and Fair Share Plan in the form in which it is submitted to COAH also be filed with the Hunterdon County Planning Board within 30 days of its adoption as required by the Municipal Land Use Law.



Linda Beers, Planning Board Secretary

CERTIFICATION

I, Linda Beers, Califon Borough Planning Board Secretary, hereby certify that the foregoing resolution was adopted by the Planning Board of the Borough of Califon at a special meeting held on the 7th day of June, 2010.

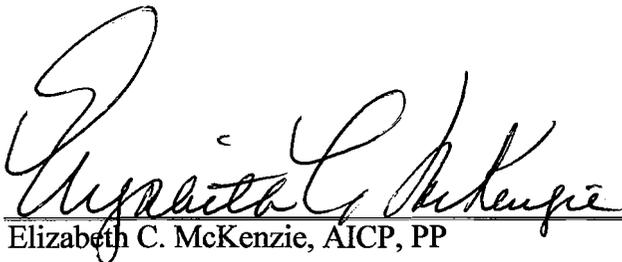


Linda Beers, Planning Board Secretary

CALIFON BOROUGH
Hunterdon County

**Third Round
Housing Element
and
Fair Share Plan**

Adopted by the Planning Board June 7, 2010
and
Endorsed by the Borough Council June 7, 2010



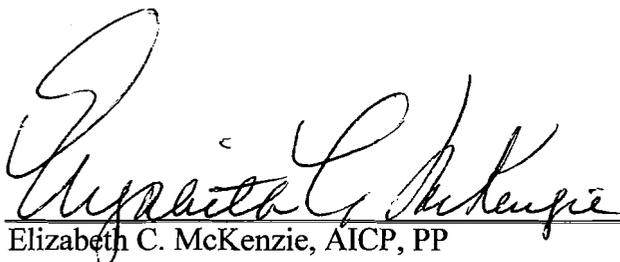
Elizabeth C. McKenzie, AICP, PP

License No. 33LI00229400

CALIFON BOROUGH
Hunterdon County

Third Round
Housing Element
and
Fair Share Plan

Adopted by the Planning Board June 7, 2010
and
Endorsed by the Borough Council June 7, 2010



Elizabeth C. McKenzie, AICP, PP

License No. 33LI00229400

TABLE OF CONTENTS

HOUSING ELEMENT

Overview.....	1
Goals and Objectives of the Housing Element and Fair Share Plan.....	2
Housing, Demographic and Employment Information.....	3
Summary of Califon Borough’s Past Affordable Housing Activities.....	3
Justification for Adjustment to Prior Round Obligation Due to Insufficient Vacant Developable Land.....	5
Issues for Potential Future Affordable Housing Opportunities.....	5
Califon’s Third Round Affordable Housing Obligations.....	6
Projected Housing, Demographic and Employment Changes and Capacity to Accommodate Growth Projections and Growth Share Obligation.....	8
Rehabilitation Obligation.....	9
Requirements for Addressing a Growth Share Obligation.....	9
Potential Opportunities to Satisfy the Growth Share Obligation.....	10
Documentation of Sites.....	11
Accessory Apartments Program.....	11
Availability of Infrastructure/Effect on Future Growth and Development Potential.....	12
Anticipated Land Use Patterns, Anticipated Demand for Projected Growth and Economic Impact.....	13
Development Constraints.....	13
Summary of Califon’s Third Round Affordable Housing Plan.....	13

HOUSING ELEMENT APPENDICES

APPENDIX A

Inventory of Municipal Housing Conditions

APPENDIX B

Analysis of Demographic Characteristics

APPENDIX C

Summary of Employment Data

APPENDIX D

Vacant Land Analysis (Prior Round RDP Calculation)

APPENDIX E

COAH Workbooks for Calculation of Growth Share Obligation

APPENDIX F

Highlands Build-Out Analysis (Module 2 of Basic Plan Conformance)

APPENDIX G
Mapping of Prior Round Sites

APPENDIX H
Mapping of Third Round Sites

FAIR SHARE PLAN

Description of Obligation.....	1
Rehabilitation Program.....	2
Prior Round Accessory Apartments Program.....	2
Prior Round NORWESCAP Site.....	3
Third Round Proposals.....	3
Exempt Development on Two Sites.....	3
Unanticipated Inclusionary Development.....	4
Housing Transfers.....	4
Affordable Housing Ordinance and Affirmative Marketing Plan.....	4
Development Fee Ordinances and Spending Plan.....	4
Summary.....	5

FAIR SHARE PLAN APPENDICES

APPENDIX A
Affordable Housing Ordinance

APPENDIX B
Affirmative Marketing Plan

APPENDIX C
Accessory Apartment Program Documentation

APPENDIX D
Rehabilitation Program Documentation

APPENDIX E
Existing and Proposed Development Fee Ordinances and Escrow Agreement

APPENDIX F
Proposed Spending Plan and Resolution of Intent to Fund Rehabilitation Program

APPENDIX G
Resolution of Intent to Contract with Administrative Agent

APPENDIX H

**Ordinance Creating Position of Municipal Affordable Housing Liaison and Resolution
Appointing a Municipal Affordable Housing Liaison to Fill That Position**

HOUSING ELEMENT

HOUSING ELEMENT

Overview

This Housing Element has been prepared in accordance with the Municipal Land Use Law (MLUL) at N.J.S.A. 40:55D-28b(3) to address Califon Borough's affordable housing obligations for the third round, covering the period from 2004 to 2018 (but also including the housing need generated between 2000 and 2004). This Plan includes the minimum requirements presented at N.J.S.A. 52:27D-310, the Fair Housing Act, and the information required pursuant to N.J.A.C. 5:97-2.3 and 3.2.

According to the Fair Housing Act, municipalities that choose to enact and enforce a zoning ordinance are obligated to prepare and adopt a Housing Element as part of the community's Master Plan. The Fair Housing Act established the Council on Affordable Housing (COAH) as the State agency to administer municipal implementation of municipal Housing Elements and Fair Share Plans and to create rules and regulations regarding the development of low- and moderate-income housing in the State. COAH has established both Procedural and Substantive Rules for municipalities to adhere to in addressing their affordable housing obligations. To receive certification from COAH, a municipality must not only adopt the required Housing Element of the Master Plan but also adopt a Fair Share Plan that includes all of the implementation strategies, including the specific ordinances, plans, timetables and resolutions that are needed to carry out the plan. Once certified by COAH, a municipality's Housing Element and Fair Share Plan is now entitled to a *ten-year* presumption of validity against a builders remedy challenge, as long as the municipality continues to implement the plan in accordance with COAH's approval.

COAH's first round regulations covered the time period from 1987 to 1993. In 1994, COAH adopted new Substantive Rules establishing the requirements for the second round of affordable housing plans, covering the twelve year cumulative period from 1987 to 1999.

The Substantive Rules for COAH's third round were initially adopted on December 20, 2004, to cover the period from January, 2000, to December, 2013. These third round Rules were challenged, and in January of 2007, the Appellate Court invalidated large portions of the 2004 Rules. As a result, COAH went back to the drawing boards and prepared new Rules, which were introduced in December of 2007 and adopted in May of 2008. COAH received an overwhelming number of comments on the December, 2007, Rule proposals. Consequently, when COAH adopted the Rules, it simultaneously introduced a set of comprehensive amendments to the newly adopted Rules. These amendments were adopted in September of 2008. In addition, the New Jersey Legislature adopted amendments to the Fair Housing Act in June of 2008 that were signed into law by the Governor in July of 2008. The amendments to the Fair Housing Act affect, among other things, the requirement to provide very low income housing and the role of non-residential developments in providing affordable housing.

The Rules now in effect provide that municipalities address a third round fair share obligation based upon COAH's projections of growth in households and employment in each municipality during the delivery period. Municipalities are now required to provide one affordable housing

unit for every four market priced housing units projected and one affordable housing unit for every 16 jobs projected.

Municipalities located within the Highlands Region, as Califon Borough is, were given an extension of time in which to prepare and submit a third round Housing Element and Fair Share Plan so that the plan could be coordinated with the municipality's Highlands Regional Master Plan conformance efforts.

Califon Borough submitted the documents and resolution required for Basic Plan Conformance in the Highlands Preservation Area, which encompasses the entire Borough, by the deadline of December 8, 2009. The submission has been deemed complete, but the Borough has not yet received any substantive review of its submission from the Highlands Council.

The overriding policy guiding the preparation of this Housing Element and Fair Share Plan has been to ensure the continuing provision of affordable housing in the Borough while at the same time acknowledging the limitations imposed by the NJDEP regulations for development in the Highlands Preservation Area.

Goals and Objectives of the Housing Element and Fair Share Plan

In furtherance of Califon Borough's efforts to ensure sound planning within the Highlands Area, this Plan incorporates the following goals and objectives with respect to the provision of affordable housing in Califon Borough:

1. To the extent feasible, the plan will utilize the existing housing stock and/or previously approved developments that are already vested.
2. To provide a realistic opportunity for the provision of the municipal share of the region's present and prospective needs for housing for low- and moderate-income families.
3. To the maximum extent feasible, to incorporate affordable housing units into any new residential construction that occurs within the Highlands Area including any mixed use, redevelopment, and/or adaptive reuse projects.
4. To preserve and monitor the existing affordable housing stock in the Borough.
5. To reduce long term housing costs wherever possible through:
 - a. Implementation of green building and energy efficient technology in the rehabilitation, redevelopment and development of housing. Recent innovations in building practices and development regulations reflect significant energy efficiency measures, and therefore cost reductions, through building materials, energy efficient appliances, water conservation measures, innovative and

alternative technologies that support conservation practices, and common sense practices such as recycling and re-use.

- b. Promotion of the use of sustainable site design, efficient water management, energy efficient technologies, green building materials and equipment, and retrofitting for efficiencies.
 - c. Maximizing the efficient use of existing infrastructure, through such means as redevelopment, infill and adaptive reuse.
6. To use a smart growth approach to achieving housing needs:
- a. To the extent feasible, to use land more efficiently to engender economically vibrant communities, complete with jobs, houses, shopping, recreation, entertainment and multiple modes of transportation.
 - b. To support a diverse mix of housing that offers a wide range of choice in terms of value, type and location. In addition, to achieve quality housing design that provides adequate light, air, and open space.
 - c. To target affordable housing units for areas with existing higher densities, free of environmental constraints, and within walking distance of schools, employment, services, transit and community facilities with sufficient capacity to support them.

Housing, Demographic and Employment Information

Appendices A, B and C to this Housing Element contain the Housing, Demographic and Employment background information required by COAH.

Summary of Califon Borough's Past Affordable Housing Activities

In 1986, when the New Jersey Council on Affordable Housing (COAH) was issuing its first round of affordable housing allocations covering the period from 1987 to 1993, rural municipalities, such as Califon, were not required to help meet regional housing needs; they were merely expected to address their own indigenous needs on the premise that they were not growing communities (they were located outside of the Growth Area shown in the 1978 State Development Guide Plan).

Consequently, in 1986, COAH calculated Califon's first round affordable housing obligation to be five (5) units. These five (5) units reflected an estimate, based on the 1980 U.S. Census data of the Borough's indigenous affordable housing need, or the need to rehabilitate existing substandard housing units located in Califon and already occupied by low and moderate income households.

In response to this first round housing allocation, Califon formulated a plan for, and funded, a housing rehabilitation program targeted at five (5) units of substandard housing occupied by low

and moderate income households. Subsequently, Califon petitioned COAH for Substantive Certification of its first round Compliance Plan, and COAH granted Substantive Certification to Califon in March, 1990. In 1996, the Hunterdon County Housing Corporation (HCHC), which no longer exists, agreed to administer the Borough's housing rehabilitation program, and all five (5) units were rehabilitated.

In 1993, COAH changed its position with respect to rural municipalities. When the second round of fair share allocations was issued by COAH in 1993, all municipalities were required to help meet regional housing needs in addition to their own indigenous needs. COAH adjusted its formula for calculating the second round (1993-1999) fair share housing allocations to reflect this change in policy. The fair share housing allocation assigned to Califon by COAH for the 1993-1999 compliance period (now referred to as the prior round) was twenty-six (26) units of affordable housing. Five (5) of these units reflected the 1990 Census-based determination of the indigenous housing need in Califon. Since all five (5) of the units rehabilitated to address the Borough's first round obligation were completed well after the 1990 Census, there was no further rehabilitation obligation for the second round. The remaining 21 units represented the Borough's fair share of present and prospective regional housing needs.

Califon filed a second round Housing Element and Fair Share Plan with COAH before its first round Substantive Certification period was due to end in March, 1996. While awaiting Substantive Certification of its second round plan, Califon discovered that certain aspects of its new plan were proving to be unworkable despite the Borough's high hopes and best efforts. Consequently, it amended its plan and filed a new petition for Substantive Certification. After a lengthy review period, with many concerns and questions raised by COAH during that review, the Borough's petition for Substantive Certification of the prior round plan was ultimately granted by COAH on June 5, 2002.

That plan had proposed to address the Borough's 21 unit prior round new construction obligation with three separate programs: 1) a five-bedroom alternative living facility to be constructed and operated by NORWESCAP on the site of the former "Basket Factory" (a 0.6 acre portion of Lots 20, 21 and 22 in Block 6) on Center Street; 2) a 6-bedroom ARC group home to be constructed on a lot created from a portion of the Staiano property (Lot 25, Block 18), pending approval of a subdivision of the entire property into several lots; and a five (5) unit accessory apartment program.

The Borough had been hard-pressed to come up with a plan to provide 21 new affordable housing units in the first place due to the absence of sewers within the Borough and the presence of steep slopes and flood plains on most of its undeveloped lots. The Legislature's adoption of the Highlands Act in 2004 and the resulting inclusion of all of Califon Borough within the Highlands Preservation Area has completely thwarted the Borough's ability to implement its Second Round Housing Element and Fair Share Plan.

The Borough made every effort to implement its certified plan, even conveying the deed restricted "Basket Factory" property to NORWESCAP for a dollar. To date, however, NORWESCAP has not proceeded with the development of this property due to a combination of

its reconsideration of the originally proposed housing format, its lack of capital funding and, perhaps, trepidation in the face of the NJDEP regulatory restrictions for the Highlands Preservation Area. The NJDEP regulations permit waivers to be granted for 100% affordable housing developments, but Califon's experience to date has been that this is not an automatic process and it is certainly not the same thing as an exemption. Nevertheless, NORWESCAP has declined to convey the "Basket Factory" site back to the Borough, so perhaps there is some hope that this site will eventually produce affordable housing.

The Staiano subdivision, when it was finally presented to the Planning Board, was found not to be approvable due to the inability to comply with the NJDEP Stormwater Management regulations as well as other NJDEP regulations resulting from the Highlands Act. Consequently, the objective of acquiring a lot from that developer for an ARC group home had to be abandoned.

Lastly, while there was some early interest in the accessory apartments program, none of the prospective applicants proceeded through the approval process. The Borough has put the \$50,000 of required funding for the accessory apartment program into escrow, however, and that money remains available to qualified applicants.

Justification for Adjustment to Prior Round Obligation Due to Insufficient Vacant Developable Land

As a result of the foregoing circumstances, the Borough now has no alternative but to seek an adjustment of its prior round obligation due to insufficient vacant developable land.

In 2008, in anticipation of the Borough's submission of a Third Round Housing Element and Fair Share Plan to COAH in December of that year, an analysis was undertaken of the capacity of the Borough's remaining vacant developable land to accommodate inclusionary development, using the Highlands septic density limits for the Preservation Area. Based on that analysis, the *Borough now seeks an adjustment of its prior round obligation to zero*. A copy of the vacant land analysis is included in Appendix D to this report.

Of course, should NORWESCAP find that the development of the "Basket Factory" site with a single-family dwelling offering supportive shared living opportunities to low and/or moderate income persons, whether elderly or not, is feasible and fundable, then any credits for such development would be applied to the "unmet need" created by the vacant land adjustment. Additionally, should there be renewed interest from Borough property owners in the accessory apartment program, any units created under what will have to be a modified version of that program to meet Highlands requirements could also help to offset the "unmet need".

Issues for Potential Future Affordable Housing Opportunities

In 2005, representatives of the Borough met with representatives of both COAH and the Highlands Council to discuss the implementation problems the Borough was facing with its prior round plan. Following that meeting, the Borough applied for and received a Highlands Grant to

study alternative wastewater treatment facilities that might enable existing sites to be redeveloped or adaptively reused for affordable housing. The result was a comprehensive analysis of the available alternatives for small scale wastewater treatment facilities. The study culminated in a report, entitled Evaluation of Innovative/Alternative Wastewater Treatment Technologies, prepared by Keller and Kirkpatrick and dated March 24, 2006, that provides a compendium of available wastewater treatment alternatives for smaller projects. It is not certain that any of these wastewater treatment alternatives would be acceptable to the NJDEP in the Highlands Preservation Area, however, as Califon has experienced resistance to their use even for 100% affordable housing developments by the NJDEP.

In approximately 2006, Habitat for Humanity approached the Borough of Califon about the potential to use the Tiger property (Lot 13, Block 8) for a 100% affordable housing development. At that time, it was understood that a Municipal Land Acquisition Fund was going to be made available to assist municipalities in acquiring land for municipally sponsored affordable housing developments. Clearly, there is no such fund. Moreover, in preliminary discussions with NJDEP staff, it became evident that there would be resistance to anything other than a conventional septic system serving one (or perhaps two) dwelling units on the Tiger property. Habitat has walked away from the property for the time being, although communication between Borough and Habitat representatives remains open.

Califon’s Third Round Affordable Housing Obligations

Components of the Third Round Obligation, Per COAH

COAH’s determination of the municipal third round fair share obligation is comprised of three components: the prior round obligation (left over from the second round), the rehabilitation obligation and the third round “growth share” obligation. For the Borough of Califon, the COAH numbers are as follows:

Third Round Total Affordable Housing Obligation

Prior Round Obligation	21
Rehabilitation Obligation	3
Third Round Obligation	7
Total	31

COAH’s determination of the presumptive third round growth share obligation is based on its consultants’ projections of household and employment growth by municipality through the year 2018. The 7 unit third round obligation for the Borough is based upon a projected employment growth of 40 jobs and a projected household growth of 24 dwelling units, all between January 1, 2004 and December 31, 2018. COAH then divides the projected household growth by 5 and the

projected employment growth by 16 and adds the two results together to determine the third round fair share obligation.

Determination of Applicable Obligation for Highlands Communities

Municipalities that are located in the Highlands Area and that are either required to conform to the Highlands Regional Master Plan or elect to do so are subject to limitations on the amount of development that will be permitted due to the amount and capacity of vacant developable land in both wastewater and septic system service areas, utility capacity and resource based capacity (Net Water Availability).

As demonstrated in the Table below (developed from Table 4 of the Municipal Build-Out Analysis prepared by the Highlands Council for Califon), the Highlands Council has determined that Califon has a maximum future build-out of no new dwelling units and no new employment opportunities based on septic density limitations. Therefore, the Borough has no projected “growth share” obligation. This maximum build-out number does not take into account development that is exempted from the Highlands Act. Exempted development (generally isolated single-family dwellings) could increase the actual build out of the Borough and thereby create a “growth share” obligation.

Municipal Build-Out Results with Resource and Utility Constraints

	Preservation Area	Planning Area	Totals
Residential units –			
Sewered	0	N/A	0
Septic System Yield	0	N/A	0
Total Residential Units	0	N/A	0
Non-Residential Jobs –			
Sewered	0	N/A	0

Source: Table 4, *Municipal Build-Out Report for Califon Borough, prepared by New Jersey Highlands Council, 2009.*

Municipalities conforming in the Highlands Area may elect to use either the Highlands full build-out number or the COAH projection through 2018. If a Highlands municipality elects to use the Highlands build-out number, it is also obligated to address the fair share obligation associated with any growth that has occurred in the municipality since January 1, 2004.

According to *The New Jersey Construction Reporter*, a total of four (4) residential Certificates of Occupancy were issued in the Borough from January 1, 2004, through July 31, 2009. Additionally, a Certificate of Occupancy was issued for a total of 14,129 square feet of mercantile space, according to the same source. The mercantile space was a pharmacy that obtained site plan approval just before the effective date of the NJDEP Highlands Preservation Area regulations.

Based on COAH’s “growth share” requirements, the four (4) residential units constructed since January 1, 2004, have generated an obligation for 0.8 affordable housing units, and the non-residential space constructed since January 1, 2004, has generated an obligation for another 1.5 affordable housing units, per Appendix D of COAH’s Substantive Rules. Califon thus has incurred a total growth share obligation from January 1, 2004, through July 31, 2009, of 2.3 or three (3) affordable housing units despite the zero future build-out potential within the Borough.

Rounding the 2.3 number up to three (3) units, as COAH requires, will help to cover unanticipated growth due to isolated single-family residential development that is exempted from the Highlands regulations.

Califon’s third round growth share obligation is three (3) units, rather than COAH’s projected growth share obligation of seven (7) units. Considering both the reduction in the prior round obligation to an RDP of zero (with an unmet need of 21) and the reduction in the growth share obligation, Califon’s adjusted third round affordable housing obligation is six (6) units (with a 21 unit unmet need):

Third Round Adjusted Affordable Housing Obligation

Prior Round Obligation – RDP	0 (with 21 unit Unmet Need)
Rehabilitation Obligation	3
Third Round Obligation	3
Total	6

Appendix E of this document presents Workbook A, COAH’s calculation of the Borough’s current third round growth share obligation, as well as Workbook D, the calculation based on the Highlands Build-Out Analysis. Appendix F of this Housing Element presents the Highlands Build-Out Analysis (Module 2 of the Basic Plan Conformance Requirements).

Projected Housing, Demographic and Employment Changes and Capacity to Accommodate Growth Projections and Growth Share Obligation

In view of the very low septic densities permitted within the Highlands Preservation Area, and the fact that Califon has no sewer service, no new development can occur except in the context of development that would be exempt from the Highlands Act (generally single-family homes on existing isolated vacant lots or replacement dwellings on developed lots) or 100% affordable housing developments that receive a waiver of the Highlands Preservation Area regulations from the NJDEP.

The probability of little or no development occurring in Califon as a result of its designation as Highlands Preservation Area is reflected in the very low projection of growth embodied in the Build-Out Analysis and the discouraging results of recent efforts to interest Habitat for Humanity in undertaking construction in the Borough. ***For this reason, the Borough will be requesting a waiver of the obligation to address its third round growth share obligation.*** This does not mean that the Borough will not continue to work cooperatively with Habitat for Humanity and various special needs housing providers in an effort to bring affordable housing to the Borough, but it cannot assure COAH that any of this will occur. The Borough cannot and is not required by the Fair Housing Act to fund the production of affordable housing, and inclusionary zoning is out of the question. If an intermunicipal transfer opportunity should arise within the Highlands Region that does not require the Borough to pay for the cost of constructing affordable housing units elsewhere, Califon would be willing to participate in such a program.

Rehabilitation Obligation

The Borough acknowledges that it has an obligation to fund and arrange for the administration of a housing rehabilitation program targeted at the rehabilitation to a standard condition of three (3) existing housing units in the Borough that are currently occupied by qualified low and moderate income households. The terms of the rehabilitation program are described within the Fair Share portion of this Housing Element and Fair Share Plan.

Requirements for Addressing a Growth Share Obligation

According to COAH's current Rules, together with the 2008 amendments to the Fair Housing Act, at least half of the Borough's three (3) unit growth share obligation must be provided as family housing units, meaning available to the general public (i.e. not age-restricted and not special needs units).

Also, according to the Rules, the maximum number of units that can be age-restricted out of the growth share obligation is, as it was in the prior round, 25% of the total, or, in Califon's case, zero (0) units.

The Borough has a minimum third round rental obligation of 25% of the three (3) unit growth share obligation, or one (1) unit. At least 50% - in this case, the one and only unit - of the rental obligation must be a family rental unit available to the general public. The third round rental obligation is in addition to the prior round rental obligation of six (6) units.

In municipalities with larger growth share obligations, there is an opportunity to use bonus credits to satisfy up to 25% of the growth share obligation. Since Califon's growth share obligation is so low, it cannot avail itself of any bonus credits.

Based upon the 2008 amendments to the Fair Housing Act, the Borough also has an obligation to provide very low income housing, defined as housing affordable to households earning 30% or less of median income for the region. At least 13% of all housing units created to satisfy the

third round growth share obligation must be affordable to very low income households, and at least 50% of the very low income housing must be in the form of family units - available to the general public. In Califon Borough's case, the very low income housing obligation equates to one (1), which must be a family unit unless a waiver can be obtained from COAH to allow the very low income housing obligation to be met with special needs units.

Potential Opportunities to Satisfy the Growth Share Obligation

Califon acknowledges that COAH's Rules require the third round growth share obligation to be satisfied even though the Borough is entitled to a vacant land adjustment for the prior round. Califon further acknowledges that the growth attributed to the Borough between January 1, 2004 and July of 2009 did indeed occur. The Borough simply has no realistic way to guarantee that affordable housing will, indeed, be built in Califon, at least not without substantial municipal subsidies, which the Borough is unable to commit to providing. It has not collected any development fees to date and does not anticipate collecting any in the future. Nevertheless, its plan to address the third round growth share obligation is as follows:

Exempt Development on Two Sites

The Borough continues to look at two potential sites on which the three (3) unit growth share obligation might be able to be addressed. One is the Tiger property (Block 8, Lot 13), on which Habitat for Humanity and the Borough had, in 2006, unsuccessfully explored with the NJDEP the possibility of obtaining waivers from the Highlands Preservation Area regulations in order to develop one or more single or two family affordable dwellings. The second site is the still undeveloped portion of the Wade property (Block 2, Lot 3.1) behind the new pharmacy.

Each of these two sites could be eligible for the development of one single-family home, perhaps offering supportive shared living for persons with special needs, under a Highlands exemption, assuming a provider with sufficient funding could be found. The Borough does not have the funds to offer its own support for such a project, nor is it required to do so, pursuant to the Fair Housing Act.

The above-described special needs supportive shared living housing would satisfy the growth share obligation number, but waivers from certain of COAH's requirements would still have to be sought (for example, the 50% family housing requirement and the 50% very low income family housing requirement would not be met). Alternatively, if Habitat for Humanity were able to construct a single-family home under an exemption on an existing vacant lot, the extent of the waivers required could be lessened, but the growth share number would not be satisfied.

Highlands Redevelopment

One potential mechanism for satisfying the growth share obligation is the Highlands Redevelopment approach. This approach is not like redevelopment in the traditional sense (under the Local Redevelopment and Housing Law), in that it does not require municipal condemnation of properties. Instead, Califon would provide, *through its zoning*, a more intense

use of selected *previously developed* sites (or portions of sites) so as to create affordable housing opportunities. If Highlands Redevelopment opportunities arise, it may be possible to obtain an affordable housing unit or two in that context, as well. The constraint to successful Highlands redevelopment is, of course, the lack of sewerage in the Borough.

Unanticipated Inclusionary Development

Should a developer ever be successful in obtaining approval for a Major Highlands Development from the NJDEP anywhere in Califon, pursuant to a waiver or otherwise, such approval should include the provision of affordable housing. No such approvals are anticipated.

Housing Transfers

The Borough of Califon would be interested in participating in an affordable housing transfer program, should such a mechanism be created by the Highlands Council, but the Borough does not have the authority nor does it have the ability to fund such a program on its own.

Documentation of Sites

Prior Round Sites

Appendix G to this report presents maps and documentation concerning the Staiano and NORWESCAP sites, both of which are prior round sites. The Staiano property is no longer being considered as an affordable housing site due to its physical constraints.

The NORWESCAP site was acquired by the Borough and was subsequently deed restricted and conveyed to NORWESCAP for a dollar. The NORWESCAP site will remain in the plan as a potential mechanism to address unmet need.

Third Round Sites

Appendix H to this report presents maps and documentation concerning the Tiger property and the Wade tract, both of which have been identified herein as potential sites for exempt developments of individual single-family dwellings that could accommodate either a single low or moderate income household or a special needs supportive shared living facility, if funding to acquire these sites and develop such uses could be found.

Accessory Apartments Program

The Borough of Califon will continue to implement its prior round five (5) unit accessory apartments program in an effort to address some portion of the unmet need. However, the program will need to be modified to comport with the requirements for the Highlands.

The Highlands Council interprets its septic density standards as applying to the number of dwelling units permitted, not just the number of septic systems. However, if an owner of an

existing single family dwelling were permitted to create an accessory apartment within that dwelling, without adding to it and without any increase in the total number of bedrooms in the dwelling, there should be no impact on septic system usage (since the size of a septic system is designed based on the number of bedrooms in the home).

Consequently, Califon Borough intends to seek permission from the Highlands Council for an accessory apartment program based on zoning provisions that would *limit the resulting total number of bedrooms in both the accessory apartment and the host unit to the existing number of bedrooms and would require use of the existing septic system to serve both units*. This is not a limit on the size of the accessory apartment, which is prohibited by COAH, but it is a limit on the total number of bedrooms within the host unit and the accessory apartment unit combined, so that this type of program can work within the Highlands Region.

The Borough will have to subsidize the creation of the accessory apartments with a one-time payment of \$20,000 for each moderate income unit and \$25,000 for each low income unit. The homeowner would be permitted to choose which level of subsidy would apply, based on whether the accessory apartment unit would be restricted to a low income household or a moderate income household. The units would be restricted for a period of 10 years.

The subsidy is permitted to be used by the owner to cover the costs of construction in creating the unit or, in the alternative, to provide compensation for the reduction in the rental rate over the requisite 10 year period of affordability controls. The rental rates are limited to a rent level affordable to a household earning 60 percent of median income for the housing region for a moderate income unit and affordable to a household earning 44 percent of median income for the housing region for a low income unit.

During the 10 year affordability control period, the accessory apartment would have to be affirmatively marketed to qualified households throughout the housing region, but at the end of the 10 year period, the owner would have a legal accessory apartment that could be rented to anyone of his choosing, including a family member. The total cost to the Borough of this program, assuming five (5) homeowners apply for it, would be not more than \$125,000. The Borough has already set aside \$50,000 in an escrow account to fund the (unsuccessful) prior round accessory apartment program.

The Fair Share Plan includes proposed zoning regulations that would permit the creation of affordable accessory apartments subject to the parameters outlined herein.

Availability of Infrastructure/Effect on Future Growth and Development Potential

Califon Borough is entirely dependent upon individual septic systems for sewage disposal. There is, however, a public water supply within the Borough. The capacity to accommodate additional septic systems is limited in the Highlands Preservation Area by NJDEP regulations. The Highlands Build-Out Analysis for Califon Borough, presented in the Appendix to this

document, demonstrates the impact of the Highlands Regional Master Plan on the Borough's development capacity.

Anticipated Land Use Patterns, Anticipated Demand for Projected Growth and Economic Impact

The land use pattern in Califon Borough is not expected to change at all in response to this Housing Element. If one or two exempt single-family homes are built to accommodate a special needs facility or an individual low or moderate income household, there would still be no change in the overall pattern of development in the Borough.

The plan continues to propose five (5) accessory apartments in existing residential buildings with no resulting additional bedrooms. The accessory apartments program had been part of the prior round plan, and, while it was not a successful program, maintaining it (with the modifications required to maintain Highlands compatibility) may help to address some portion of the prior round unmet need.

Consistent with the Highlands Regional Master Plan's housing goals, the plan depends upon adaptive reuse of the existing housing stock and permitted (exempt) infill development.

As a result of the development limitations imposed by the NJDEP Highlands Preservation Area regulations and the anticipated impact of municipal conformance with the Highlands Regional Master Plan throughout the Highlands Region, it is expected that the demand for housing within the Highlands Region will exceed the supply. The economic impacts of this are not yet known – presumably existing housing values will rise, and the speculative value of vacant and farmed land will stabilize. This is not an outcome of the Housing Element, but it is a reality that is likely to result in slower growth in the future than Califon (and other Highlands Region municipalities) have experienced in the past.

Development Constraints

Califon Borough is located entirely in the Highlands Preservation Area. As a result, the entire Borough is subject to environmental and regulatory constraints of one kind or another.

The Borough has prepared (but has not yet adopted) a Highlands Environmental Resource Inventory and a Highlands Master Plan Supplement that identify these constraints. These constraints do not preclude the implementation of the proposals contained in this Housing Element and Fair Share Plan, however.

Summary of Califon's Third Round Affordable Housing Plan

Califon Borough intends to address its current cumulative third round affordable housing obligation as follows:

Rehab Obligation:

3 units: establish and fund a rehabilitation program and contract with a qualified Rehabilitation Administrator to run it.

Prior Round Obligation:

Realistic Development Potential (RDP) of 0 units: no proposals.

Unmet Need of 21 units: retain the 5 unit *accessory apartment program*, which is already partially funded, and modify it to conform with Highlands requirements; retain the *NORWESCAP site* in the plan for a 5 bedroom special needs facility or other approvable alternative living arrangement in a single-family dwelling.

Third Round Obligation:

3 units: Work with Habitat for Humanity and/or special needs housing providers to develop affordable housing within single-family homes on the Tiger and/or Wade properties, if funding can be obtained to acquire and develop these properties. Potential yield of 1-6 units. Seek a waiver from COAH of the obligation to comply with the growth share obligation itself and of the obligation to comply with the components of the growth share obligation (family; rental; family rental; very low income; family very low income) due to lack of funding resources and effect of Highlands regulations on development opportunities in the Borough.

TOTAL: 6 unit obligation; potential for 4-9 units (including 3 rehabilitation units)

The Fair Share Plan includes a new Affordable Housing Ordinance, a new Affirmative Marketing Plan, and copies of the Borough's existing Development Fee Ordinance and Escrow Agreement. A proposed new Development Fee Ordinance and the Spending Plan that is required to accompany it is also presented, along with a Resolution of Intent to Fund the Rehabilitation Program. Additionally, the material required by COAH in support of the rehabilitation program and the modified accessory apartments program is also included. Finally, the Fair Share Plan includes copies of the Municipal Affordable Housing Liaison Ordinance and Resolution as well as a Resolution of Intent to Contract with a qualified Housing Administrator.

**HOUSING ELEMENT
APPENDICES**

APPENDIX A
INVENTORY OF MUNICIPAL HOUSING CONDITIONS

Appendix A

Inventory of Municipal Housing Conditions

The primary source of information for the inventory of the Borough's housing stock is the 2000 U.S. Census. While the Census data was compiled in 2000, it remains the only source of information that provides the level of detail needed for this analysis.

According to the 2000 Census, the Borough had 410 housing units, of which 401 (98%) were occupied. Table 1 identifies the units in a structure by tenure; as used throughout this Plan Element, "tenure" refers to whether a unit is owner-occupied or renter-occupied. The Borough largely consisted of single family detached units, (92% of the total, compared to 74% in the County). The Borough had a relatively lower percentage of renter-occupied units, 13%, than Hunterdon County (19.5%) and the State (52%).

Table 1: Units in Structure by Tenure

Units in Structure	Total Units	Vacant Units	Occupied Units		
			Total	Owner	Renter
1, detached	378	6	372	347	25
1, attached	4	0	4	2	2
2 or more	28	3	25	0	25
Other	0	0	0	0	0
Mobile Home	0	0	0	0	0
Total	410	9	401	349	52

Source: 2000 U.S. Census, QT-H5 & QT-H10 (STF-3) for Borough

Table 2 presents the data concerning the year housing units were built by tenure, while Table 3 compares the Borough to Hunterdon County and the State. Approximately 71% of all the units in the Borough were built prior to 1970, 67% of the owner-occupied units and 92% of the renter occupied units were built prior to 1970. The presence of an older housing stock is one of the factors which correlates highly with filtering. Filtering is a downward adjustment of housing need which recognizes that the housing requirements of lower-income groups can be served by supply additions to the higher-income sections of the housing market.

Table 2: Year Structure Built by Tenure

Year Built	Total Units	Vacant Units	Occupied Units		
			Total	Owner	Renter
1990 – 2000	25	0	25	23	2
1980 – 1989	50	0	50	50	0
1970 – 1979	44	3	41	39	2
1960 – 1969	72	0	72	72	0
1950 – 1959	40	0	40	38	2
1940 – 1949	9	0	9	9	0
Pre-1940	170	6	164	118	46

Source: 2000 U.S. Census, STF-3QT-P1 for Borough

Table 3 compares the year of construction for all dwelling units in the Borough to Hunterdon County and the State. The Borough had a larger percentage of units built between 1960 and 1969 and prior to 1940 than does the County or State, and a much smaller percentage of units built between 1990 to 2000, which is reflected in the median year built.

Table 3: Comparison of Year of Construction for Borough, County and State

Year Built	%		
	Califon Borough	Hunterdon County	New Jersey
1990 – 2000	6.1	17.1	10.5
1980 – 1989	12.2	22.4	12.4
1970 – 1979	10.7	15.1	14
1960 – 1969	17.6	10.2	15.9
1950 – 1959	9.8	9.1	17.1
1940 – 1949	2.2	4.2	10.1
Pre-1940	41.5	21.9	20.1
Median Year	1957	1973	1962

Source: 2000 U.S. Census, STF-3 DP-4 for Borough, County and State.

Information reported in the 2000 Census concerning occupancy characteristics includes the household size in occupied housing units by tenure, and the number of bedrooms per unit by tenure; these data are reported in Tables 4 and 5, respectively. Table 4 indicates that renter-occupied units generally house smaller households, with 75% of renter-occupied units having 2 persons or fewer compared to 53% of owner-occupied units. Table 5 indicates that renter-occupied units generally have fewer bedrooms, with 67% having two bedrooms or fewer, compared to 12% of owner-occupied units.

Table 4: Household Size in Occupied Housing Units by Tenure

Household Size	Total Units	Owner-occupied Units	Renter-occupied Units
1 person	85	59	26
2 persons	139	126	13
3 persons	64	59	5
4 persons	69	62	7
5 persons	41	40	1
6 persons	2	2	0
7+ persons	1	1	0
Total	401	349	52

Source: 2000 U.S. Census, STF-3 H-17 for Borough.

Table 5: Number of Bedrooms per Unit by Tenure

Number of Bedrooms	Total Units	(%)	Vacant Units	Occupied Units		
				Total	Owner	Renter
No bedroom	2	.5	0	2	0	2
1 bedroom	18	4.4	3	15	2	13
2 bedrooms	64	15.6	3	61	41	20
3 bedrooms	205	50	3	202	189	13
4 bedrooms	118	28.8	0	118	114	4
5+ bedrooms	3	.7	0	3	3	0

Source: 2000 U.S. Census, STF-3QT-H8 for Borough.

Table 6 compares the Borough's average household size for all occupied units, owner-occupied units, and renter-occupied units to those of the County and State. The Borough's average household size for all units was lower than those of the County and State.

Table 6: Average Household Size for Occupied Units for Borough, County and State

Jurisdiction	All Occupied Units	Owner-occupied units	Renter-occupied units
Califon Borough	2.63	2.74	1.92
Hunterdon County	2.69	2.82	2.03
New Jersey	2.68	2.85	2.37

Source: 2000 U.S. Census, STF-3 DP-1 for Borough, County and State.

The distribution of bedrooms per unit, shown in Table 7, indicates that the Borough has fewer 0 to 1 bedroom units than the County or State and more 2 or 3 bedroom units.

Table 7: Percentage of All Units by Number of Bedrooms for Borough, County and State

Jurisdiction	None or one	Two or Three	Four or More
Califon Borough	4.9	65.6	29.5
Hunterdon County	9.2	53.7	37.1
New Jersey	18.3	59.1	22.6

Source: 2000 U.S. Census, STF-3 QT-H10 for Borough, County and State.

In addition to data concerning occupancy characteristics, the 2000 Census includes a number of indicators, or surrogates, which relate to the condition of the housing stock. These indicators are used by COAH in calculating a municipality's deteriorated units and indigenous need. The surrogates used to identify housing quality, in addition to age (Pre-1940 units in Table 2), are the following, as described in COAH's rules.

- Persons per Room* 1.01 or more persons per room is an index of overcrowding.
- Plumbing Facilities* Inadequate plumbing is indicated by either a lack of exclusive use of plumbing or incomplete plumbing facilities.
- Kitchen Facilities* Inadequate kitchen facilities are indicated by shared use of a kitchen or the non-presence of a sink with piped water, a stove, or a refrigerator.

Table 8 compares the Borough, County, and State for some of the above indicators of housing quality. The Borough had no overcrowding, and was similar to the County in the adequacy of plumbing and kitchen facilities.

Table 8: Housing Quality for Borough, County and State

Condition	%		
	Califon Borough	Hunterdon County	New Jersey
Overcrowding ¹	0	.4	11
Inadequate plumbing ²	.5	.4	.7
Inadequate kitchen ²	.5	.2	.8

Notes: ¹The universe for these factors is occupied housing units.

²The universe for these factors is all housing units.

Source :2000 U.S. Census, STF-3 QT-H4 for Borough, County and State.

The last factors used to describe the municipal housing stock in the U.S. Census are the self-reported estimated values and rental values for residential units. The 2000 Census shows that 67% of the housing units are valued over \$200,000, with the median value of \$220,900.

Table 9: Value of Owner Occupied Residential Units

Value	Number of Units	%
\$0 – 50,000	0	0
\$50,000 – 99,999	2	.6
\$100,000 – 149,999	23	6.9
\$150,000 – 199,999	86	25.7
\$200,000 – 299,999	194	57.9
\$300,000 – 499,999	26	7.8
\$500,000 – 999,999	4	1.2
\$1,000,000 +	0	0

Source: 2000 U.S. Census, SF-3 for Borough, County, and State, DP-4.

With regard to renter-occupied units, 33 of the 52 renter-occupied units in the Borough, or 63%, rent for over \$750 per month.

Table 10: Gross Rents for Specified Renter-Occupied Housing Units¹

Monthly Rent	Number of Units	%
Under \$200	3	5.8
\$200 – 299	3	5.8
\$300 – 499	2	3.8
\$500 – 749	11	21.2
\$750 – 999	10	19.2
\$1,000 – 1,499	13	25
\$1,500 or more	6	11.5
No Cash Rent	4	7.4

Note: Median gross rent for Califon Borough is \$883

Source: 2000 U.S. Census, SF-3 for Borough, QT-H12.

The data in Table 11 indicate that there were 23 renter households with an annual income less than \$35,000, which was the approximate income threshold for a three-person, moderate-income household in Hunterdon County in 2000. At least 6 of these households are paying more than 30% of their income for rent; a figure of 30% is considered the limit of affordability for rental housing costs. It should be noted that 7 households in the Borough had reported incomes less than \$10,000 annually, which is classified as very low income.

Table 11: Household Income in 1999 by Gross Rent as a Percentage of Household Income in 1999

Income	Number of Households	Percentage of Household Income					
		0 – 19%	20 – 24%	25 – 29%	30 – 34%	35% +	Not computed
< \$10,000	7	0	0	3	0	1	0
\$10,000 – 19,999	10	0	0	3	0	5	2
\$20,000 – 34,999	6	0	2	2	0	0	2
\$35,000 +	29	17	8	4	0	0	0

Note:

¹The universe for this Table is specified renter-occupied housing units.

Source:

2000 U.S. Census, STF-3 QT-H13 for Borough.

APPENDIX B
ANALYSIS OF DEMOGRAPHIC CHARACTERISTICS

Appendix B

Analysis of Demographic Characteristics

As with the inventory of the municipal housing stock, the primary source of information for the analysis of the demographic characteristics of the Borough's residents is the 2000 U.S. Census. The data collected in the 2000 Census provide a wealth of information concerning the characteristics of the Borough's population.

Califon Borough had 1,055 persons in 2000 according to the census, or 18 fewer person than in 1990, a decrease of 2%. The Borough's 2% decrease in the 1990's compares to a 13% increase in Hunterdon County and an 8% increase in New Jersey.

The age distribution of the Borough's residents is shown in Table 1. The Borough's largest population falls in the 35 to 54 age range and the least population in the 0-4 age range.

Table 1: Population by Age

Age	Total Persons	%
0-4	67	6.4
5 – 19	235	22.3
20 – 34	140	13.3
35 – 54	411	38.9
55 – 69	129	12.2
70 +	73	6.8
Total	1,055	100

Source: 2000 U.S. Census, SF-1 for Borough, QT-P1.

Table 2 compares the Borough to the County and State by age categories. The principal differences among the Borough, County, and State occur in the 20-34 and 50-64 age category, where the Borough had a higher proportion than the County and State, and the 20-34 age category, where the Borough's proportion was fewer than the County and State.

Table 2: Comparison of Age Distribution for Borough, County and State (% of persons)

Age	Califon Borough	Hunterdon County	New Jersey
0 – 4	6.4	6.6	6.7
5 – 19	22.3	20.9	20.4
20 – 34	13.3	15.5	19.8
35 – 49	29.8	32.4	24.3
50 – 64	17.6	14.6	15.5
65 – 84	9.8	8.9	11.6
85 +	.8	1.1	1.6
Median	39.1	38.8	36.7

Source: 2000 U.S. Census, STF-3 QT-P1 for Borough, County and State.

Table 3 provides the Census data on household size for the Borough, while Table 4 compares household sizes in the Borough to those in Hunterdon County and the State. The Borough differs from the County and State in terms of the distribution of household sizes by having fewer 6 or more households and more households of 2 person households.

Table 3: Persons in Household

Household Size	Total Units
1 person	85
2 persons	139
3 persons	64
4 persons	69
5 persons	41
6 persons	2
7+ persons	1
Total	401

Source: 2000 U.S. Census, STF-3 QT-P10 for Borough.

Table 4: Comparison of Persons in Household for Borough, County and State (% of households)

Household Size	Borough	County	State
1 person	21.2	20	24.5
2 persons	34.7	33.8	30.3
3 persons	16	17.2	17.3
4 persons	17.2	18.9	16
5 persons	10.2	7.5	7.5
6 persons	.5	2	2.7
7 or more persons	.2	.7	1.7
Persons per household	2.63	2.69	2.68

Source: 2000 U.S. Census, STF-3 QT-P10 for Borough, County and State.

Table 5 presents a detailed breakdown of the Borough's households by household type and relationship. There were 302 family households in the Borough and 99 non-family households; a family household includes a householder living with one or more persons related to him or her by birth, marriage, or adoption, while a non-family household includes a householder living alone or with non-relatives only. In terms of the proportion of family and non-family households, the Borough had more family households than the State (75% for the Borough, 75% for the County, and 70% for the State).

Table 5: Household Type and Relationship

	Total
In family Households:	302
Married	27
Child	15
In Non-Family Households:	99
Male householder:	37
Living alone	35
Not living alone	2
Female householder:	62
Living alone	50
Not living alone	12
In group quarters (persons):	0
Institutionalized	0
Non-institutionalized	0

Source: 2000 U.S. Census, SF-1 for Borough, QT-P11 and QT-P12.

Table 6 provides 1999 income data for the Borough, County and State which is the last full year of income before the 2000 Census questionnaires were distributed. The Borough's per capita and median incomes were lower than the County but higher than the State.

Table 6: 1999 Income for Borough, County and State

Jurisdiction	Per Capita Income	Median Income	
		Households	Families
Califon Borough	\$31,064	\$76,657	\$85,963
Hunterdon County	\$36,370	\$79,888	\$91,050
New Jersey	\$27,006	\$55,146	\$65,370

Source: 2000 U.S. Census, SF-3 DP-3 for Borough, County and State.

Table 7 addresses the lower end of the income spectrum by providing data on poverty levels for persons and families. The determination of poverty status and the associated income levels is based on the cost of an economy food plan and ranges from an annual income of \$8,501 for a one-person household to \$28,967 for an eight-person family for the year 1999. According to the data in Table 7, the Borough proportionally had fewer persons qualifying for poverty status than did the State but more than the County. However, the percentages in Table 7 translate to 45 persons, but 10 families classified in poverty status. Thus, the family households had a much larger share of the population in poverty status.

**Table 7: Poverty Status for Persons and Families for Borough, County and State
(% with 1999 income below poverty)**

Jurisdiction	Persons (%)	Families (%)
Califon Borough	4.3	3.3
Hunterdon County	2.6	1.6
New Jersey	8.5	19.4

Source: 2000 U.S. Census, SF-3 QT-H7 for Borough, County and State.

The U.S. Census includes a vast array of additional demographic data that provides insights into an area's population. For example, Table 8 provides a comparison of the percent of persons 5 years old and older who lived in the same house as in 1995; this is a surrogate measure of the mobility/stability of a population. The data indicate that the percent of the State and County residents residing in the same house as in 1995 was less that of the Borough.

Table 8: Comparison of 1995 Place of Residence for Borough, County and State

Jurisdiction	Percent living in same house in 1995
Califon Borough	67.9
Hunterdon County	61.8
New Jersey	59.8

Source: 2000 U.S. Census, SF-3 DP-2 for Borough, County and State.

Table 9 compares the educational attainment for Borough, County, and State residents over age 25. These data indicate that Borough residents exceeded State and County residents in graduating from high school and post secondary.

**Table 9: Educational Attainment for Borough, County and State Residents
(Persons 25 years and over)**

Jurisdiction	Percent (%) high school graduates or higher	Percent (%) with bachelor's degree or higher
Califon Borough	93.2	42.4
Hunterdon County	91.5	41.8
New Jersey	82.1	29.8

Source: 2000 U.S. Census, SF-3 DP-3 for Borough, County and State.

The 2000 Census also provides data on the means of transportation which people use to reach their place of work. Table 10 compares the Census data for the Borough, County, and State relative to driving alone, carpooling, using public transit, and using other means of transportation. The Borough had a relatively high percentage of those who drive alone, and a relatively low percentage of workers who carpool or use public transit. Of the 6.3% of workers who reside in the Borough and use other means of transportation to reach work, 18 workers work at home and 16 workers walked to work.

**Table 10: Means of Transportation to Work for Borough, County and State Residents
(Workers 16 years old and over)**

Jurisdiction	Percent who drive alone	Percent in carpools	Percent using public transit	Percent using other means
Califon Borough	88.4	3.9	1.5	6.3
Hunterdon County	82.5	7.3	1.7	.7
New Jersey	73	10.6	9.6	.9

Source: 2000 U.S. Census, SF-3 DP-3 for Borough, County and State.

APPENDIX C
SUMMARY OF EMPLOYMENT DATA

Appendix C

Summary of Employment Data

The 2000 Census provides detailed information on a municipality's resident population regarding their means of employment. Employment characteristics are describes two ways. First through occupation which is the type of work the employee performs. The second is by industry, or the type of business. The following table outlines these two characteristics for Califon Borough.

Table 1: Selected Employment Characteristics of Resident Population

Employed civilian population 16 years and over	544	100.0
OCCUPATION		
Management, professional, and related occupations	264	48.5
Service occupations	44	8.1
Sales and office occupations	133	24.4
Farming, fishing, and forestry occupations	0	0.0
Construction, extraction, and maintenance occupations	60	11.0
Production, transportation, and material moving occupations	43	7.9
INDUSTRY		
Agriculture, forestry, fishing and hunting, and mining	0	0.0
Construction	54	9.9
Manufacturing	88	16.2
Wholesale trade	14	2.6
Retail trade	51	9.4
Transportation and warehousing, and utilities	14	2.6
Information	22	4.0
Finance, insurance, real estate, and rental and leasing	48	8.8
Professional, scientific, management, administrative, and waste management services	111	20.4
Educational, health and social services	73	13.4
Arts, entertainment, recreation, accommodation and food services	24	4.4
Other services (except public administration)	33	6.1
Public administration	12	2.2

Source: 2000 Census table DP-3 (STF-3).

The table highlights that the largest percentage of the population is in the professional, scientific and management field and holds a managerial or professional position.

In addition to seeking information about the employment characteristics of the population, COAH requires municipalities to report on the types of industries found within the municipality. According to the New Jersey Department of Labor Annual Report for 2003, Califon's employment opportunities were primarily in the construction, local government (including schools), retail trade and professional and technical services, with health care and social services also figuring prominently. Table 2 presents these data.

Table 2: Employment and Wages by Industry, Califon Borough

CALIFON	Annual Average Units	Average Employment	Annual Wages
Agriculture, forestry, fishing and hunting	7	13	\$25,165
Construction	34	173	\$40,156
Manufacturing	4	14	\$28,256
Wholesale trade	16	51	\$49,163
Retail trade	21	134	\$24,708
Transportation and warehousing			
Information			
Finance and insurance	8	51	\$28,808
Real estate and rental and leasing			
Professional and technical services	35	115	\$107,004
Administrative and waste services	13	25	\$29,088
Educational services			
Health care and social assistance	9	76	\$21,940
Arts, entertainment, and recreation			
Accommodation and food services	5	13	\$13,589
Other services, except public administration	12	33	\$23,548
Unclassified entities			
PRIVATE SECTOR MUNICIPALITY TOTAL	174	714	\$44,019
FEDERAL GOVT MUNICIPALITY TOTAL	1	5	\$55,497
LOCAL GOVT MUNICIPALITY TOTAL	3	153	\$44,023

Source: 2003 Annual Report, NJDOL.

APPENDIX D
VACANT LAND ANALYSIS (PRIOR ROUND RDP CALCULATION)

CALIFON BOROUGH - VACANT LAND INVENTORY - RDP

BLOCK	LOT(S)	TAX CLASS	TAX MAP	OWNER	LOCATION	ZONE	PLANNING AREA	SEWER SERVICE AREA (Y/N)	AREA		STATUS	CONDITION(S)	DEVEL. AREA (ac.)	AGGREG. DEVEL. AREA (ac.)	NO. OF AFF. UNITS***
									SF	ACRES					
2	2	--	2	to be determined*	County Route 513	HB (CARB)	5	N	23,800	0.55	VACANT	CLEARED	0.55		
2	3	3B	2	Wade Family Partnership	428 County Route 513	HB (CARB)	5	N	327,571	7.52	DEVELOPED	COMMERCIAL BUILDING	0.00	0.55	0
2	3.01	3B	2	" "	Route 513	R-3 (CARB)	5	N	361,112	8.29	VACANT	AGRICULTURAL-NOT ACTIVE ¹	0.00		
3	2	1	2	Burd, Carl & Sylva	432 County Route 513	HB (CARB)	5	N	20,038	0.46	VACANT	CLEARED	0.46	0.46	0
3	6	1	2	Califon Development LLC	35 School Street	R-3 (CARB)	5	N	12,632	0.29	VACANT	PART OF ADJACENT RESIDENTIAL LOT	0.00	0.00	0
3	15	1	2	Dunn, Alex & Carol	9 School Street	R-3 (CARB)	5	N	21,780	0.50	VACANT	PARTIALLY WOODED	0.50	0.50	0
4	5.01	1	2	Clawson, Preston & Eleanor	450 County Route 513	HB (CARB)	5	N	10,725	0.25	VACANT	PARTIALLY WOODED/ACCESS	0.25	0.25	0
5	2	1	3	Gilmartin, James & Brigid	77 Main Street	R-3 (CARB)	5	N	27,878	0.64	PART. VACANT	CLEARED - PORTION PARKING LOT	0.64	0.64	0
5	7	1	3	McVicker, Catherine M	67 Main Street	R-3 (CARB)	5	N	11,830	0.27	VACANT	PARTIALLY WOODED	0.27	0.27	0
5	14	1	3	Crannell, Duncan & Julie	First Street	FP/R-1	5	N	130,680	3.00	VACANT	RIVER/FLOOD PLAIN/+10%	0.00		
5	25	15C	3	Borough of Califon	First Street	FP/R-1	5	N	28,750	0.66	VACANT	FLOOD PLAIN/PART. WOODED/+10%	0.00	0.00	0
5	27	1	3	Alvarez, Ruddy	River Road	FP/R-1	5	N	218	0.01	VACANT	FLOOD PLAIN/PART. WOODED	0.00	0.00	0
5	28	1	3	UNKNOWN (c/o Califon)	River Road	FP/R-1	5	N	871	0.02	VACANT	FLOOD PLAIN/PART. WOODED	0.00	0.00	0
5	28.01	1	3	UNKNOWN (c/o Califon)	River Road	FP/R-1	5	N	2,396	0.06	VACANT	FLOOD PLAIN/PART. WOODED	0.00	0.00	0
5	23.01	1	3	Conway, Michael & Leslie	First Street	FP/R-1	5	N	160,736	3.69	VACANT	RIVER/FLOOD PLAIN	0.00		
5	29	1	3	McKown, Forest & Jadwiga	River Road	FP/R-1	5	N	8,712	0.20	VACANT	FLOOD PLAIN/PART. WOODED	0.00	0.00	0
5	30	1	3	Haut, Stephen & Marie	River Road (rear)	FP/R-1	5	N	6,098	0.14	VACANT	FLOOD PLAIN/PART. WOODED	0.00		
5	31	1	3	Runge, Robert & Kelly	River Road	FP/R-1	5	N	1,742	0.04	VACANT	FLOOD PLAIN/PART. WOODED	0.00		
5	32	1	3	UNKNOWN (c/o Califon)	River Road	FP/R-1	5	N	1,307	0.03	VACANT	FLOOD PLAIN/PART. WOODED	0.00		
6	6	1	3	McKown, Forest & Jadwiga	27 River Road	R-3 (CARB)	5	N	49,658	1.14	VACANT	PORT RESIDENTIAL LOT (300' RIP)	0.00	0.00	0
6	19	1	3	Deckhut, Gary & Edna	8 Center Street	R-3 (CARB)	5	N	4,792	0.11	VACANT	CLEARED / 300' RIP	0.00	0.00	0
6	22	1	3	Northwest NJ Comm. Act Prg.	Center Street (15 Academy St.)	R-3 (CARB)	5	N	18,731	0.43	VACANT	CLEARED / 300' RIP	0.00	0.00	0
6	24	1	3	Deckhut, Gary & Edna	19 Academy Street	R-3 (CARB)	5	N	12,634	0.29	VACANT	WOODED / 300' RIP	0.00	0.00	0
6	25	1	3	UNKNOWN (c/o Califon)	Academy Street	R-3 (CARB)	5	N	5,227	0.12	VACANT	NARROW/ROW	0.00		
8	4	1	4	Geist, Sophie	8 School St Ext.	R-3	5	N	33,205	0.76	VACANT	CLEARED	0.76		
8	5	1	4	Hoffman, J Kenneth & Michael	22 School St Ext.	R-3	5	N	38,332	0.88	VACANT	CLEARED	0.88	3.81	0
8	13	1	4	Tiger, Ralph A & Doris	14 School St Ext.	R-3	5	N	94,525	2.17	VACANT	WOODED/MODERATE SLOPES/10%	2.17		
8	18	1	4	Cortese, Josephine & Michael	44 Hoffman Drive	R-3	5	N	10,890	0.25	DEVELOPED	SF DWELLING	0.00	0.00	0
8	32	1	4	D'Angelo, Kimberly	Second Street	R-3	5	N	4,356	0.10	VACANT	CLEARED (NARROW - TOO SMALL)	0.10	0.10	0
11	1.03	1	4	UNKNOWN (c/o Califon)	Main Street	FP/R-1	5	N	30,928	0.71	WATER BODY	RIVER/FLOOD PLAIN	0.00	0.00	0
12	3	1	4	Maguire, Vincent & Nettle	2 Coolidge Court	R-3	5	N	19,602	0.45	VACANT	CLEARED	0.45	0.45	0
13	5	1	4	Reinhardt, William & Patricia	10 Coolidge Court	FP/R-1	5	N	5,227	0.12	VACANT	FLOOD PLAIN/PART. WOODED	0.00	0.00	0
14	1	3B	5	Wimmer, Roy & Emily	River Road	FP/R-1	5	N	3,049	0.07	VACANT	RIVER/FLOOD PLAIN	0.00	0.00	0
14	1.01	3B	5	Wimmer, Roy & Emily	River Road	FP/R-1	5	N	20,038	0.46	VACANT	RIVER/FLOOD PLAIN	0.00	0.00	0
14	1.011	1	5	Burd, Hurley & Margaret	River Road	FP/R-1	5	N	1,307	0.03	VACANT	RIVER/FLOOD PLAIN	0.00	0.00	0
14	2	1	5	Wimmer, Roy & Emily	River Road	FP/R-1	5	N	7,841	0.18	VACANT	FLOOD PLAIN/PART. WOODED	0.00	0.00	0
14	2.01	1	5	Jennsen, Warren & Donna	River Road	FP/R-1	5	N	8,712	0.20	VACANT	FLOOD PLAIN/PART. WOODED	0.00	0.00	0
14	2.02	1	5	Ehrlich, Richard / Shoemaker	River Road	FP/R-1	5	N	6,534	0.15	VACANT	FLOOD PLAIN/PART. WOODED	0.00	0.00	0
14	2.03	1	5	Ludwig, Donald & Maria	River Road	FP/R-1	5	N	6,970	0.16	VACANT	FLOOD PLAIN/PART. WOODED	0.00	0.00	0
14	2.04	3B	5	Wimmer, Roy & Emily	River Road	FP/R-1	5	N	16,988	0.39	VACANT	FLOOD PLAIN/PART. WOODED	0.00	0.00	0
14	3	1	5	Wimmer, Roy & Emily	River Road	FP/R-1	5	N	12,197	0.28	VACANT	FLOOD PLAIN/PART. WOODED	0.00	0.00	0
14	5	1	5	Wimmer, Roy & Emily	River Road	FP/R-1	5	N	1,307	0.03	VACANT	FLOOD PLAIN/PART. WOODED	0.00	0.00	0

APPENDIX E
COAH WORKBOOKS FOR CALCULATION OF
GROWTH SHARE OBLIGATION

Workbook A: Growth Share Determination Using Published Data
(Using Appendix F(2), *Allocating Growth To Municipalities*)

COAH Growth Projections
Must be used in all submissions

Municipality Name:

Calton Borough, Hunterdon County

Enter the COAH generated growth projections from Appendix F(2) found at the back of N.J.A.C. 5:97-1 et seq. on Line 1 of this worksheet. Use the Tab at the bottom of this page to toggle to the exclusions portion of this worksheet. After entering all relevant exclusions, toggle back to this page to view the growth share obligation that has been calculated. Use these figures in the Application for Substantive Certification.

	Residential	Non-Residential
1 Enter Growth Projections From Appendix F(2) *	24	40
2 Subtract the following Residential Exclusions pursuant to 5:97-2.4(a) from "Exclusions" tab	N.A.	
built or projected to be built post 1/1/04		
Inclusionary Development	0	
Supportive/Special Needs Housing	0	
Accessory Apartments	0	
Municipally Sponsored or 100% Affordable	0	
Assisted Living	0	
Other	0	
Market Units in Prior Round Inclusionary development built post 1/1/04	0	
3 Subtract the following Non-Residential Exclusions (5:97-2.4(b))		
Affordable units	0	
Associated Jobs		0
4 Net Growth Projection	24	40
5 Projected Growth Share (Conversion to Affordable Units Dividing Households by 5 and Jobs by 16)	4.8 Affordable Units	2.5 Affordable Units
6 Total Projected Growth Share Obligation		7.3 (7) Affordable Units

* For residential growth, see Appendix F(2), Figure A.1, Housing Units by Municipality. For non-residential growth, see Appendix F(2), Figure A.2, Employment by Municipality.

Affordable and Market-Rate Units Excluded from Growth

Municipality Name: *Califon Borough, Hunterdon Co.*

Prior Round Affordable Units NOT included in Inclusionary Developments Built post 1/1/04

Development Type	Number of COs Issued and/or Projected
Supportive/Special Needs Housing	0
Accessory Apartments	0
Municipally Sponsored and 100% Affordable	0
Assisted Living	0
Other	0
Total	0

Market and Affordable Units in Prior Round Inclusionary Development Built post 1/1/04 N.J.A.C. 5:97-2.4(a)

(Enter Y for yes in Rental column if rental units resulted from N.J.A.C. 5:93-5.15(c)5 incentives)

Development Name	Rentals? (Y/N)	Total Units	Market Units	Affordable Units	Market Units Excluded
		0			0
		0			0
		0			0
		0			0
		0			0
Total		0	0	0	0

Jobs and Affordable Units Built as a result of post 1/1/04 Non-Residential Development N.J.A.C. 5:97-2.4(b)

Development Name	Affordable Units Provided	Permitted Jobs Exclusion
		0
		0
		0
		0
Total	0	0

[Return To Workbook A Summary](#)

Summary of Adjusted Growth Share Projection Based On Land Capacity
(Introduction to Workbook D)

Municipality Code: 1004
Muni Code Lookup

Municipality Name: *Calipon Borough, Hunterdon*

This workbook is to be used for determining the projected Municipal Growth Share Obligation by comparing growth projected by COAH with actual growth based on certificates of occupancy that have been issued from 2004 through 2008 and the RMP build-out analysis conducted under Module 2 of the Highlands RMP conformance process. Data must be entered via the "tabs" found at the bottom of this spreadsheet which may also be accessed through the highlighted links found throughout the spreadsheet. This workbook consists of five worksheets that, when combined on this introduction page, provide a tool that allows the user to enter exclusions permitted by N.J.A.C. 5:97-2.4 to determine the projected Growth Share Obligation. COAH-generated Growth Projections included in Appendix F(2) of the revised Third Round Rules, Highlands Council build-out figures based on Mod 2 Reports and actual growth based on COs as published by the DCA Division of Codes and Standards in The Construction Reporter are imported automatically upon entry of the Municipal Code.

[Click Here to enter COAH and Highlands Council data](#)

See Housing Element

Municipalities seeking to request a revision to the COAH-generated growth projections based on opting in to the Highlands RMP may do so by providing this comparative analysis of COAH and RMP build-out projections. After completing this analysis, the growth projections may be revised based on the Highlands RMP build-out analysis. Actual growth must first be determined using the Actual Growth worksheet. The RMP adjustment applies only to RMP capacity limitations that are applied to growth projected from 2009 through 2018.

[Click Here to Enter Actual Growth to Date](#)

[Click Here to Enter Permitted Exclusions](#)

[Click Here to View Detailed Results from Analysis](#)

See Housing Element

Summary Of Worksheet Comparison

	COAH Projected Growth Share	Growth Share Based on Highlands RMP
Residential Growth	24	0
Residential Exclusions	<u> </u>	<u> </u>
Net Residential Growth	4	4
Residential Growth Share	<u>4.8</u>	<u>0.8</u>
Non-Residential Growth	40	0
Non-Residential Exclusions	<u> </u>	<u> </u>
Net Non- Residential Growth	40	24
Non-Residential Growth Share	<u>2.5</u>	<u>1.5</u>
Total Growth Share	7.3 (7)	2.3 (3)

**Please enter
Municipality Code in the
box above**

Growth Projection Adjustment - Actual Growth

Actual Growth 01/01/04 to 12/31/08

Municipality Name: *Califon Borough, Hunterdon*

Residential COs Issued

As Published by D C S	4
Per Municipal Records (if different)	#N/A
Qualified Residential Demolitions	0

Note: To qualify as an offsetting residential demolition, the unit must be the primary residence of the household for which the demolition permit has been issued, it had to be occupied by that owner for at least one year prior to the issuance of the demolition permit, it has to continue to be occupied by that household after the re-build and there can be no change in use associated with the property. (See N.J.A.C. 5:97-2.5(a)1.v.) A Certification Form must be completed and submitted for each qualifying demolition.

Get Demolition Certification Form

Non-residential CO's by Use Group	Square Feet Added (COs Issued) As Published by D C S	Square Feet Added (COs Issued) per Municipal Records (if different)	Square Feet Lost Demolition Permits Issued	Jobs Per 1,000 SF	Total Jobs
B	#N/A	#N/A		2.8	#N/A
M	14,129	#N/A	N/A	1.7	24 (*)
F	#N/A	#N/A		1.2	#N/A
S	#N/A	#N/A		1.0	#N/A
H	#N/A	#N/A		1.6	#N/A
A1	#N/A	#N/A		1.6	#N/A
A2	#N/A	#N/A		3.2	#N/A
A3	#N/A	#N/A		1.6	#N/A
A4	#N/A	#N/A		3.4	#N/A
A5	#N/A	#N/A		2.6	#N/A
E	#N/A	#N/A		0.0	#N/A
I	#N/A	#N/A		2.6	#N/A
R1	#N/A	#N/A		1.7	#N/A
Total	14,129	#N/A	0		24

Return to Main Page (Workbook D Intro)
 Proceed to COAH Data and RMP Module 2 Build-out Data
 Proceed to Exclusions Tab

(*) PHARMACY APPROVED IN 2004 JUST PRIOR TO EFFECTIVE DATE OF HIGHLANDS ACT AND NJDEP REGULATIONS.

Affordable and Market-Rate Units Excluded from Growth

Municipality Name: *Califon Borough, Hunterdon*

Prior Round Affordable Units NOT included in Inclusionary Developments Built Post 1/1/04

Development Type	Number of COs Issued and/or Projected
Supportive/Special Needs Housing	
Accessory Apartments	
Municipally Sponsored and 100% Affordable	
Assisted Living	
Other	
Total	0

Market and Affordable Units in Prior Round Inclusionary Development Built post 1/1/04

N.J.A.C. 5:97-2.4(a)

(Enter Y for yes in Rental column if affordable units are rentals)

Development Name	Rentals? (Y/N)	Total Units	Market Units	Affordable Units	Market Units Excluded
		0			0
		0			0
		0			0
		0			0
		0			0
Total		0	0	0	0

Jobs and Affordable Units Built as a result of post 1/1/04 Non-Residential Development

N.J.A.C. 5:97-2.4(b)

Development Name	Affordable Units Provided	Permitted Jobs Exclusion
		0
		0
		0
		0
Total	0	0

[Return to Main Page \(Workbook D Intro\)](#)

[Return to COAH Data and RMP Module 2 Build-out Data](#)

[Return to Actual Growth](#)

[View Detailed Results from Analysis](#)

COAH Growth Projections and Highlands Buildout Data

Must be used in all submissions

Municipality Name: #N/A

The COAH columns have automatically been populated with growth projections from Appendix F(2) found at the back of N.J.A.C. 5:97-1 et seq. The Highlands RMP Build-out columns have automatically been populated with residential and non-residential build-out figures from the municipal build-out results with resource and utility constraints found in Table 4 of the RMP Module 2 report. Always check with the Highlands Council for updates. If figures have been updated, enter updated build-out results. Use the Tabs at the bottom of this page or the links within the page to toggle to the exclusions worksheet of this workbook. After entering all relevant exclusions, toggle back to the introduction page to view the growth share obligation that has been calculated based on each approach.

COAH Projections

From Appendix F(2) found at the back of N.J.A.C. 5:97-1 et seq.
Allocating Growth To Municipalities

Residential	Non-Residential
24	40

Highlands RMP Buildout Analysis

From Module 2
Table 4 – Municipal Build-Out Results With Resource and Utility Constraints
Updated as of March 30, 2010

	Preservation Area	Planning Area	Totals
Residential units – Sewered	0	NA	0
Septic System Yield	0	NA	0
Total Residential Units	0	NA	0
Non-Residential Jobs – Sewered	0	NA	0

Note: Always check with the Highlands Council for updated municipal Build-out numbers. Enter build-out figures in the appropriate boxes only if revised figures have been provided by the Highlands Council.

[Click Here to link to current Mod 2 Build-Out Reports](#)

[Proceed to Enter Prior Round Exclusions](#)
[Retrun to Enter Actual Growth](#)
[Return to Main Page \(Workbook D Intro\)](#)

Calipon Borough, Hunterdon Co.

The following chart applies the exclusions permitted pursuant to N.J.A.C 5:97-2.4 to both the COAH growth projections and the projected growth that results from the Highlands RMP build-out analysis plus actual growth for the period January 1, 2004 through December 31, 2008.

	COAH	
	Residential	Non-Residential
Projected Growth From COAH Appendix F(2)	24	40
Residential Exclusions per 5:97-2.4(a) from "Exclusions" tab		
COs for prior round affordable units built or projected to be built post 1/1/04		
Inclusionary Development	0	
Supportive/Special Needs Housing	0	
Accessory Apartments	0	
Municipally Sponsored or 100% Affordable	0	
Assisted Living	0	
Other	0	
Market Units in Prior Round Inclusionary development built post 1/1/04	0	
Subtract the following Non-Residential Exclusions per 5:97-2.4(b) from "Exclusions" tab		
Affordable units	0	
Associated Jobs		0

Net Growth Projection	24	40
Projected Growth Share (Residential divided by 5 and jobs divided by 16)	4.8	2.5
Total Projected Growth Share Obligation	7.3 (7) Affordable Units	

	Highlands	
	Residential	Non-Residential
RMP Build-out results from Mod2 Table 4	0	0
Actual Growth from COs issued 2004 through 2008	4	14,129
Residential Exclusions per 5:97-2.4(a) from "Exclusions" tab		
COs for prior round affordable units built or projected to be built post 1/1/04		
Inclusionary Development	0	
Supportive/Special Needs Housing	0	
Accessory Apartments	0	
Municipally Sponsored or 100% Affordable	0	
Assisted Living	0	
Other	0	
Market Units in Prior Round Inclusionary development built post 1/1/04	0	
Subtract the following Non-Residential Exclusions per 5:97-2.4(b) from "Exclusions" tab		
Affordable units	0	
Associated Jobs		0

Net Growth Projection	4	14,129
Projected Growth Share (Residential divided by 5 and jobs divided by 16)	0.8	1.5
Total Projected Growth Share Obligation	2.3 (3) Affordable Units	

[Return to Main Page \(Workbook D Intro\)](#)
[Return to COAH Data and RMP Module 2 Build-out Data](#)
[Return to Actual Growth](#)
[Return to Exclusions](#)

Municipal Codes

Return To Intro

Municipality	County	Code
Mahwah Township	Bergen	0233
Oakland Borough	Bergen	0242
Alexandria Township	Hunterdon	1001
Bethlehem Township	Hunterdon	1002
Bloomsbury	Hunterdon	1003
Califon Borough	Hunterdon	1004
Clinton Town	Hunterdon	1005
Clinton Township	Hunterdon	1006
Glen Gardner Borough	Hunterdon	1012
Hampton Borough	Hunterdon	1013
High Bridge Borough	Hunterdon	1014
Holland Township	Hunterdon	1015
Lebanon Borough	Hunterdon	1018
Lebanon Township	Hunterdon	1019
Milford Borough	Hunterdon	1020
Tewksbury Township	Hunterdon	1024
Union Township	Hunterdon	1025
Boonton Town	Morris	1401
Boonton Township	Morris	1402
Butler Borough	Morris	1403
Chester Borough	Morris	1406
Chester Township	Morris	1407
Denville Township	Morris	1408
Dover Town	Morris	1409
Hanover Township	Morris	1412
Harding Township	Morris	1413
Jefferson Township	Morris	1414
Kinnelon Borough	Morris	1415
Mendham Borough	Morris	1418
Mendham Township	Morris	1419
Mine Hill Township	Morris	1420
Montville Township	Morris	1421
Morris Township	Morris	1422
Morris Plains Borough	Morris	1423
Morristown Town	Morris	1424
Mountain Lakes Borough	Morris	1425
Mount Arlington Borough	Morris	1426
Mount Olive Township	Morris	1427
Netcong Borough	Morris	1428
Parsippany-Troy Hills Twp	Morris	1429
Pequannock Township	Morris	1431
Randolph Township	Morris	1432
Riverdale Borough	Morris	1433
Rockaway Borough	Morris	1434
Rockaway Township	Morris	1435
Roxbury Township	Morris	1436
Victory Gardens Borough	Morris	1437
Washington Township	Morris	1438
Wharton Borough	Morris	1439

Return To Intro

Return To Intro

Return To Intro

Bloomington Borough	Passaic	1601
Pompton Lakes Borough	Passaic	1609
Ringwood Borough	Passaic	1611
Wanaque Borough	Passaic	1613
West Milford Township	Passaic	1615
Bedminster Township	Somerset	1801
Bernards Township	Somerset	1802
Bernardsville Borough	Somerset	1803
Far Hills Borough	Somerset	1807
Peapack-Gladstone Boro	Somerset	1815
Byram Township	Sussex	1904
Franklin Borough	Sussex	1906
Green Township	Sussex	1908
Hamburg Borough	Sussex	1909
Hardyston Township	Sussex	1911
Hopatcong Borough	Sussex	1912
Ogdensburg Borough	Sussex	1916
Sparta Township	Sussex	1918
Stanhope Borough	Sussex	1919
Vernon Township	Sussex	1922
Allamuchy Township	Warren	2101
Alpha Borough	Warren	2102
Belvidere Town	Warren	2103
Franklin Township	Warren	2105
Frelinghuysen Township	Warren	2106
Greenwich Township	Warren	2107
Hackettstown Town	Warren	2108
Harmony Township	Warren	2110
Hope Township	Warren	2111
Independence Township	Warren	2112
Liberty Township	Warren	2114
Lopatcong Township	Warren	2115
Mansfield Township	Warren	2116
Oxford Township	Warren	2117
Phillipsburg Town	Warren	2119
Pohatcong Township	Warren	2120
Washington Borough	Warren	2121
Washington Township	Warren	2122
White Township	Warren	2123

[Return To Intro](#)

[Return To Intro](#)

[Return To Intro](#)

**APPENDIX F
HIGHLANDS BUILD-OUT ANALYSIS
(MODULE 2 OF BASIC PLAN CONFORMANCE)**



Califon Borough
Municipal Build-Out Report

Prepared by the State of New Jersey Highlands Water Protection
and Planning Council in Support of the Highlands Regional Master
Plan: Report on the Results of Modules 1 and 2 of the 2009 Plan
Conformance Process

June 2009

CALIFON BOROUGH MUNICIPAL BUILD-OUT REPORT

for
HIGHLANDS REGIONAL MASTER PLAN CONFORMANCE

Purpose and Scope

The Highlands Regional Master Plan (RMP) requires that conforming municipalities develop a local build-out analysis that incorporates the policies and objectives of the RMP. Specifically, conforming municipalities are required to “use the Highlands Build-Out Model to develop a local build-out analysis that incorporates RMP policies and objectives to evaluate land use capability and capacity planning” (Objective 6G4c). The RMP build-out process requires a Limiting Factor Analysis to examine three categories of constraints:

1. Land Based Capacity (potential developable lands);
2. Resource Based Capacity (Septic System Yield and Net Water Availability); and
3. Utility Based Capacity (public water and wastewater).

This Municipal Build-Out Report provides the results of the local build-out analysis based on potential developable lands and existing municipal conditions, including sewer and water supply capacity and Net Water Availability where relevant. It incorporates the results of the first two modules of the 2009 Plan Conformance Grants Program: Module 1 “Current Municipal Conditions and Build-Out Analysis,” and Module 2 “Land Use and Resource Capacity Analysis.” Both modules were completed through a detailed process involving a cooperative effort of the municipality and the Highlands Council. This process was designed to ensure use of the most current municipal information available and proper application of RMP requirements in the conduct of all analyses. The results for Califon Borough are presented in the section “**Full Build-Out and Constraints Summary**” and tabulated in Table 4 below.

The results of the local build-out analysis are for use by conforming municipalities for other planning activities required for Plan Conformance, such as development of Fair Share Plans addressing affordable housing obligations (Module 3). They also will be useful in complying with the New Jersey Department of Environmental Protection (NJDEP) wastewater management planning requirements under the Water Quality Management Planning rules at N.J.A.C. 7:15-5. The results are intended to assess current municipal conditions as they relate to specific RMP policies and objectives. It is important to note that the build-out analysis incorporates many but not every constraint to development included in the RMP, State regulations or local zoning. Future activities under Plan Conformance will address issues such as more refined or current analyses of land availability, resource capacity, resource protection and utility capacity that may modify these results to either increase or decrease the projected build out of the municipality (e.g., reducing build-out

Municipal Build-Out Report for Califon Borough

projections through land preservation, increasing build-out projections by increasing Net Water Availability or designation of Highlands Redevelopment Areas).

The results of the municipal build-out analysis are designed to be utilized at a municipal scale and are not appropriate for determining if a particular parcel or development project is consistent with the RMP. Therefore, the Highlands Build-Out Model is not intended to be applied at a parcel level to determine the development potential of that parcel, as the municipality must apply additional planning and zoning analyses to determine appropriate future sustainable development.

All of the data and figures regarding specific parcels, including, but not limited to, preserved lands and water and sewer service, are based on a review of currently available information; however, unintentional inaccuracies may occur and may be formally addressed as RMP Updates. Any request for a formal determination to address updated information may be submitted to the Highlands Council in accordance with the RMP policies and procedures for RMP Updates. In addition, this report does not address any Map Adjustments that a municipality may seek to revise the Land Use Capability Zone Map; these will be addressed at a later date.

It is critical to note that this build-out analysis was conducted based on the requirements of Plan Conformance with the RMP, as applied to parcels deemed potentially developable (vacant, oversized and redevelopable) as of early 2009. These results do not include:

- development that has been approved but not completed as of early 2009, which may yield more or less growth than the build-out results calculated for the affected parcels;
- the potential impact of some future development that may be deemed exempt from the Highlands Act, which may yield more or less growth than the build-out results calculated for those lands;¹
- the potential impact of future redevelopment that may be approved through designation of Highlands Redevelopment Areas or other approvals granted with waivers as authorized by the Highlands Act, which may yield more growth than the build-out results calculated for those lands;
- the potential impact of certain land use restrictions based on State regulations and local ordinances that could not be assessed through a municipal level of analysis; and

¹ Where such development is located in an approved wastewater service area in the RMP Existing Community Zone (not including the Environmentally-Constrained Sub-Zone) or the Lake Community Sub-Zone, the results should be similar because the build-out analysis used local zoning. Future developments that may be authorized within the Environmentally-Constrained Sub-Zones, Protection Zone or Conservation Zone that use public or community on-site wastewater systems will have significantly different yields than calculated through the RMP build-out process. Likewise, the Septic System Yields for lands that will rely on septic systems may be significantly different from what those allowed by current municipal zoning.

Municipal Build-Out Report for Califon Borough

- any reductions in build-out projections due to land preservation for open space or farmland beyond those preserved lands identified by the municipality through Module 1.

Therefore, the Highlands Municipal Build-Out Report for a municipality is a result of current conditions and application of RMP requirements. It provides a critical planning tool but cannot be used as a definitive prediction of the future or as a basis for parcel-based development potential.

This is a final Municipal Build-Out Report, which supersedes the Module 1 Summary Report. The results may be used in Module 3 by the municipality in support of its Housing Element and Fair Share Plan and other relevant purposes.

Report Structure

This Highlands Council report is based on the municipal build-out results from Modules 1 and 2 performed by Califon Borough and the Highlands Council, in conformance with the Highlands Regional Master Plan (RMP). These results include consideration of potential land availability, utility capacity, municipal zoning in wastewater utility service areas, Septic System Yield and Net Water Availability in accordance with the RMP. The RMP build-out analysis estimates the potential for new development in Califon Borough, for the entire municipality (see **Full Build-Out and Constraints Summary**, below).

First, the analysis addressed the build-out potential of the available lands, assuming application of RMP requirements for septic system yields and utility service areas without constraints related to the available capacity of public water supply and wastewater utilities or Net Water Availability. Essentially, the land-based build out represents the maximum potential for development in conformance with the RMP if no other constraints exist. Where sewered development is in conformance with the RMP, municipal zoning is used to determine build-out potential. Where septic systems will be used, the RMP requirements apply and the resulting septic system yield is assumed to be entirely residential in nature. To the extent that septic system capacity is used for non-residential development based on a proportional reallocation from residential development, the projected growth will be different than those reported above. Any reallocations of septic system yield will be addressed in Module 3 – Housing Element and Fair Share Plan.

Second, the public water supply and wastewater demands of development projected for the utility service area is compared to the utility capacity available to the municipality, regarding both public water supply and wastewater utilities. Where capacity is insufficient to support the build-out demand, the build-out estimates are reduced.

Third, the resulting water supply demands from build out in both public water supply utility service areas and domestic well service areas are compared to the Net Water Availability for the HUC14 subwatershed. In many cases, this step required information regarding water supply demands from other municipalities, so that the full demands against each HUC14 subwatershed could be assessed. Again, where Net Water Availability is insufficient to support the build-out demand, the build-out estimates are reduced.

This report also includes a discussion of technical methods used in the build-out process, including quality control assessments and build-out impact factors.

Full Build-Out and Constraints Summary for Califon Borough

Overview

Califon Borough is one of five municipalities within the Highlands Region that is entirely within the Preservation Area. The RMP build-out analysis for Califon Borough estimates the following new development results for potential developable lands for the entire municipality, which are discussed in detail in the following section:

1. Development in Wastewater Utility Service Areas: There is no HDSF wastewater utility in the municipality.
2. Development in Septic System Areas: 0 septic systems in the Preservation Area.

The build-out results based on potential developable lands are not constrained by water supply utility capacity and wastewater utility capacity. The water supply demands from the build-out are not constrained by water availability.

Municipal Capacity Conditions and Analysis

A summary of findings on municipal build-out capacity conditions appears in Table 1. It includes the following: potential developable vacant, over-sized and redevelopable lands in the RMP wastewater utility area; potential developable vacant, over-sized and redevelopable parcels in the septic system areas; RMP Septic System Yield; RMP Build-Out Environmentally Constrained lands; available wastewater utility capacity; and available Public Community Water Supply utility capacity.

All figures are the results of an RMP consistency analysis applied to the information supplied by the Highlands Council, as supplemented and verified by Califon Borough. Each Figure shows all of the parcels that were used in the build-out process, whether for Septic System Yield or for build out of RMP wastewater utility areas.

- **Figure 1** presents the parcel-based potential developable lands and their association with HUC14 subwatersheds and Land Use Capability Zones, which relate to the RMP Septic System Yield values where the parcels will be served by septic systems.
- **Figure 2** presents the parcel-based potential developable lands and the RMP Build-Out Environmentally Constrained lands (i.e., steep slopes, flood prone areas and Highlands Open Water buffers). Some of these areas are within the RMP Environmentally-Constrained Sub-Zones while others are smaller-scale environmental features outside those sub-zones.

Municipal Build-Out Report for Califon Borough

- **Figure 3** presents the parcel-based potential developable lands and their association with the RMP utility area² for RMP HDSF³ wastewater utilities.
- **Figure 4** presents the parcel-based potential developable lands associated with the RMP utility area⁴ for RMP Public Community Water System utilities.

RMP Build-Out Developable Land, Over-Sized Lot Analysis and Redevelopable Land

Califon Borough identified no (0) acres of potential developable vacant lots and no (0) acres of potential developable lands on over-sized lots within areas that will be served by septic systems, for a total of no (0) acres of potential developable Septic System Yield lands. These lands were used as the basis for Septic System Yield, regardless of the extent to which any of the lands were steep slopes, flood prone areas or Highlands Open Water buffers.

In addition, there are no (0) acres of potential developable vacant lands and no (0) acres of identified potential redevelopable land (either over-sized lots or specifically identified by the municipality as being a redevelopment target) within the Existing Area Served by utilities. The municipal information for potential developable lands, over-sized lots and redevelopable land was evaluated by the Highlands Council in accordance with the RMP for the build-out analysis. The results for all report figures are summarized in Table 1.

RMP Septic System Yield Analysis

The RMP Septic System Yield analysis determined a yield of no (0) units for the Preservation Area, which is also the total RMP Septic System Yield for Califon Borough. Refer to Table 1 and Figure 1 for additional details.

The build out for septic systems in the Preservation Area identifies the number of septic systems that would be considered permissible under the NJDEP Preservation Area Rules at N.J.A.C. 7:38-3.4. Each vacant or over-sized lot identified through Module 1 and 2 was assessed to determine whether it was of sufficient size to accommodate one or more septic systems, based on NJDEP

² The RMP utility area for wastewater includes the Existing Areas Served based on the RMP, plus any NJDEP-approved Sewer Service Area that is within the Existing Community Zone (not including the Environmentally-Constrained Sub-Zone) or the Lake Community Sub-Zone.

³ HDSF - Highlands Domestic Sewerage Facility. These are wastewater treatment works that provide wastewater treatment primarily of sanitary sewage rather than industrial wastewater as a public utility, and may include service areas and treatment capacities sufficient to support redevelopment and regional growth opportunities. As such, they provide service to multiple parcels under different ownership, rather than to specific developments (e.g., schools, shopping centers, public institutions).

⁴ The RMP utility area for public water supply includes the Existing Areas Served based on the RMP, plus any additional properties identified by the municipality that are within the Existing Community Zone (not including the Environmentally-Constrained Sub-Zone) or the Lake Community Sub-Zone.

Municipal Build-Out Report for Califon Borough

requirements for 1 unit per 25 acres of non-forested lands, 1 unit per 88 acres of forested lands, or some proportional combination thereof. The yield is assigned by parcel, not by aggregate acreage across multiple parcels, and is compiled for the entire Preservation Area of the municipality as shown in Table 1. Parcels that were too small to accommodate a new septic system under these provisions received no Septic System Yield.

The RMP Septic System Yield is calculated for all potential developable lands reliant on septic systems, which may include lands zoned for both residential and non-residential development. Any yields are provided in “equivalent residential units” which may later be allocated among residential and non-residential development using flow translation factors provided in the *Highlands Regional Build-Out Technical Report* (see Appendix B of this report). Therefore, Septic System Yield calculated for Califon Borough would equate to residential units only if no yield is allocated to non-residential development. Septic System Yield may be allocated to non-residential development by reducing the number of residential units and increasing the amount of non-residential development proportionally based on relative flows. This allocation process and the implications for affordable housing requirements will be addressed in Module 3 - Housing Element and Fair Share Plan; this analysis is not part of this report. Therefore, no estimate is made here of non-residential development. All development on septic systems is assumed to rely on domestic wells for the purposes of this analysis.

RMP Build-Out Environmentally Constrained Lands

The RMP Build-Out analysis identified portions of the potential developable lands that are environmentally constrained based on the RMP (i.e., steep slopes, flood prone areas and Highlands Open Water buffers). These constraints were used in the build-out analysis to determine, where wastewater utility service was anticipated based on conformance with the RMP and approved sewer service areas, whether specific parcels had at least 1,400 square feet of unconstrained area. In addition, the nature and extent of these lands may influence the future development of lands in the septic system areas regarding the allocation of Septic System Yield to them and utility lands that are suitable for development. As there were no (0) potential developable acres in Califon Borough, no values were calculated for environmentally constrained land. These values are a summation of the parcel-specific analyses. Refer to Table 1 and Figure 2 for additional details. This analysis should be viewed as an indicator of the level of environmental constraints in potentially developable lands, not as a parcel-based measure of development capacity.

Available HDSF Wastewater Utility Capacity

There is currently no HDSF facility serving Califon Borough.

Available Public Community Water System Utility Capacity

The public water supply utility serving Califon Borough is the Califon Borough unit of Aqua NJ. The current available Highlands Region and municipal capacity for the utility is 0.62 million gallons

Municipal Build-Out Report for Califon Borough

per month (MGM). The total estimated public water demand from the build out is 0 MGD for the Preservation Area and does not exceed the utility capacity conditions. Refer to Table 1 and Figure 4 for additional details.

Based on the current municipal available capacity minus the build out for this water supply utility, there may be capacity available for future allocation. Priority shall be given to addressing additional needs based on Objective 2J4c, such as imminent threats to public health from areas of failing septic systems, designated TDR Receiving Zones, and to infill or redevelopment projects in the Existing Community Zone (not including the Environmentally-Constrained Sub-Zone) that are consistent with the RMP and either address affordable housing obligations or have final municipal approval. Additional priorities include Highlands Redevelopment Areas or cluster development consistent with the RMP. Capacity may also be allocated to the Existing Area Served for redevelopment purposes.

Water Availability Constraints

The build-out results for Califon Borough, based on developable land and utility capacity, were compared to Net Water Availability by the Highlands Council to determine if Net Water Availability posed an additional constraint on development capacity. This analysis determined the potential for Net Water Availability constraints by HUC14 subwatershed, including water demands from both Califon Borough and other municipalities and water users that withdraw water from the same HUC14 subwatershed. The Highlands Council determined whether each demand was consumptive or depletive. For the purpose of this analysis, all septic system units were considered to represent a residential land use in accordance with the Highlands Module 2 Build-out Impact Factors presented in Appendix B, and were addressed as consumptive water uses.

The results were compared to Net Water Availability, whether for non-deficit (surplus) subwatersheds, or deficit (Conditional Water Availability) subwatersheds. These values, whether from a deficit or surplus subwatershed, are collectively referred to as Net Water Availability. In HUC14 subwatersheds dominated by Conservation Zone lands, the water availability dedicated for agricultural purposes is not used for this analysis.

Based on this analysis, the Highlands Council determined that the following HUC14 subwatersheds, both within the municipality and in other municipalities but relied upon for municipal water supply, have insufficient Net Water Availability to support the build out demand:

Table 2 – Net Water Availability Constraints Analysis – Deficits			
HUC14 Subwatershed	Build-Out Demand (MGD)*	Net Water Availability (MGD)	Shortfall (MGD)
NA			

*Subsequent to any reductions due to utility constraints.

Municipal Build-Out Report for Califon Borough

For the remaining HUC14 subwatersheds partially or entirely in the municipality, the Highlands Council also assessed the amount of Net Water Availability remaining after build out. The results are in Table 3, which indicates the remaining Net Water Availability for each HUC14 subwatershed (where positive) and the associated public water supply systems that rely upon the HUC14 subwatershed for supply. This information can be used by the municipality to determine whether there is water available to the public water supply system that could support development, whether within the same HUC14 subwatershed or another, for purposes consistent with the RMP as describe above. The wastewater utility must also have remaining capacity available to the municipality. (Note: this available water cannot be used to increase the Septic System Yield beyond the amount calculated by the Highlands Council, nor can it be used to justify creation or expansion of utilities in violation of RMP requirements.) A decision as to the allocation of this capacity may occur in Module 3 regarding affordable housing needs identified in the Fair Share Plan, or later in the Plan Conformance process regarding other uses. Where a HUC14 subwatershed is relied upon by more than one municipality for water supply, whether on-site or a public water supply system, coordination will be needed among the municipalities to ensure that proposals for additional use do not exceed the remaining Net Water Availability. Also, there may be additional HUC14 subwatersheds not within the municipality that supply water to the municipality, which are not assessed here.

HUC14 Subwatershed	Remaining Net Water Availability (MGD)	Public Water Supply System(s) Reliant Upon the HUC14 Subwatershed (w/ PWSID)
02030105010060 Raritan R SB(Califon br to Long Valley)	0.007773	1004001 CONSUMERS NJ WATER COMPANY CALIFON
02030105010070 Raritan R SB(StoneMill gage to Califon)	0.0152985	1019001 AQUA NJ INC-BUNNVALE
02030105050080 Rockaway Ck (above McCrea Mills)	0.1212205	

Final Build-Out Results

The build-out results for Califon Borough are summarized in Table 4, based on land based capacity (potential developable land in both wastewater and septic system service areas), utility capacity and resource based capacity (Net Water Availability). These results are to be applied in Module 3 - Housing Element and Fair Share Plan toward the determination of affordable housing obligations. To assist in the evaluation of this information, an Excel file of the Module 2 database has been

Municipal Build-Out Report for Califon Borough

prepared by the Highlands Council for use in Module 3, where applicable. The Excel file is included on the Module 2 CD.

Table 4 – Municipal Build-Out Results With Resource and Utility Constraints			
	Preservation Area	Planning Area	Totals
Residential units – Sewered	0	NA	0
Septic System Yield	0	NA	0
Total Residential Units	0	NA	0
Non-Residential Jobs – Sewered	0	NA	0

Highlands Module 2 Municipal Summary Report

Table 1: RMP Municipal Capacity Conditions based on Module 2 Potential Developable Lands- CALIFON BOROUGH

RMP Build-Out WASTE WATER UTILITY Existing Areas Served (EAS) Analysis						
MUNICIPALITY	WASTEWATER UTILITY	Total Wastewater Generation (MGD) - Planning Area	Total Wastewater Generation (MGD) - Preservation Area	Municipal Assigned Percentage	Current Available Highlands Capacity (MGD)	Municipal Available Wastewater Capacity (MGD)
CALIFON BOROUGH	0	0	0	NA	NA	NA

RMP Build-Out POTABLE WATER UTILITY Existing Areas Served (EAS) Analysis						
MUNICIPALITY	WATER UTILITY	Total Water Demand (MGD) - Planning Area	Total Water Demand (MGD) - Preservation Area	Municipal Assigned Percentage	Water Utility Available Capacity (MGM)	Municipal Available Water Utility Capacity (MGM)
CALIFON BOROUGH	1004001 / CONSUMERS NJ WATER COMPANY CALIFON / Facility #2	0	0	100%	0.62	0.62

RMP Build-Out WASTEWATER UTILITY Existing Areas Served (EAS) Analysis Build-out Impact Results					
MUNICIPALITY	WASTEWATER UTILITY	Residential Units	Nonresidential Square Feet	People	Jobs
CALIFON BOROUGH	0	0	0	0	0

RMP Build-Out WATER UTILITY Existing Areas Served (EAS) Analysis Build-out Impact Results					
MUNICIPALITY	WATER UTILITY	Residential Units	Nonresidential Square Feet	People	Jobs
CALIFON BOROUGH	1004001 / CONSUMERS NJ WATER COMPANY CALIFON / Facility #2	0	0	0	0

RMP Build-Out Septic System Yield Analysis					
Planning Area					
MUNICIPALITY	HUC14	SUBWATERSHED NAME	PLAN CZ YIELD	PLAN ECZ YIELD	PLAN PZ YIELD
CALIFON BOROUGH	0	0	0	0	0
totals			0	0	0
Preservation Area					
MUNICIPALITY	PRES YIELD				
CALIFON BOROUGH	0				

RMP Build-Out Potential Developable Lands Analysis				
POTENTIAL DEVELOPABLE VACANT LOT SEPTIC SYSTEM ACRES				
MUNICIPALITY	CZ ACRES - PLANNING	ECZ ACRES - PLANNING	PZ ACRES - PLANNING	PRESERVATION ACRES
CALIFON BOROUGH	0	0	0	0
POTENTIAL DEVELOPABLE OVERSIZED LOT SEPTIC SYSTEM ACRES				
MUNICIPALITY	CZ ACRES - PLANNING	ECZ ACRES - PLANNING	PZ ACRES - PLANNING	PRESERVATION ACRES
CALIFON BOROUGH	0	0	0	0
POTENTIAL DEVELOPABLE WASTEWATER UTILITY ACRES				
MUNICIPALITY	PLANNING ACRES	PRESERVATION ACRES		
CALIFON BOROUGH	0	0		
POTENTIAL DEVELOPABLE OVERSIZED LOT WASTEWATER UTILITY ACRES				
MUNICIPALITY	PLANNING ACRES	PRESERVATION ACRES		
CALIFON BOROUGH	0	0		

RMP Build -Out Environmentally Constrained Lands Analysis						
Potential Developable Lot Acres						
MUNICIPALITY	POTENTIAL FULL DEVELOPABLE ACRES - Planning Area	ENVIRONMENTAL CONSTRAINED ACRES - Planning Area	NET DEVELOPABLE ACRES - Planning Area	POTENTIAL FULL DEVELOPABLE ACRES - Preservation Area	ENVIRONMENTAL CONSTRAINED ACRES - Preservation Area	NET DEVELOPABLE ACRES - Preservation Area
CALIFON BOROUGH	0	0	0	0	0	0
Potential Oversized Lot Acres						
MUNICIPALITY	POTENTIAL FULL DEVELOPABLE ACRES - Planning Area	ENVIRONMENTAL CONSTRAINED ACRES - Planning Area	NET DEVELOPABLE ACRES - Planning Area	POTENTIAL FULL DEVELOPABLE ACRES - Preservation Area	ENVIRONMENTAL CONSTRAINED ACRES - Preservation Area	NET DEVELOPABLE ACRES - Preservation Area
CALIFON BOROUGH	0	0	0	0	0	0

Overview of Technical Method for Build-Out Analysis

Module 1 “Current Municipal Conditions and Build-Out Analysis” (results of which are incorporated into or modified as appropriate for this report) was based on municipal information regarding potential developable lands (including identification of preserved lands and fully developed lands) and areas currently served with public water supply and wastewater utilities. It also included the current capacity conditions of public water supply and wastewater utilities, and was evaluated for municipal Land Use Capability in accordance with the RMP. The information was initially prepared by the Highlands Council and has been edited and verified by the municipality as representing the best available information on existing potential developable lands, which include vacant, non-preserved lands, as well as partially-developed lands having potential for further development (i.e., over-sized parcels) or redevelopment. The Highlands Council performed a quality control assessment to ensure that the database was technically sufficient for the build-out process (see Appendix A – Module 1). The build-out capacity conditions represent the complete build out of potential developable lands in accordance with the RMP, assuming no constraints other than location within areas served by water supply or wastewater utilities or, for those lands not within a wastewater utility service area, the Septic System Yield based upon RMP Land Use Capability Zone Map policies (which incorporate the NJDEP Rules for the Preservation Area at N.J.A.C. 7:38-3.4). The Module 1 Summary Report was prepared by the Highlands Council and provided to the municipality, which further verified or corrected land availability and municipal zoning information in the report as the first step in Module 2.

The build-out capacity conditions in Module 1 identified the available utility capacity (in units of flow) allocated to the municipality for associated Highlands Domestic Sewerage Facilities (HDSF), on-site wastewater facilities, and Public Community Water Supply Systems. The Highlands Council initially used available capacity information from the *Utility Capacity Technical Report (2008)*, which used 2003 data for wastewater utilities (comparing permitted flows to the rolling maximum three month daily average in million gallons per day, or MGD) and 2004 data for public water supply utilities (comparing permitted flows to the maximum monthly demand, in million gallons per month, or MGM). The available capacity estimates initially assumed that the capacity for regional utilities (i.e., serving more than one municipality) would be allocated on a first-come, first-served basis; available capacity was apportioned among the municipalities based on relative land availability in the service area municipalities. In the Module 1 process, municipalities and regional utilities were requested to provide both updated flow data and any available information on contracted flows for a municipality. Where such information was provided and verified, it was used to update both utility-wide and municipal available capacity estimates.

The build-out impacts analysis within RMP utility areas was performed by the Highlands Council using build-out environmental constraints, municipal zoning and various impact factors (e.g., water demand, sewerage demand, population, jobs) as identified in the *Highlands Regional Build-Out Technical Report (2008)* and listed in Appendix B of this report. This analysis was applied only within the RMP utility service areas, defined as the lands within a NJDEP approved utility service area that are also

Municipal Build-Out Report for Califon Borough

located within the Existing Community Zone or Lake Community Sub-Zone (not including the Existing Community-Environmentally-Constrained Sub-Zone). Of these lands, only parcels with at least 1,400 square feet of land that is not environmentally constrained based on the RMP (i.e., steep slopes, flood prone areas and Highlands Open Water buffers) were evaluated for build out in RMP utility service areas. Potential developable lands that did not meet the criteria of the build-out RMP utility areas were evaluated as lands contributing to Septic System Yield.

In addition, the RMP Septic System Yield was calculated for the municipality. The build out for septic system areas in the Planning Area is based on the RMP Septic System Yield Analysis and does not incorporate or evaluate the effects of environmental constraints or municipal zoning. The build-out of septic system areas in the Preservation Area is based on the NJDEP Preservation Area Rules at N.J.A.C. 7:38-3.4, as required by the RMP. The total acreage of all vacant lands, the net acreage of over-sized parcels (i.e., the total lot size minus the acreage needed for one lot under the RMP) and redevelopable lands were used in the Septic System Yield analysis. In the Planning Area, the analysis used the nitrate target for the appropriate Land Use Capability Zone and the drought recharge value for the appropriate HUC14 subwatershed. In the Preservation Area, the analysis used the forested and non-forested lands at a parcel level. In keeping with RMP policies, preserved lands (including SADC, Green Acres, federal, State, county and local lands, and land trust properties and conservation easements where known) were excluded from this analysis. Environmentally constrained lands (i.e., steep slopes, flood prone areas and Highlands Open Water buffers) were included in the septic system yield analysis because the methodology assumes a mixture of constrained and unconstrained lands, but will affect how Septic System Yield is allocated in later stages of the Plan Conformance Process.

The information from Module 1 directly supported the Module 2 Land Use and Resource Capacity Analysis, results of which are incorporated into this report. In Module 2, the Highlands Council and the municipality evaluated the build-out impacts and the associated wastewater and water supply demands within the RMP utility areas as identified in Module 1.

In Module 2, municipalities reviewed the RMP build-out impacts for RMP utility areas and verified that they reflect densities allowed by existing municipal zoning. Areas included in the build-out process for sewer service included those lands within the wastewater Existing Area Served, as defined by the RMP, and also those lands within an NJDEP-approved Sewer Service Area that is also within the Lake Community Sub-Zone or the Existing Community Zone (excluding the Existing Community-Environmentally Constrained Sub-Zone). If the existing municipal zoning conditions have changed from the 2005 data used by the Highlands Council, then the municipality provided the current zoning and the Highlands Council revised the build-out impacts accordingly. The Highlands Council performed a quality control assessment to ensure that the database was technically sufficient for the build-out process (see Appendix A – Module 2).

Where utility capacity exceeded the land-based build out of potential developable lands in Module 1, the utility capacity is potentially available for future demands. The municipality will evaluate utility

Municipal Build-Out Report for Califon Borough

capacity assignment in Module 3 where appropriate to support affordable housing, and in support of later phases of Plan Conformance.

For some HUC14 subwatersheds in the municipality, the projected consumptive or depletive water demand based on both domestic well sources (either as derived from Septic System Yield, which is assumed to be supplied by domestic wells, or within a RMP wastewater utility area served by domestic wells) and water supply utility service indicate that the complete municipal build out of potential developable lands might exceed the Net Water Availability. In such cases, the Highlands Council then calculated Net Water Availability values in Module 2 for use as a further constraint on growth, and determined the extent to which the Net Water Availability would reduce the build out. The Highlands Council also assessed the extent to which the use of remaining wastewater utility capacity (i.e., beyond full build-out), if any, would be constrained by Net Water Availability. This information can be used by the municipality to determine whether the wastewater utility capacity can reasonably be used for purposes consistent with the RMP (e.g., affordable housing projects, TDR receiving zones, Highlands Redevelopment Areas, redevelopment within the Existing Area Served) as provided for by Objective 2K3e. A decision as to the allocation of this capacity will occur in Module 3 regarding affordable housing needs identified in the Fair Share Plan, or later in the Plan Conformance process regarding other uses.

Municipal Build-Out Report for Califon Borough

Appendix A: Technical Sufficiency Review

MODULE 1

The Module 1 Geodatabase (GDB) and utility capacity spreadsheet information submitted by the municipality were evaluated for technical sufficiency and quality assurance and quality control purposes by the Highlands Council staff. The Highlands Council reviewed the GDB (GDB#1 and GDB#2, with GDB#3, where relevant) to determine that all the changes that the municipality made to the GDB are technically sufficient in order to process for RMP Build-out. All revisions made to a GDB by the Highland Council are reflected in the NJHC_QA_QC_COMMENTS field of the GDB. The same Build-out QA/QC Review method is conducted for both GDB#1 and GDB#2. These results were reviewed by the municipality in Module 2 (see below). Any database issues that were not specifically responsive to the technical sufficiency review and not specific to the Module 1 Build-Out Analysis were flagged in the GDB by the Highlands Council for future reference.

When a municipality received GDB#3 (the updated public water utility database), the Council joined and updated the PWSID data from GDB#3 into GDB#1 so all the Module 1 information was in GDB#1 for build-out processing.

Before a GDB is processed for Build-out, the Highlands Council reviewed the material submitted by the municipality including cover letters and any email correspondence for additional information relevant to the build-out analysis. The Highlands Council utilizes Microsoft Access to process the GDB through the NJHC QA/QC review method to create a Technical Protocol Status (TPS) report that flags all parcels that have contradictory data, as well as a SDE check which identifies inserted, deleted and updated information in the GDB. The Highlands Council utilized the TPS Report and the GDB along with the supporting documentation to evaluate any contradictory data reported as Error Codes on the TPS Report.

The TPS report created by the Highlands Council identifies parcels that may contain contradictory data in the GDB and therefore not process correctly in the build-out. There are 11 Error Codes and 5 Data Conditions that may potentially be flagged by the Highlands Council within a GDB. The identification of an Error Code may or may not result in an edit by the Council. If an edit was required in order to technically correct the GDB for build-out processing, the edit was conducted by the Highlands Council and recorded in the GDB. The following is a list of the TPS Error Codes and Data Conditions that may be applicable to the municipality:

- **Error Code 01: Municipal Verification Field Missing** - every verifiable field and row should include the Module 1 verifier's name. If a row was blank, the NJHC QA/QC reviewer would populate the field with the verifier's name or consult with the municipality as required, and enter a comment in the NJHC_QA_QC_COMMENTS field in the GDB.

Municipal Build-Out Report for Califon Borough

- **Error Code 02: Parcels identified as both a Condo and Open Space** - the Highlands Council evaluated the parcel's development and land preservation status to determine if the necessary data fields were populated correctly by the municipality.
- **Error Code 03: Parcels identified as both Developable and Open Space** - the Highlands Council evaluated the parcel's development status and land preservation status and determined if the necessary data fields were populated correctly by the municipality.
- **Error Code 04: Parcels identified as Oversized or Redevelopable and missing the oversized or redevelopable acreage value** - the Highlands Council would either consult with the municipality in order to edit the data field or utilized the GDB information to determine the missing value.
- **Error Code 05: Parcels identified as Oversized or Redevelopable that were also listed as Not Developable** - the Highlands Council evaluated the parcel and edited the PARC_STAT_DEV_STATUS data field accordingly.
- **Error Code 06: Parcels identified as connected to a wastewater utility however no System Provider was identified** - the Highlands Council would consult with the municipality and/or review the GDB and supporting documentation in order to edit the missing entry.
- **Error Code 07: Parcels identified as a "Yes" indicating they are currently both connected and not connected to a wastewater utility** - the Highlands Council edited Not Developable, oversized or redevelopable parcels in the wastewater no connect field to a "No." and if the parcel is vacant and developable then the Highlands Council edited the wastewater existing served field to a "No."
- **Error Code 08: Parcels identified as being connected to a wastewater utility and also identified as vacant or developable** - the Highlands Council evaluated these parcels to see if they are developable, redevelopable or oversized and edited and documented accordingly in the GDB.
- **Error Code 09: Parcels identified as connected to a public water utility however no System Provider was identified** - the Highlands Council would consult with the municipality and/or review the GDB and supporting documentation in order to edit the missing entry.
- **Error Code 10: Parcels identified as a "Yes" indicating they are currently both connected and not connected to a public water utility** - the Highlands Council edited Not Developable, oversized or redevelopable parcels in the public water no connect field to a "No." and if the parcel is vacant and developable then the Highlands Council edited the public water existing served field to a "No."
- **Error Code 11: Parcels identified as being connected to a public water utility and also identified as vacant or developable** - the Highlands Council evaluated these parcels to see if they are developable, redevelopable or oversized and edited and documented accordingly in the GDB.

Municipal Build-Out Report for Califon Borough

- **Data Condition 1: Parcels identified as Not Developable due to Environmental Constraints or Inadequate Lot Geometry** - these parcels were evaluated in septic served areas to ensure that the environmentally constrained parcels in the GDB were not a water body and therefore not appropriate for inclusion in the RMP Septic System Area analysis. Otherwise, vacant parcels indicated to be “Not Developable” due to environmentally constrained lands were included in the Septic System Yield analysis. Parcels that were identified as an inadequate lot geometry but developable with an adjacent parcel may require further review by the municipality to ensure that the build-out process was applied correctly because the Highlands Council is not able to discern the adjacent parcel record that is in common ownership and referenced by the municipality.
- **Data Condition 2: Parcels identified as having a WW Utility with a Contractual Allocation** were flagged in the TPS Report.
- **Data Condition 3: Parcels identified for PW Utility with a Contractual Allocation** were flagged in the TPS Report.
- **Data Condition 4: Parcels containing entries as “OTHER” with associated comments** were reviewed to see if the proper data field associated with the comment had been completed correctly and to assist in the review of the GDB information.
- **Data Condition 5: Parcels with entries in any of the “Comment” data fields-** the Council reviewed this information as a means to assist in GDB technical evaluation and QA/QC review.

In addition to going through the TPS Report as described above, the Council evaluated all open space parcels to ensure they are technically correct in the GDB. The Council also reviewed parcels that have no provider listed for public water or wastewater to ensure that there are no “Yes” data fields in the utility connection status data field, as these parcels are on septic/domestic wells and not relevant regarding a utility connection status in the GDB. Lastly, the Council QA/QC reviewer initialed and dated the GDB to complete the TPS Report and QA/QC Review process.

The municipality then received a modified GDB that:

1. incorporated the results of all edits by the Highlands Council;
2. merged the final results of GDB’s #1 and, where applicable, #2 and #3 into a single GDB;
3. identified the parcels that were processed for build out as potential developable vacant, redevelopable and over-sized lots in both septic system and sewer areas; and
4. incorporated additional fields used by the Highlands Council in running the build-out process, including municipal zoning for potential developable vacant and redevelopable parcels associated with sewer service conforming with RMP requirements, and having at least 1,400 square feet of land that is not environmentally constrained. Where such parcels were associated with public water supply service, they were also evaluated for water demands.

Municipal Build-Out Report for Califon Borough

The Municipal Conditions Geodatabase may include in some cases duplicate parcel records within the municipality. These duplicates derive from the process of creating a spatial representation of parcels in GIS. The Highlands Council has taken the necessary steps to avoid double counting of developable duplicate parcels, in the summary reports and in the geodatabase and any derivatives thereof.

MODULE 2

In Module 2, the municipality completed a final check on parcel information and verified the municipal zoning applicable to parcels that were processed for build out in RMP utility areas. Where edits were made and returned to the Highlands Council, the Council incorporated the edits and, where necessary, performed a revised build-out analysis, the results of which are reflected in this report.

Please note that the Type A and Type B edits conducted by the municipality were reviewed by the Highlands Council and only when an edit was relevant to the RMP Build-out analysis was it incorporated and re-processed for build-out analysis as required.

Type A Edits – Tabular

- The information will be updated in the GDB as indicated.
- The nature and extent of the information may or may not affect the build-out results.
- Type A tabular edits that require a revised build-out will be processed and reported as a Module 2 Municipal Build-out Summary Report.

Type A Edits – Spatial

- The revised spatial information will be reviewed in accordance with the Module 1 Technical Review Protocols.
- Type A spatial edits that require a revised build-out will be processed and reported as a Module 2 Municipal Build-out Summary Report.

Type B Edits – Municipal Zoning

- The information will be updated in the GDB as indicated.
- Updated zoning changes only affect parcels in RMP utility areas.
- Type B edits that require a revised build-out will be processed and reported as a Module 2 Municipal Build-out Summary Report.

Appendix B – Highlands Module 2 Build-Out Model Impact Factors

Highlands Zone Type	Comparison Zone/Unit Type	Source	Region	Density Dwelling unit (du)/acre *	Efficiency Factor % (1)	Average Household Size (2)	Average School Children in Household (2)	Percent Impervious (3)	Consumptive/Depletive Water Use includes Indoor demand (gpd per person) plus outdoor demand as (gpd per unit) multiplied by Consumptive/Depletive Use Coefficient (4)	Public Water System Demand (5)	Public Wastewater System Generation (6)
SF Estate Residential or (PA-5)				0.05 to 0.20 (0.17 maximum)	95			0.075* acres	(75 gpd/person + 50 gpd/unit) * Consumptive/Depletive Coefficient	100 gallons per person per day	75 gallons per person per day
	Single-family Detached 4-5 BR	Statewide NJ Demographic Multipliers (2)	Northern ¹			3.809	1.072				
Single-family Detached 4-5 BR	Central ²				3.780	1.094					
SF Rural Residential, Resource Residential, or (PA-4B)				0.21 to 0.5 du/acre (0.17 maximum)	95			0.075* acres	(75 gpd/person + 50 gpd/unit) * Consumptive/Depletive Coefficient	100 gallons per person per day	75 gallons per person per day
	Single-family Detached 4-5 BR	Statewide NJ Demographic Multipliers (2)	Northern ¹			3.809	1.072				
Single-family Detached 4-5 BR	Central ²				3.780	1.094					
SF Low Density or (PA-4)				0.51 to 1.0 du/acre (1.16 maximum)	80			0.075* acres	(75 gpd/person + 50 gpd/unit) * Consumptive/Depletive Coefficient	100 gallons per person per day	75 gallons per person per day
	Single-family Detached 4-5 BR	Statewide NJ Demographic Multipliers (2)	Northern ¹			3.809	1.072				
Single-family Detached 4-5 BR	Central ²				3.780	1.094					
SF Medium Density, Suburban Residential, or (PA-3)				1.01 to 3.0 du/acre (3.81 minimum)	75			26.7	(75 gpd/person + 30 gpd/unit) * Consumptive/Depletive Coefficient	100 gallons per person per day	75 gallons per person per day
	Single-Family Detached, 2-3 BR	Statewide NJ Demographic Multipliers (2)	Northern ¹			3.137	0.607				
Single-Family Detached, 2-3 BR	Central ²				2.578	0.367					
SF High Density or (PA-2)				3.01 to 8.0 du/acre (7.04 minimum)	75			33.7	(75 gpd/person + 5 gpd/unit) * Consumptive/Depletive Coefficient	75 gallons per person per day	75 gallons per person per day
	Single-Family Attached, 2-3 BR	Statewide NJ Demographic Multipliers (2)	Northern ¹			2.477	0.296				
Single-Family Attached, 2-3 BR	Central ²				2.296	0.292					
Attached/Townhouse or (PA-1)				8.01 to 16.0 du/acre (9.78 minimum)	75			45.7	(75 gpd/person + 5 gpd/unit) * Consumptive/Depletive Coefficient	75 gallons per person per day	75 gallons per person per day

Appendix B – Highlands Module 2 Build-Out Model Impact Factors

Highlands Zone Type	Comparison Zone/Unit Type	Source	Region	Density Dwelling unit (du)/acre *	Efficiency Factor % (1)	Average Household Size (2)	Average School Children In Household (2)	Percent Impervious (3)	Consumptive/Depletive Water Use includes Indoor demand (gpd per person) plus outdoor demand as (gpd per unit) multiplied by Consumptive/Depletive Use Coefficient (4)	Public Water System Demand (5)	Public Wastewater System Generation (6)
	Single-Family Attached, 2-3 BR	Statewide NJ Demographic Multipliers (2)	Northern ¹			2.477	0.296				
	Single-Family Attached, 2-3 BR		Central ²				2.296	0.292			
Garden Apartment or (PA-1)				16.01+ du/acre (9.78 minimum)	70			57.1	(75 gpd/person + 5 gpd/unit) * Consumptive/Depletive Coefficient	75 gallons per person per day	75 gallons per person per day
	5+ Units (Own/Rent), 2-3 BR	Statewide NJ Demographic Multipliers (2)	Northern ¹			2.262	0.308				
	5+ Units (Own/Rent), 2-3 BR		Central ²				2.342	0.373			
Mixed use/Age Restricted Housing (percent mix based on 40% residential and 60% non-residential as Office/Commercial)		Municipal Zoning		Apply zone density and FAR value Note: Use Retail/Commercial Impact factors for non-res %	70	Varies Based on zoning Du/Acre description	0.00	68.8	(75 gpd/person + 5 gpd/unit) * Consumptive/Depletive Coefficient	75 gallons per person per day	75 gallons per person per day
Mixed use (percent mix based on 40% residential and 60% non-residential as Office/Commercial)		Municipal Zoning		Apply zone density and FAR value Note: Use Retail/Commercial Impact factors for non-res %	70	Varies Based on zoning Du/Acre description	Varies Based on zoning Du/Acre description	42.0	(75 gpd/person + 5 gpd/unit) * Consumptive/Depletive Coefficient	75 gallons per person per day	75 gallons per person per day
Senior or Age restricted Housing		Municipal Zoning		Varies Based on zoning Du/Acre description	70	Varies Based on zoning Du/Acre description	0.00	60.3	(75 gpd/person + 5 gpd/unit) * Consumptive/Depletive Coefficient	75 gallons per person per day	75 gallons per person per day

Highlands Build-Out Residential Impact Factors – Sources

* Residential dwelling units generated by the build-out model include both market rate and affordable units.

(1) Source: Efficiencies are given as a percentage, between 0 and 100, where a 100 value means complete efficiency (no land lost to development), and a 0 value means no buildings will be estimated for that land use. For example an efficiency of 70% may be representative of developable land that has a 10% set aside for parks and 20% for roads (100% - 10% - 20% = 70%). Project determined values.

(2) Source: Who Lives in New Jersey Housing? New Jersey Demographic Multipliers, The Profile of Occupants of Residential and nonresidential Development. Listokin, D., Voicu, I., Dolphin, W., Camp, M. Center for Urban Policy Research. Rutgers University. November 2006. Northern NJ values were applied to Bergen, Morris, Passaic, Sussex and Warren County municipalities. Central NJ values were applied to Hunterdon and Somerset County municipalities.
 1 Table II-C-1 North Region of New Jersey Total Persons and Persons by Age (2000) (p. 85)
 2 Table II-D-1 Central Region of New Jersey Total Persons and Persons by Age (2000) (p. 99)

(3) Source: NCNBR, Rutgers University, April 27, 2006. The impervious surface area for new dwelling units large lot zoned areas (*) is based on an average 15% impervious surface value (per NJDEP LU/LC) and a project determined average homestead area of 0.50 acres. No impact value is attached to the remaining undeveloped area. The impact percentage factors for the other residential composite zones represent weighted averages of NJ Highlands Percent Impervious Surface for all residentially developed lands in that composite zone. The raw data was obtained by overlaying NJ Highlands Zoning and DEP 2002 LU/LC spatial data files, and extracting the calculated percent impervious surface area attached to each LU/LC residential developed land polygon and the acres of associated developed land in each intersecting municipal zone polygon. The impervious surface areas in each municipal zone within the composite zone were aggregated and then divided by the total developed residential land area, to produce a weighted IS average for each composite zone.

(4) Source: Center for Urban Policy Research (CUPR), September 2000. NJGS Consumptive Use Coefficients. For consumptive uses, a factor of 29% is utilized. For depletive uses, a factor of 100% is used

(5) Source: NJDEP N.J.A.C. 7:10 Safe Drinking Water Act Regulations Adopted November 4, 2004, 7:10-12.6 Water Volume Requirements and State Plan Impact Assessment

(6) Source: NJDEP N.J.A.C. 7:14A-23.3 Pollutant Discharge Elimination System: Technical Requirements For TWA Applications, Projected flow criteria

Appendix B – Highlands Module 2 Build-Out Model Impact Factors

Highlands Composite Zone Type	Floor Area Ratio	Efficiency Factor % (1)	Region	Jobs per 1,000 sf (2)	Percent Impervious (3)	Consumptive/Depletive Water Use multiplied by Consumptive/Depletive Use Coefficient (4)	Public Water System Demand (5)	Public Wastewater System Generation (6)
Office/Commercial	Based on zoning	80	Northeast US	2.99	78.3	0.125 gpd/sf * Consumptive/Depletive Coefficient	0.125 gallons/day/sf	0.10 gallons/day/sf
Retail	Based on zoning	80	Northeast US	1.63	72.5	0.125 gpd/sf * Consumptive/Depletive Coefficient	0.125 gallons/day/sf	0.10 gallons/day/sf
Industrial	Based on zoning	80	Northeast US	1.11	53.4	25 gpd/person * Consumptive/Depletive Coefficient	25 gallons per person per day	25 gallons per person per day

Highlands Build-Out Non-Residential Impact Factors – Sources

- (1) Source: Efficiencies are given as a percentage, between 0 and 100, where a 100 value means complete efficiency (no land lost to development), and a 0 value means no buildings will be estimated for that land use. For example an efficiency of 70% may be representative of developable land that has a 10% set aside for parks and 20% for roads (100% - 10% - 20% = 70%). Project determined values.
- (2) Source: Who Lives in New Jersey Housing? New Jersey Demographic Multipliers, The Profile of Occupants of Residential and nonresidential Development. Listokin, D., Voicu, I., Dolphin, W., Camp, M. Center for Urban Policy Research. Rutgers University. November 2006.
- a Table II-I-3 Commercial - Office Employees per 1,000 Square Feet of Gross Floor Area (GFA) (p. 136) (Reported Northeast mean value).
- b Table II-I-4 Commercial – Retail Employees per 1,000 Square Feet of Gross Floor Area (GFA) (p. 139) (Value derived by averaging the mean number of employees per 1,000 sq. ft. of GFA for retail (excluding mall), retail (enclosed mall), and retail (strip shopping mall) space in the Northeast).
- c Table II-I-6 Industrial – Warehouses Employees per 1,000 Square Feet of Gross Floor Area (GFA) (p. 143) (Value derived by averaging the mean number of employees per 1,000 sq. ft. of GFA for Non-Refrigerated and Refrigerated space in the Northeast).
- (3) Source: NCNBR, Rutgers University, April 27, 2006. The impervious surface area for new dwelling units large lot zoned areas (*) is based on an average 15% impervious surface value (per NJDEP LU/LC) and a project determined average homestead area of 0.50 acres. No impact value is attached to the remaining undeveloped area. The impact percentage factors for the other residential composite zones represent weighted averages of NJ Highlands Percent Impervious Surface for all residentially developed lands in that composite zone. The raw data was obtained by overlaying NJ Highlands Zoning and DEP 2002 LU/LC spatial data files, and extracting the calculated percent impervious surface area attached to each LU/LC residential developed land polygon and the acres of associated developed land in each intersecting municipal zone polygon. The impervious surface areas in each municipal zone within the composite zone were aggregated and then divided by the total developed residential land area, to produce a weighted IS average for each composite zone.
- (4) Source: Center for Urban Policy Research (CUPR), September 2000. NJGS Consumptive Use Coefficients. For consumptive uses, a factor of 29% is utilized. For depletive uses, a factor of 100% is used
- (5) Source: NJDEP N.J.A.C. 7:10 Safe Drinking Water Act Regulations Adopted November 4, 2004, 7:10-12.6 Water Volume Requirements and State Plan Impact Assessment
- (6) Source: NJDEP N.J.A.C. 7:14A-23.3 Pollutant Discharge Elimination System: Technical Requirements For TWA Applications; Projected flow criteria

APPENDIX G
MAPPING OF PRIOR ROUND SITES

**Former Basket Factory Property
(now NORWESCAP Property)
Portion of Lots 20-22, Block 6**

Staiano Property

APPENDIX H
MAPPING OF THIRD ROUND SITES

**Tiger Property
Lot 13, Block 8**

Wade Property
Lot 3.1, Block 2

FAIR SHARE PLAN

FAIR SHARE PLAN

Description of Obligation

The table below presents the third round fair share obligation for Califon Borough, including the prior round obligation Realistic Development Potential (RDP) – which is subject to COAH’s approval of an adjustment for insufficient vacant land; the rehabilitation obligation determined by COAH based upon the 2000 Census; and the Borough’s third round growth share obligation based upon the Highland Council’s Build-Out Report for Califon Borough plus the obligations associated with growth that has occurred within the Borough between January 1, 2004, and July , 2010.

Third Round Adjusted Affordable Housing Obligation

Prior Round Obligation – RDP	0 (with 21 unit Unmet Need)
Rehabilitation Obligation	3
Third Round Obligation	3
Total	6

In view of the very low septic densities permitted within the Highlands Preservation Area, and the fact that Califon has no sewer service, no new development can occur except in the context of development that would be exempt from the Highlands Act (generally single-family homes on existing isolated vacant lots or replacement dwellings on developed lots) or 100% affordable housing developments that receive a waiver of the Highlands Preservation Area regulations from the NJDEP.

The probability of little or no development occurring in Califon as a result of its designation as Highlands Preservation Area is reflected in the very low projection of growth embodied in the Build-Out Analysis and the discouraging results of recent efforts to interest Habitat for Humanity in undertaking construction in the Borough. ***For this reason, the Borough will be requesting a waiver of the obligation to address its third round growth share obligation.*** This does not mean that the Borough will not continue to work cooperatively with Habitat for Humanity and various special needs housing providers in an effort to bring affordable housing to the Borough, but it cannot assure COAH that any of this will occur. The Borough cannot and is not required by the Fair Housing Act to fund the production of affordable housing, and inclusionary zoning is out of the question.

If an intermunicipal transfer opportunity should arise within the Highlands Region that does not require the Borough to pay for the cost of constructing affordable housing units elsewhere, Califon would be willing to participate in such a program.

Additionally, Califon will need to seek waivers from the following specific requirements of COAH's third round Rules, because, at this time, there is no way of knowing whether these parameters can ever be met, even if affordable housing units are able to be created within the Borough:

1. At least half of all units to be credited toward the third round obligation must be provided as family housing units, available to the general public.
2. The Borough has a minimum third round rental obligation of 25% of the three (3) unit growth share obligation or one (1) unit, and at least 50% of the rental obligation must be met with family rental units available to the general public (in Califon's case, the one (1) rental unit would be required to be a family rental unit).
3. Based upon the 2008 amendments to the Fair Housing Act, the Borough also has an obligation to provide very low income housing. At least 13% of all new housing units created to satisfy the third round obligation must be affordable to households earning 30% or less of median income, and at least 50% of the very low income housing must be in the form of family units available to the general public

Rehabilitation Program

The Third Round Fair Share Plan for the Borough of Califon addresses the three (3) unit rehabilitation obligation. The Borough has adopted a Resolution of its intent to contract with a qualified Rehabilitation Program Administrator to administer its Housing Rehabilitation Program. It is included in the Appendices to the Fair Share Plan. Also included in the same Appendix with the Resolution is a proposed schedule for funding the three (3) unit rehabilitation program, since it appears likely (at least as of this writing) that the Borough will have to shoulder the costs of this program. As well, COAH's Model Rehabilitation Manual is included. One of the first duties of the Rehabilitation Program Administrator will be to modify COAH's Model Rehabilitation Manual consistent with all of COAH's requirements for a Rehabilitation Program.

Prior Round Accessory Apartments Program

The Fair Share Plan also maintains the Borough's existing accessory apartments program, although the program will be modified to conform to the septic density limits in the Highlands Preservation Area by adding provisions to limit the total number of bedrooms in both the accessory apartment and the host dwelling, combined, to the same number of bedrooms already existing in the host dwelling unit and to require that the existing septic system be able to serve both dwellings.

Prior Round NORWESCAP Site

The former “Basket Factory” site, originally acquired by the Borough and subsequently deed restricted for affordable housing and conveyed to NORWESCAP may or may not ever develop with affordable housing. Although it was originally approved for a five-bedroom age-restricted alternative living facility, it is probably best suited from both a Highlands and a funding perspective for construction of a single-family dwelling to accommodate special needs housing. The Borough has done its part to facilitate such development by providing the site. It will be up to NORWESCAP to obtain the funding and/or special needs housing provider be needed to bring this project into fruition. Should this project go forward, it will enable the Borough to address a portion of its unmet need for the prior round (since this was a prior round site).

Third Round Proposals

Califon acknowledges that COAH’s Rules require the third round growth share obligation to be satisfied even though the Borough is entitled to a vacant land adjustment for the prior round. Califon further acknowledges that the growth attributed to the Borough between January 1, 2004 and July of 2009 did indeed occur. The Borough simply has no realistic way to guarantee that affordable housing will, indeed, be built in Califon, at least not without substantial municipal subsidies, which the Borough is unable to commit to providing. It has not collected any development fees to date and does not anticipate collecting any in the future. Nevertheless, its plan to address the third round growth share obligation is as follows:

Exempt Development on Two Sites

The Borough continues to look at two potential sites on which the three (3) unit growth share obligation might be able to be addressed. One is the Tiger property (Block 8, Lot 13), on which Habitat for Humanity and the Borough had, in 2006, unsuccessfully explored with the NJDEP the possibility of obtaining waivers from the Highlands Preservation Area regulations in order to develop one or more single or two family affordable dwellings. The second site is the still undeveloped portion of the Wade property (Block 2, Lot 3.1) behind the new pharmacy.

Each of these two sites could be eligible for the development of one single-family home, perhaps offering supportive shared living for persons with special needs, under a Highlands exemption, assuming a provider with sufficient funding could be found. The Borough does not have the funds to offer its own support for such a project, nor is it required to do so, pursuant to the Fair Housing Act. No zoning changes would be required for such development.

Special needs supportive shared living housing would satisfy the growth share obligation number, but waivers from certain of COAH’s requirements would still have to be sought (for example, the 50% family housing requirement and the 50% very low income family housing requirement would not be met). Alternatively, if Habitat for Humanity were able to construct a single-family home under an exemption on an existing vacant lot, the 50% family housing waiver would be lessened, but the growth share number would not be satisfied.

Unanticipated Inclusionary Development

Should a developer ever be successful in obtaining approval for a Major Highlands Development from the NJDEP anywhere in Califon, pursuant to a waiver or otherwise, such approval should include the provision of affordable housing. No such approvals are anticipated, but an Affordable Housing Ordinance and an Affirmative Marketing Plan will be in place to address the requirements for such development.

Housing Transfers

The Borough of Califon would be interested in participating in an affordable housing transfer program, should such a mechanism be created by the Highlands Council, but the Borough does not have the authority to establish nor does it have the ability to fund such a program on its own.

Affordable Housing Ordinance and Affirmative Marketing Plan

The Borough will adopt a new Affordable Housing Ordinance and Affirmative Marketing Plan that will be applicable to all new and existing affordable housing units created within Califon. The Borough has adopted a resolution of intent to contract with a qualified Administrative Agent to administer the controls on affordability and the affirmative marketing plan for all affordable housing units that may be created in the Borough (unless covered by their own programmatic requirements, as in the case of special needs housing). The Affordable Housing Ordinance, the Affirmative Marketing Plan, and the Borough's adopted Resolution of Intent to Contract with an Administrative Agent (and COAH's qualification checklist) are all included in the Appendices to this Fair Share Plan.

Development Fee Ordinances and Spending Plan

Califon's existing Development Fee Ordinance and its executed Affordable Housing Trust Fund Escrow Agreement with COAH are presented in the Appendices to this Fair Share Plan. A proposed Development Fee Ordinance and a Spending Plan have been prepared and are also included. The proposed Development Fee Ordinance is consistent with COAH's current Rules and most recent model Development Fee Ordinance. The Spending Plan outlines the anticipated collection and distribution of mandatory development fees and the Borough's plan for the use of any money that may come into the Affordable Housing Trust Fund to reimburse itself for the costs of the three (3) unit rehabilitation program. The Borough understands that no funds may be expended from the Affordable Housing Trust Fund without COAH's approval of the Spending Plan.

The prior round accessory apartments program was previously funded by the Borough; the \$50,000 that the Borough appropriated for that program is still available (but NOT in the Affordable Housing Trust Fund) for that purpose. The amount of money previously appropriated for the accessory apartments program will no longer cover the costs of creating five (5) accessory apartments, under COAH's current Rules. However, it is sufficient to cover the costs of at least two (2) units. If there is renewed interest in the program locally (which there had not

been during the prior round), the Borough may consider expanding it, but cannot commit to expending any more funds on the accessory apartments program at this time.

In general, any funds that may be collected in the Affordable Housing Trust Fund will be spent for rehabilitation

Summary

Califon Borough proposes to address its current cumulative affordable housing obligation as follows:

Rehab Obligation:

3 units: establish and fund a rehabilitation program and contract with a qualified Rehabilitation Administrator to run it.

Prior Round Obligation:

Realistic Development Potential (RDP) of 0 units: no proposals.

Unmet Need of 21 units: retain the 5 unit *accessory apartment program*, which is already partially funded, and modify it to conform with Highlands requirements; retain the *NORWESCAP site* in the plan for a 5 bedroom special needs facility or other approvable alternative living arrangement in a single-family dwelling.

Third Round Obligation:

3 units: Work with Habitat for Humanity and/or special needs housing providers to develop affordable housing within single-family homes on the Tiger and/or Wade properties, if funding can be obtained to acquire and develop these properties. Potential yield of 1-6 units. Seek a waiver from COAH of the obligation to comply with the growth share obligation itself and of the obligation to comply with the components of the growth share obligation (family; rental; family rental; very low income; family very low income) due to lack of funding resources and effect of Highlands regulations on development opportunities in the Borough.

TOTAL: 6 unit obligation; potential for 4-9 units (including 3 rehabilitation units)

The Fair Share Plan includes a new Affordable Housing Ordinance, a new Affirmative Marketing Plan, and copies of the Borough's existing Development Fee Ordinance and Escrow Agreement. A proposed new Development Fee Ordinance and the Spending Plan that is required to accompany it is also presented, along with a Resolution of Intent to Fund the Rehabilitation Program. Additionally, the material required by COAH in support of the rehabilitation program and the modified accessory apartments program is also included. Finally, the Fair Share Plan includes copies of the Municipal Affordable Housing Liaison Ordinance and Resolution as well as a Resolution of Intent to Contract with a qualified Housing Administrator.

**FAIR SHARE PLAN
APPENDICES**

APPENDIX A
AFFORDABLE HOUSING ORDINANCE

Ordinance No. ____-__-__
Affordable Housing Ordinance
Borough of Califon, Hunterdon County

AN ORDINANCE AMENDING THE CODE OF THE BOROUGH OF CALIFON, NEW JERSEY, TO ADDRESS THE REQUIREMENTS OF THE COUNCIL ON AFFORDABLE HOUSING (COAH) REGARDING COMPLIANCE WITH THE BOROUGH'S THIRD ROUND AFFORDABLE HOUSING OBLIGATIONS

BE IT ORDAINED by the governing body of the Borough of Califon, Hunterdon County, New Jersey, that the Code of the Borough of Califon, New Jersey, is hereby amended to include provisions addressing the Borough's constitutional obligation to provide for its fair share of low- and moderate-income housing, consistent with N.J.A.C. 5:97-1, et seq., as may be amended and supplemented, and N.J.A.C. 5:80-26.1, et seq., as may be amended and supplemented, and pursuant to the New Jersey Fair Housing Act of 1985. This Ordinance is intended to provide assurances that low- and moderate-income units ("affordable units") are created with controls on affordability over time and that low- and moderate-income households shall occupy these units. This Ordinance shall apply except where inconsistent with applicable law.

The Califon Borough Planning Board has adopted a 2010 Housing Element and Fair Share Plan pursuant to the Municipal Land Use Law at N.J.S.A. 40:55D-1, et seq. The Fair Share Plan has been endorsed by the governing body. The Fair Share Plan describes the methods by which Califon Borough shall address its fair share for low- and moderate-income housing as determined by the Council on Affordable Housing (COAH) and as outlined in the Housing Element and Fair Share Plan. This Ordinance is part of and implements the balance of the Fair Share Plan and addresses the requirements of N.J.A.C. 5:97-1, et seq., as may be amended and supplemented.

The Borough of Califon shall file monitoring reports with COAH in accordance with N.J.A.C. 5:96 et seq. regarding the status of the implementation of the Housing Element and Fair Share Plan. Any report filed by Califon Borough with COAH and any report prepared by COAH in response shall also be available to the public at the Califon Borough Hall, Borough Clerk's Office, P.O. Box 368, 39 Academy Street, Califon, New Jersey, 07830, at the COAH offices at P.O. Box 813, 101 South Broad Street, Trenton, New Jersey 08625-0813 and on COAH's website.

Section 1. Municipal Fair Share Obligation

The Borough of Califon has a third round fair share obligation consisting of the following: a prior round RDP of 0 units and an unmet need for the prior round of 21 units; a 3 unit rehabilitation obligation; and a 3 unit third round growth share obligation. Notwithstanding the fact that the Housing Element and Fair Share Plan have been prepared based upon a projection of the growth share obligation, the actual growth share obligation will be determined based on the

actual development that occurs between January 1, 2004, and December 31, 2018, calculated at the rate of one affordable housing unit for every four market rate residential units constructed and one affordable housing unit for every 16 jobs created through the development or expansion of non-residential floor area in accordance with the schedule presented in Appendix D of COAH's Substantive Rules (N.J.A.C. 5:97).

Section 2. Definitions

The following terms when used in this Ordinance shall have the meanings given in this Section:

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

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

“Administrative agent: means the entity responsible for the administration of affordable units in accordance with this Ordinance, N.J.A.C. 5:96, N.J.A.C. 5:97 and UHAC (N.J.A.C. 5:80-26).

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

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

“Affordable” means, a sales price or rent level that is within the means of a low- or moderate-income household as defined in N.J.A.C. 5:97-9 and in the case of an ownership unit, that the sales price for the unit conforms to the standards set forth in N.J.A.C. 5:80-26.6, as may be amended and supplemented, and, in the case of a rental unit, that the rent for the unit conforms to the standards set forth in N.J.A.C. 5:80-26.12, as may be amended and supplemented.

“Affordable development” means a housing development of which all or a portion consists of restricted units.

“Affordable housing development” means a development included in the Housing Element and Fair Share Plan, and includes, but is not limited to, an inclusionary development, a municipal construction project or a 100 percent affordable housing development.

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

“Affordable unit” means a housing unit proposed or created pursuant to the Act, credited pursuant to N.J.A.C. 5:97-4, and/or funded through an affordable housing trust fund.

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

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

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

“Certified household” means a household that has been certified by an Administrative Agent as a low-income household or moderate-income household.

“COAH” means the Council on Affordable Housing, which is in, but not of, the Department of Community Affairs of the State of New Jersey, as established by the New Jersey Fair Housing Act (N.J.S.A. 52:27D-301, et seq.).

“DCA” means 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.

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

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

“Inclusionary development” means a development containing both affordable units and market rate units. This term includes, but is not limited to: new construction, the conversion of a non-

residential structure to residential use and the creation of new affordable units through the reconstruction of a vacant residential structure.

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

“Market-rate units” means housing not restricted to low- and moderate-income households that may sell or rent at any price.

“Median income” means the median income by household size for the applicable housing region, as adopted annually by COAH.

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

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

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

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

“Regional asset limit” means the maximum housing value in each housing region affordable to a four-person household with an income at 80 percent of the regional median as defined by COAH’s adopted Regional Income Limits published annually by COAH.

“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. In assisted living residences, rent does not include charges for food and services.

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

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

“Very low-income household” means a household with a total gross annual household income equal to 30 percent or less of the median household income for the applicable housing region.

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

“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 purposes of the rehabilitation program.

Section 3. Affordable Housing Programs

Califon Borough has determined that it will use the following programs to attempt to satisfy its affordable housing obligations:

1. A rehabilitation program covering 3 units that will be available to owner-occupied and rental units alike. See Section 4.
2. Continuation of the heretofore unsuccessful accessory apartments program that was approved by COAH for the prior round, but with modifications intended to be more consistent with the Highlands regulations and the Highlands Regional Master Plan.
3. Development of a supportive special needs housing facility on the NORWESCAP site (a portion of Lots 20, 21 and 22 in Block 6, which was previously deed restricted and conveyed by the Borough to NORWESCAP for this purpose), should funding become available for that purpose.
4. Development of supportive special needs housing within an existing or new single family home elsewhere within the Borough, should a site and funding become available for that purpose.
5. Development of one or more single or two-family dwellings by Habitat for Humanity, provided that a site and funding become available for that purpose and further provided that a waiver or waivers of NJDEP’s Highlands Regulations be obtained for that purpose.

6. In addition to the foregoing, in the unlikely event any property in the Borough of Califon that is currently zoned for nonresidential uses is subsequently rezoned for residential purposes or receives a use variance to permit residential development at a density of 4 units per acre or greater, such residential development shall provide an affordable housing set-aside of 15% if the affordable units will be for rent and 20% if the affordable units will be for sale.

7. The following general guidelines apply to all developments that contain low-and moderate-income housing units, including any unanticipated future developments that will provide low- and moderate-income housing units. All developers and providers of affordable housing units shall consult COAH's Rules and UHAC for requirements specific to the type of affordable housing development proposed.

Section 4. Rehabilitation

Califon's rehabilitation program will result in the rehabilitation of 3 additional deficient housing units occupied by low- and moderate-income households within Califon Borough. It is the Borough's intention to fund sufficient improvements to these units such that, after rehabilitation, these units will comply with the New Jersey State Housing Code pursuant to N.J.A.C. 5:28.

1. Califon will designate and contract with a COAH-approved Rehabilitation Administrator for the 3 unit rehabilitation program.
2. Both owner-occupied and renter-occupied units shall be eligible for rehabilitation funds.
3. All rehabilitated units shall remain affordable to 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 lien, and, for renter occupied units, the control period shall be enforced with a deed restriction.
4. Califon Borough shall dedicate a minimum of \$10,000 for each unit to be rehabilitated through the rehabilitation program, and all of the \$10,000 (or any additional amount) shall be utilized for the hard costs of rehabilitation. The cost of the Rehabilitation Administrator's services shall be over and above the cost of the rehabilitation.
5. The Borough of Califon shall adopt a resolution committing to fund any shortfall in the cost of the rehabilitation program.
6. The Rehabilitation Administrator shall provide a rehabilitation manual for the rehabilitation program to be adopted by resolution of the governing body so as to ensure that COAH's rehabilitation program requirements are met. The manual shall be continuously available for public inspection in the Office of the Borough Clerk (also designated as the Borough's Affordable Housing Liaison) as well as in the office of the Rehabilitation Administrator.

7. Units in a rehabilitation program shall be exempt from N.J.A.C. 5:97-9 and UHAC, but shall be administered in accordance with the following:

a. Upon the initial rental of a vacant unit subsequent to rehabilitation, or if a renter-occupied unit is re-rented prior to the end of controls on affordability, the deed restriction shall require the unit to be rented to a low- or moderate-income household at an affordable rent and to be affirmatively marketed pursuant to N.J.A.C. 5:97-9 and UHAC, unless otherwise provided by the requirements of a Federally-funded affordable housing program that governs the management of the units.

b. If a unit is renter-occupied, upon completion of the rehabilitation, the maximum rent shall be the lesser of the current rent or the maximum permitted rent pursuant to N.J.A.C. 5:97-9 and UHAC, unless otherwise provided by the requirements of a Federally-funded affordable housing program that governs the management of the units.

c. Rents in rehabilitated units may increase annually based on the standards in N.J.A.C. 5:97-9, unless otherwise provided by the requirements of a Federally-funded affordable housing program that governs the management of the units.

d. Applicant and/or tenant households shall be certified as income-eligible in accordance with N.J.A.C. 5:97-9 and UHAC, unless otherwise provided by the requirements of a Federally-funded affordable housing program that governs the management of the units, except that households in owner occupied rehabilitation units shall be exempt from the regional asset limit.

Section 5. Supportive Shared Living Housing

1. The administration of a supportive living housing facility shall be in compliance with N.J.A.C. 5:97-6.10, including the administration thereof in accordance with N.J.A.C. 5:97-9 and UHAC, with the following exceptions:

a. Affirmative marketing (N.J.A.C. 5:80-26.15), provided, however, that the units or bedrooms shall be affirmatively marketed to individuals with special needs in accordance with a plan approved by COAH's Executive Director; and

b. Affordability average and bedroom distribution (N.J.A.C. 5:80-26.3).

2. With the exception of units established with capital funding through a 20-year operating contract with the Department of Human Services, Division of Developmental Disabilities, supportive living housing facilities shall have the appropriate controls on affordability in accordance with N.J.A.C. 5:97-9 and UHAC.

3. The service provider for a supportive living housing facility shall act as the Administrative Agent for the purposes of administering the affirmative marketing and affordability requirements for the supportive living housing facility.

Section 6: Accessory Apartments

1. The accessory apartment program shall be available to both low and moderate income units.
2. The following provisions shall apply to an accessory apartment program:
 - a. A minimum of \$20,000 per unit shall be granted to subsidize the creation of each moderate-income accessory apartment and a minimum of \$25,000 per unit shall be granted to subsidize the creation of each low-income accessory apartment. The subsidy may be used to fund actual construction costs to create the accessory apartment and/or to provide compensation to the owner for the reduced rental rates. The selection of the subsidy and accompanying restriction shall be at the discretion of the owner.
 - b. In view of the septic density limits applicable within the Highlands Preservation Area, no new septic system shall be required or constructed to accommodate the accessory apartment. Consequently, the net number of bedrooms within the host unit plus the accessory apartment shall not exceed the number of bedrooms already existing in the host unit.
3. The units shall comply with N.J.A.C. 5:97-9 and UHAC with the following exceptions:
 - a. Control periods for rental units (N.J.A.C. 5:80-26.11(a)); accessory apartments may have 10-year controls on affordability;
 - b. Bedroom distribution (N.J.A.C. 5:80-26.3(b) and (c)); there is no limit on the number of bedrooms in each unit other than the requirement in 2.b. above that the net number of bedrooms in both the host unit and the accessory apartment not exceed the number of bedrooms already existing in the host unit;
 - c. Low/moderate income split (N.J.A.C. 5:80-26.3(a)); accessory apartments shall be exempt from the requirement that at least 50 percent of the units created shall be affordable to households earning 50 percent or less of regional median income; and
 - d. Affordability average (N.J.A.C. 5:80-26.3(d) and (e)); however, 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.

Section 7: New Construction of Affordable Housing

1. In any (currently unanticipated) inclusionary development that will also contain market-priced housing, the following phasing schedule shall be followed for the delivery of the affordable housing units:

Maximum Percentage of Market-Rate Units Completed	Minimum Percentage of Low- and Moderate-Income Units Completed
25	0
25+1	10
50	50
75	75
90	100

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

a. Affordable housing units constructed on any site 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.

b. In any affordable housing development, at least 50 percent of the restricted units within each bedroom distribution shall be low-income units.

c. Affordable housing developments that are not age-restricted shall be structured in conjunction with realistic market demands such that:

1) The combined number of efficiency and one-bedroom units shall be no greater than 20 percent of the total low- and moderate-income units;

2) At least 30 percent of all low- and moderate-income units shall be two bedroom units;

3) At least 20 percent of all low- and moderate-income units shall be three bedroom units; and

4) The remaining units may be allocated among two and three bedroom units at the discretion of the developer.

d. Affordable housing developments that are age-restricted shall be structured such that the number of bedrooms shall equal the number of age-restricted low- and moderate-income units within the inclusionary development. This standard may be met by having all one-bedroom units or by having a two-bedroom unit for each efficiency unit.

3. Accessibility Requirements:

a. The first floor of all restricted townhouse dwelling units and all restricted units in all other multistory buildings shall be subject to the technical design standards of the Barrier Free SubCode, N.J.A.C. 5:23-7 and N.J.A.C. 5:97-3.14.

b. All restricted townhouse dwelling units and all restricted units in other multistory buildings in which a restricted dwelling unit is attached to at least one other dwelling unit shall have the following features:

- 1) An adaptable toilet and bathing facility on the first floor;
- 2) An adaptable kitchen on the first floor;
- 3) An interior accessible route of travel on the first floor;
- 4) An adaptable room that can be used as a bedroom, with a door or the casing for the installation of a door, on the first floor;
- 5) An interior accessible route of travel between stories within an individual unit, except that if all of the terms of paragraphs b.1) through b.4) above have been satisfied, an interior accessible route of travel shall not be required between stories within an individual unit; and
- 6) An accessible entranceway as set forth at P.L. 2005, c. 350 (N.J.S.A. 52:27D-311a, et seq.) and the Barrier Free SubCode, N.J.A.C. 5:23-7 and N.J.A.C. 5:97-3.14, or evidence that Califon has collected funds from the developer sufficient to make 10 percent of the adaptable entrances in the development accessible:
 - a) 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.
 - b) To this end, the builder of restricted units shall deposit funds within the Borough of Califon's Affordable Housing Trust Fund sufficient to install accessible entrances in 10 percent of the affordable units that have been constructed with adaptable entrances.
 - c) The funds deposited under paragraph 6)b) above shall be used by the Borough of Califon 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.
 - d) The developer of the restricted units shall submit a design plan and cost estimate for the conversion of adaptable to accessible entrances to the Construction Official of the Borough of Califon.
 - e) Once the Construction Official has determined that the design plan to convert the unit entrances from adaptable to accessible meet the requirements of the Barrier Free SubCode, N.J.A.C. 5:23-7 and N.J.A.C. 5:97-3.14, and that the cost estimate of such conversion is reasonable, payment shall be made to the Borough's Affordable Housing Trust

Fund in care of the Borough CFO or Borough Treasurer, as applicable, who shall ensure that the funds are deposited into the Affordable Housing Trust Fund and appropriately earmarked.

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

4. Design:

a. In inclusionary developments, to the extent possible, low- and moderate-income units shall be integrated with the market units.

b. In inclusionary developments, low- and moderate-income units shall have access to all of the same common elements and facilities as the market units.

5. Maximum Rents and Sales Prices:

a. In establishing rents and sales prices of affordable housing units, the Administrative Agent shall follow the procedures set forth in UHAC, utilizing the regional income limits established by COAH.

b. The maximum rent for restricted rental units within each affordable development shall be affordable to households earning no more than 60 percent of median income, and the average rent for restricted low- and moderate-income units shall be affordable to households earning no more than 52 percent of median income.

c. 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 10 percent of all low- and moderate-income rental units shall be affordable to very low-income households.

d. The maximum sales price of restricted ownership units within each affordable development shall be affordable to households earning no more than 70 percent of median income, and each affordable development must achieve an affordability average of 55 percent for restricted ownership units; in achieving this affordability average, moderate-income ownership units must be available for at least three different sales prices for each bedroom type, and low-income ownership units must be available for at least two different sales prices for each bedroom type.

e. In determining the initial sales prices and rent levels for compliance with the affordability average requirements for restricted units other than assisted living facilities and age-restricted developments, the following standards shall be used:

- 1) A studio shall be affordable to a one-person household;

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

f. In determining the initial sales prices and rents for compliance with the affordability average requirements for restricted units in assisted living facilities and age-restricted developments, the following standards shall be used:

- 1) A studio shall be affordable to a one-person household;
- 2) A one-bedroom unit shall be affordable to a one and one-half person household; and
- 3) A two-bedroom unit shall be affordable to a two-person household or to two one-person households.

g. 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 Federal Reserve H.15 rate of interest), taxes, homeowner and private mortgage insurance and condominium or homeowner association fees do not exceed 28 percent of the eligible monthly income of the appropriate size household as determined under N.J.A.C. 5:80-26.4, as may be amended and supplemented; provided, however, that the price shall be subject to the affordability average requirement of N.J.A.C. 5:80-26.3, as may be amended and supplemented.

h. The initial rent for a restricted rental unit shall be calculated so as not to exceed 30 percent of the eligible monthly income of the appropriate size household, including an allowance for tenant paid utilities, as determined under N.J.A.C. 5:80-26.4, as may be amended and supplemented; provided, however, that the rent shall be subject to the affordability average requirement of N.J.A.C. 5:80-26.3, as may be amended and supplemented.

i. The price of owner-occupied low- and moderate-income units may increase annually based on the percentage increase in the regional median income limit for each housing region. In no event shall the maximum resale price established by the Administrative Agent be lower than the last recorded purchase price.

j. The rent of low- and moderate-income units may be increased annually based on the permitted percentage increase in the Housing Consumer Price Index for the United States. This increase shall not exceed nine percent in any one year. Rents for units constructed pursuant

to low- income housing tax credit regulations shall be indexed pursuant to the regulations governing low- income housing tax credits.

Section 8. Utilities

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

Section 9. Occupancy Standards

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

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

Section 10. Control Periods for Restricted Ownership Units and Enforcement Mechanisms

1. Control periods for restricted ownership units shall be in accordance with N.J.A.C. 5:80-26.5, as may be amended and supplemented, and each restricted ownership unit shall remain subject to the requirements of this Ordinance for a period of at least thirty (30) years, until Califon takes action to release the unit from such requirements; prior to such action, a restricted ownership unit must remain subject to the requirements of N.J.A.C. 5:80-26.1, as may be amended and supplemented.
2. The affordability control period for a restricted ownership unit shall commence on the date the initial certified household takes title to the unit.
3. Prior to the issuance of the initial certificate of occupancy for a restricted ownership unit and upon each successive sale during the period of restricted ownership, the Administrative Agent shall determine the restricted price for the unit and shall also determine the non-restricted, fair market value of the unit based on either an appraisal or the unit's equalized assessed value without the restrictions in place.
4. At the time of the initial sale of the unit, the initial purchaser shall execute and deliver to the Administrative Agent a recapture note obligating the purchaser (as well as the purchaser's heirs, successors and assigns) to repay, upon the first non-exempt sale after the unit's release from the restrictions set forth in this Ordinance, an amount equal to the difference between the

unit's non-restricted fair market value and its restricted price, and the recapture note shall be secured by a recapture lien evidenced by a duly recorded mortgage on the unit.

5. The affordability controls set forth in this Ordinance shall remain in effect despite the entry and enforcement of any judgment of foreclosure with respect to restricted ownership units.

6. A restricted ownership unit shall be required to obtain a Continuing Certificate of Occupancy or a certified statement from the Construction Official stating that the unit meets all Code standards upon the first transfer of title following the removal of the restrictions provided under N.J.A.C. 5:80-26.5(a), as may be amended and supplemented.

Section 11. Price Restrictions for Restricted Ownership Units, Homeowner Association Fees and Resale Prices

Price restrictions for restricted ownership units shall be in accordance with N.J.A.C. 5:80-26.1, as may be amended and supplemented, including:

1. The initial purchase price for a restricted ownership unit shall be approved 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 foregoing standards.
3. The master deeds of inclusionary developments shall provide no distinction between the condominium or homeowner association fees and special assessments paid by low- and moderate-income purchasers and those paid by market purchasers.
4. 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 those that render the unit suitable for a larger household or the addition of a bathroom. See Section 12.

Section 12. Buyer Income Eligibility

1. Buyer income eligibility for restricted ownership units shall be in accordance with N.J.A.C. 5:80-26.1, as may be amended and supplemented, such that low-income ownership units shall be reserved for households with a gross household income less than or equal to 50 percent of median income and moderate-income ownership units shall be reserved for households with a gross household income less than 80 percent of median income.
2. Notwithstanding the foregoing, however, the Administrative Agent may, subject to COAH's approval, permit moderate-income purchasers to buy low-income units in housing markets determined by COAH to have an insufficient number of eligible low-income purchasers to permit prompt occupancy of the units. All such low-income units to be sold to moderate-income households shall retain the required pricing restrictions for low-income units.

3. A certified household that purchases a restricted ownership unit must occupy it as the certified household's principal residence and shall not lease the unit; provided, however, that the Administrative Agent may permit the owner of a restricted ownership unit, upon application and a showing of hardship, to lease the restricted unit to a certified household for a period not to exceed one year.

4. The Administrative Agent shall certify a household as eligible for a restricted ownership unit when the household is a low-income household or a moderate-income household, as applicable to the unit, and the estimated monthly housing cost for the particular unit (including principal, interest, taxes, homeowner and private mortgage insurance and condominium or homeowner association fees, as applicable) does not exceed 33 percent of the household's eligible monthly income.

Section 13. Limitations on Indebtedness Secured by Ownership Unit; Subordination

1. Prior to incurring any indebtedness to be secured by a restricted ownership unit, the owner shall apply to the Administrative Agent 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.

2. With the exception of First Purchase Money Mortgages, neither an owner nor a lender shall at any time cause or permit the total indebtedness secured by a restricted ownership unit to exceed 95 percent of the maximum allowable resale price of the unit, as such price is determined by the Administrative Agent in accordance with N.J.A.C.5:80-26.6(b).

Section 14. Capital Improvements To Ownership Units

1. 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 capital improvements made since the purchase of the unit. Eligible capital improvements shall be those that render the unit suitable for a larger household or that add an additional bathroom. In no event shall the maximum sales price of an improved housing unit exceed the limits of affordability for the larger household.

2. Upon the resale of a restricted ownership unit, all items of property that are permanently affixed to the unit or were included when the unit was initially restricted (for example, refrigerator, range, washer, dryer, dishwasher, wall-to-wall carpeting) shall be included in the maximum allowable resale price. Other items may be sold to the purchaser at a reasonable price that has been approved by the Administrative Agent at the time of the signing of the agreement to purchase. The purchase of central air conditioning installed subsequent to the initial sale of the unit and not included in the base price may be made a condition of the unit resale provided the price, which shall be subject to 10-year, straight-line depreciation, has been approved by the Administrative Agent. 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 owner and the purchaser must personally certify at the time of closing that no unapproved

transfer of funds for the purpose of selling and receiving property has taken place at the time of or as a condition of resale.

Section 15. Control Periods for Restricted Rental Units

1. Control periods for restricted rental units shall be in accordance with N.J.A.C. 5:80-26.11, as may be amended and supplemented, and each restricted rental unit shall remain subject to the requirements of this Ordinance for a period of at least 30 years, until Califon Borough takes action to release the unit from such requirements. Prior to such action, a restricted rental unit must remain subject to the requirements of N.J.A.C. 5:80-26.1, as may be amended and supplemented.

2. Deeds of all real property that include restricted rental units shall contain deed restriction language. The deed restriction shall have priority over all mortgages on the property, and the deed restriction shall be filed by the developer or seller with the records office of the County of Hunterdon. A copy of the filed document shall be provided to the Administrative Agent within 30 days of the receipt of a Certificate of Occupancy.

3. A restricted rental unit shall remain subject to the affordability controls of this Ordinance despite the occurrence of any of the following events:

- a. Sublease or assignment of the lease of the unit;
- b. Sale or other voluntary transfer of the ownership of the unit; or

3. The entry and enforcement of any judgment of foreclosure on the property containing the unit.

Section 16. Rent Restrictions for Rental Units; Leases

1. A written lease shall be required for all restricted rental units and tenants shall be responsible for security deposits and the full amount of the rent as stated on the lease. A copy of the current lease for each restricted rental unit shall be provided to the Administrative Agent.

2. No additional fees or charges shall be added to the approved rent (except, in the case of units in an assisted living residence, to cover the customary charges for food and services) without the express written approval of the Administrative Agent.

3. Application fees (including the charge for any credit check) shall not exceed five percent of the monthly rent of the applicable restricted unit and shall be payable to the Administrative Agent to be applied to the costs of administering the controls applicable to the unit as set forth in this Ordinance.

Section 17. Tenant Income Eligibility

1. Tenant income eligibility shall be in accordance with N.J.A.C. 5:80-26.13, as may be amended and supplemented, and shall be determined as follows:

a. Very low-income rental units shall be reserved for households with a gross household income less than or equal to 30 percent of median income.

b. Low-income rental units shall be reserved for households with a gross household income less than or equal to 50 percent of median income.

c. Moderate-income rental units shall be reserved for households with a gross household income less than 80 percent of median income.

2. The Administrative Agent shall certify a household as eligible for a restricted rental unit when the household is a very low-income household, low-income household or a moderate-income household, as applicable to the unit, and the rent proposed for the unit does not exceed 35 percent (40 percent for age-restricted units) of the household's eligible monthly income as determined pursuant to N.J.A.C. 5:80-26.16, as may be amended and supplemented; provided, however, that this limit may be exceeded if one or more of the following circumstances exists:

a. The household currently pays more than 35 percent (40 percent for households eligible for age-restricted units) of its gross household income for rent, and the proposed rent will reduce its housing costs;

b. The household has consistently paid more than 35 percent (40 percent for households eligible for age-restricted units) of eligible monthly income for rent in the past and has proven its ability to pay;

c. The household is currently in substandard or overcrowded living conditions;

d. The household documents the existence of assets with which the household proposes to supplement the rent payments; or

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

3. The applicant shall file documentation sufficient to establish the existence of the circumstances in 1.a. through 2.e. above with the Administrative Agent, who shall counsel the household on budgeting.

Section 18. Municipal Housing Liaison

1. COAH requires municipalities to appoint a specific municipal employee to serve as a Municipal Housing Liaison responsible for administering the affordable housing program,

including affordability controls, the Affirmative Marketing Plan, monitoring and reporting, and, where applicable, supervising any contracted Administrative Agent. Califon Borough has adopted an Ordinance creating the position of Municipal Housing Liaison and has adopted a resolution appointing a Municipal Housing Liaison.

2. The Municipal Housing Liaison shall be responsible for oversight and administration of the affordable housing program for the Borough, including the following responsibilities which may not be contracted out to the Administrative Agent:

- a. Serving as the Borough's primary point of contact for all inquiries from the State, affordable housing providers, Administrative Agents and interested households;
- b. Monitoring the status of all restricted units in the Fair Share Plan;
- c. Compiling, verifying and submitting annual monitoring reports as required by COAH;
- d. Coordinating meetings with affordable housing providers and Administrative Agents, as needed; and
- e. Attending continuing education opportunities on affordability controls, compliance monitoring and affirmative marketing as offered or approved by COAH.

3. Subject to the approval of COAH, the Borough of Califon shall designate an Administrative Agent to administer newly created or newly constructed affordable units in accordance with N.J.A.C. 5:96, N.J.A.C. 5:97 and UHAC. An Operating Manual shall be provided by the Administrative Agent to be adopted by resolution of the governing body and subject to approval of COAH. The Operating Manual shall be available for public inspection in the Office of the Borough Clerk and in the office of the Administrative Agent. The Municipal Housing Liaison shall supervise the contracting Administrative Agent.

Section 19. Administrative Agent

The Administrative Agent shall perform the duties and responsibilities of an Administrative Agent as set forth in UHAC, including those set forth in Sections 5:80-26.14, 16 and 18 thereof, which include:

1. Affirmative Marketing:

- a. Conducting an outreach process to affirmatively market affordable housing units in accordance with the Affirmative Marketing Plan of the Borough of Califon and the provisions of N.J.A.C. 5:80-26.15; and
- 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.

2. Household Certification:

- a. Soliciting, scheduling, conducting and following up on interviews with interested households;
- b. Conducting interviews and obtaining sufficient documentation of gross income and assets upon which to base a determination of income eligibility for a low- or moderate-income unit;
- c. Providing written notification to each applicant as to the determination of eligibility or non-eligibility;
- d. Requiring that all certified applicants for restricted units execute a certificate substantially in the form, as applicable, of either the ownership or rental certificates set forth in Appendices J and K of N.J.A.C. 5:80-26.1 et seq.;
- e. Creating and maintaining a referral list of eligible applicant households living in the housing region and eligible applicant households with members working in the housing region where the units are located; and
- f. Employing a random selection process as provided in the Affirmative Marketing Plan and the Affordable Housing Operating Manual of the Borough of Califon when referring households for certification to affordable units.

3. Affordability Controls:

- a. Furnishing to attorneys or closing agents forms of deed restrictions and mortgages for recording at the time of conveyance of title of each restricted unit;
- b. Creating and maintaining a file on each restricted unit for its control period, including the recorded deed with restrictions, recorded mortgage and note, as appropriate;
- c. Ensuring that the removal of the deed restrictions and cancellation of the mortgage note are effectuated and properly filed with the Hunterdon County Register of Deeds or Hunterdon County Clerk's office after the termination of the affordability controls for each restricted unit;
- d. Communicating with lenders regarding foreclosures; and
- e. Ensuring the issuance of Continuing Certificates of Occupancy or certifications pursuant to N.J.A.C. 5:80-26.10.

4. Resales and Rerentals:

a. Instituting and maintaining an effective means of communicating information between owners and the Administrative Agent regarding the availability of restricted units for resale or rental; and

b. Instituting and maintaining an effective means of communicating information to low- and moderate-income households regarding the availability of restricted units for resale or re-rental.

5. Processing Requests from Unit Owners:

a. Reviewing and approving requests for determination from owners of restricted units who wish to take out home equity loans or refinance during the term of their ownership that the amount of indebtedness to be incurred will not violate the terms of this Ordinance;

b. Reviewing and approving requests to increase sales prices from owners of restricted units who wish to make capital improvements to the units that would affect the selling price, such authorizations to be limited to those improvements resulting in additional bedrooms or bathrooms and the depreciated cost of central air conditioning systems;

c. Notifying the municipality of an owner's intent to sell a restricted unit; and

d. Making determinations on requests by owners of restricted units for hardship waivers.

6. Enforcement:

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

b. Securing from all developers and sponsors of restricted units, at the earliest point of contact in the processing of the project or development, written acknowledgement of the requirement that no restricted unit can be offered, or in any other way committed, to any person, other than a household duly certified to the unit by the Administrative Agent;

c. The posting annually in all rental properties, including two-family homes, of a notice as to the maximum permitted rent together with the telephone number of the Administrative Agent where complaints of excess rent or other charges can be made;

d. Sending annual mailings to all owners of affordable dwelling units, reminding them of the notices and requirements outlined in N.J.A.C. 5:80-26.18(d)4;

e. Establishing a program for diverting unlawful rent payments to the municipality's Affordable Housing Trust Fund or other appropriate municipal fund approved by the DCA; and

f. Creating and publishing a written operating manual, as approved by COAH, setting forth procedures for administering the affordability controls.

7. Additional Responsibilities:

a. The Administrative Agent shall have the authority to take all actions necessary and appropriate to carry out its responsibilities, hereunder.

b. The Administrative Agent shall prepare monitoring reports for submission to the Municipal Housing Liaison in time for their submission by the Municipal Housing Liaison to COAH, as required by COAH.

c. The Administrative Agent shall attend continuing education sessions on affordability controls, compliance monitoring, and affirmative marketing as offered or approved by COAH.

Section 20. Affirmative Marketing Requirements

1. The Borough of Califon shall adopt by resolution an Affirmative Marketing Plan that is compliant with N.J.A.C. 5:80-26.15, as may be amended and supplemented.

2. The Affirmative Marketing Plan is a regional marketing strategy designed to attract buyers and/or renters of all majority and minority groups, regardless of race, creed, color, national origin, ancestry, marital or familial status, gender, affectional or sexual orientation, disability, age or number of children to 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 marketing activities toward COAH Housing Region 3 and is required to be followed throughout the period of restriction.

3. The Affirmative Marketing Plan shall provide a regional preference for all households that live and/or work in COAH Housing Region 3, comprised of Hunterdon, Somerset and Middlesex Counties.

4. The municipality has the ultimate responsibility for adopting the Affirmative Marketing Plan and for the proper administration of the Affirmative Marketing Program, including initial sales and rentals and resales and rerentals. The Administrative Agent designated by the Borough of Califon shall implement the Affirmative Marketing Plan to assure the affirmative marketing of all affordable units.

5. In implementing the Affirmative Marketing Plan, 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.

6. The Affirmative Marketing Plan shall describe the media to be used in advertising and publicizing the availability of housing. In implementing the Affirmative Marketing Plan, the Administrative Agent shall consider the use of language translations where appropriate.
7. The affirmative marketing process for available affordable units shall begin at least four months prior to the expected date of occupancy.
8. Applications for affordable housing shall be available in several locations, including, at a minimum, the County Administration Building and/or the County Library for each county within the housing region; Borough Hall; and the developer's sales or rental office. Applications shall be mailed to prospective applicants upon request.
9. The costs of advertising and affirmative marketing of the affordable units shall be the responsibility of the developer, sponsor or owner.

Section 21. Enforcement of Affordable Housing Regulations

1. 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, a requirement for household recertification, acceleration of all sums due under a mortgage, recuperation of any funds from a sale in violation of the regulations, injunctive relief to prevent further violation of the regulations, entry on the premises, and specific performance.
2. After providing written notice of a violation to an Owner, Developer or Tenant of a low- or moderate-income unit and advising the Owner, Developer or Tenant of the penalties for such violations, the municipality may take the following action(s) against the Owner, Developer or Tenant for any violation that remains uncured for a period of 60 days after service of the written notice:
 - a. The municipality may file a court action pursuant to N.J.S.A. 2A:58-11 alleging a violation or violations of the regulations governing the affordable housing unit. If the Owner, Developer or Tenant is adjudged by the Court to have violated any provision of the regulations governing affordable housing units the Owner, Developer or Tenant shall be subject to one or more of the following penalties, at the discretion of the Court:
 - 1) A fine of not more than \$500.00 per day or imprisonment for a period not to exceed 90 days, or both, provided that each and every day that the violation continues or exists shall be considered a separate and specific violation of these provisions and not a continuation of the initial offense;
 - 2) In the case of an Owner who has rented a low- or moderate-income unit in violation of the regulations governing affordable housing units, payment into the Borough of Califon Affordable Housing Trust Fund of the gross amount of rent illegally collected;

3) In the case of an Owner who has rented a low- or moderate-income unit in violation of the regulations governing affordable housing units, payment of an innocent tenant's reasonable relocation costs, as determined by the Court.

b. The municipality may file a court action in the Superior Court seeking a judgment that would result in the termination of the Owner's equity or other interest in the unit, in the nature of a mortgage foreclosure. Any such judgment shall be enforceable as if the same were a judgment of default of the First Purchase Money Mortgage and shall constitute a lien against the low- or moderate-income unit.

1) The judgment shall be enforceable, at the option of the municipality, by means of an execution sale by the Sheriff, at which time the low- and moderate-income unit of the violating Owner shall be sold at a sale price which is not less than the amount necessary to fully satisfy and pay off any First Purchase Money Mortgage and prior liens and the costs of the enforcement proceedings incurred by the municipality, including attorney's fees. The violating Owner shall have his right to possession terminated as well as his title conveyed pursuant to the Sheriff's sale.

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- and moderate-income unit. The excess, if any, shall be applied to reimburse the municipality for any and all costs and expenses incurred in connection with either the court action resulting in the judgment of violation or the Sheriff's sale. In the event that the proceeds from the Sheriff's sale are insufficient to reimburse the municipality in full as aforesaid, the violating Owner shall be personally responsible for the full extent of such deficiency, in addition to any and all costs incurred by the municipality in connection with collecting such deficiency. In the event that a surplus remains after satisfying all of the above, such surplus, if any, shall be placed in escrow by the municipality for the Owner and shall be held in such escrow for a maximum period of two years or until such earlier time as the Owner shall make a claim with the municipality for such. Failure of the Owner to claim such balance within the two-year period shall automatically result in a forfeiture of such balance to the municipality. Any interest accrued or earned on such balance while being held in escrow shall belong to and shall be paid to the municipality, whether such balance shall be paid to the Owner or forfeited to the municipality.

3) Foreclosure by the municipality due to violation of the regulations governing affordable housing units shall not extinguish the restrictions of the regulations governing affordable housing units as the same apply to the 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 low- and moderate-income unit by satisfying the First Purchase Money Mortgage and any prior liens and crediting the violating owner with an amount equal to the

difference between the First Purchase Money Mortgage and any prior liens and costs of the enforcement proceedings, including legal fees and the maximum resale price for which the low- and moderate-income unit could have been sold under the terms of the regulations governing affordable housing units. This excess shall be treated in the same manner as the excess which would have been realized from an actual sale as previously described.

5) Failure of the low- and moderate-income unit to be either sold at the Sheriff's sale or acquired by the municipality shall obligate the Owner to accept an offer to purchase from any qualified purchaser which may be referred to the Owner by the municipality, with such offer to purchase being equal to the maximum resale price of the low- and moderate-income unit as permitted by the regulations governing affordable housing units.

6) The 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

Section 22. Appeals

Appeals from all decisions of an Administrative Agent appointed pursuant to this Ordinance shall be filed in writing with the Executive Director of COAH.

REPEALER

All Ordinances or parts of Ordinances inconsistent herewith are repealed as to such inconsistencies.

SEVERABILITY

If any section, subsection, sentence, clause, phrase or portion of this Ordinance is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision, and such holding shall not affect the validity of the remaining portions thereof.

EFFECTIVE DATE

This Ordinance shall take effect upon passage and publication as provided by law.

ATTEST:

BOROUGH OF CALIFON

Laura Eidsvaag, RMC,
Borough Clerk

The Honorable Charles Daniel,
Mayor

APPENDIX B
AFFIRMATIVE MARKETING PLAN

**RESOLUTION
OF THE MAYOR AND COUNCIL OF THE
BOROUGH OF CALIFON, COUNTY OF HUNTERDON
STATE OF NEW JERSEY
ADOPTING THE 'AFFIRMATIVE MARKETING PLAN'
FOR THE BOROUGH OF CALIFON**

WHEREAS, in accordance with the regulations of COAH pursuant to N.J.A.C. 5:97-1, *et seq.*, and the New Jersey Uniform Housing Affordability Controls pursuant to N.J.A.C. 5:80-26-1, *et seq.*, the Borough of Califon is required to adopt by resolution an Affirmative Marketing Plan to ensure that all affordable housing units created, including those created by the rehabilitation of rental housing units within the Borough of Califon, are affirmatively marketed to low and moderate income households, particularly those living and/or working within Housing Region 3, the COAH Housing Region encompassing the Borough of Califon.

NOW, THEREFORE, BE IT RESOLVED, that the Mayor and Council of the Borough of Califon, County of Hunterdon, State of New Jersey, do hereby adopt the following Affirmative Marketing Plan:

Affirmative Marketing Plan

- A. All affordable housing units in the Borough of Califon shall be marketed in accordance with the provisions herein unless otherwise provided in COAH's Rules at N.J.A.C. 5:97-1, *et seq.*
- B. This Affirmative Marketing Plan shall apply to all developments that contain or will contain low and moderate income units, including those that are part of the Borough's prior round Fair Share Plan and its current Fair Share Plan and those that may be constructed in future developments not yet anticipated by the Fair Share Plan. This Affirmative Marketing Plan shall also apply to any rehabilitated rental units that are vacated and re-rented during the applicable period of controls for rehabilitated rental units.
- C. The Affirmative Marketing Plan shall be implemented by an Administrative Agent designated by and/or under contract to the Borough of Califon. All of the costs of advertising and affirmatively marketing affordable housing units shall be borne by the developer/seller/owner of the affordable unit(s).
- D. In implementing the Affirmative Marketing Plan, the Administrative Agent, acting on behalf of the Borough of Califon, shall undertake all of the following strategies:

1. Publication of one advertisement in a newspaper of general circulation within the housing region.
 2. Broadcast of one advertisement by a radio or television station broadcasting throughout the housing region.
 3. At least one additional regional marketing strategy using one of the other sources listed below.
- E. 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 or sponsor of affordable housing. The Affirmative Marketing Plan is also 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 the COAH Housing Region in which the municipality is located and covers the entire period of the deed restriction for each restricted housing unit. The Borough of Califon is located in COAH Housing Region 3, consisting of Hunterdon, Somerset and Middlesex Counties.
- F. The Affirmative Marketing Plan is a continuing program intended to be followed throughout the entire period of restrictions and shall meet the following requirements:
1. All newspaper articles, announcements and requests for applications for low and moderate income units shall appear in the Hunterdon Democrat, the Courier News and the Home News Tribune.
 2. The primary marketing shall take the form of at least one press release and a paid display advertisement in the above newspapers once a week for four consecutive weeks. Additional advertising and publicity shall be on an "as needed" basis. The developer/owner shall disseminate all public service announcements and pay for display advertisements. The developer/owner shall provide proof of publication to the Administrative Agent. All press releases and advertisements shall be approved in advance by the Administrative Agent.
 3. The advertisement shall include a description of the:
 - a. Location of the units;
 - b. Directions to the units;
 - c. Range of prices for the units;
 - d. Size, as measured in bedrooms, of units;

- e. Maximum income permitted to qualify for the units;
 - f. Location of applications;
 - g. Business hours when interested households may obtain an application; and
 - h. Application fees.
4. Newspaper articles, announcements and information on where to request applications for low and moderate income housing shall appear at least once a week for four consecutive weeks in at least three locally oriented weekly newspapers within the region, one of which shall be circulated primarily in Hunterdon County and the other two of which shall be circulated primarily outside of Hunterdon County but within the housing region.
 5. The following regional cable television stations or regional radio stations shall be used during the first month of advertising. The developer must provide satisfactory proof of public dissemination:
 - a. WKXW (101.5 FM)
 - b. WOR (710 AM)
 - c. WCBS (880 AM)
 - d. Comcast of Central New Jersey
 - e. Cablevision of Raritan Valley
- G. Applications, brochure(s), sign(s) and/or poster(s) used as part of the affirmative marketing program shall be available/posted in the following locations:
1. Califon Borough Hall
 2. Califon Borough Web Site (if applicable)
 3. Developer's Sales/Rental Offices
 4. Hunterdon County Administration Building
 5. Somerset County Administration Building
 6. Middlesex County Administration Building
 7. Hunterdon County Library (all branches).

9. Somerset County Library (all branches)
10. Middlesex County Library (all branches)

Applications shall be mailed by the Administrative Agent and Municipal Housing Liaison to prospective applicants upon request. Also, applications shall be available at the developer's sales/rental office and shall be mailed to prospective applicants upon request.

H. The Administrative Agent shall develop, maintain and update a list of community contact person(s) and/or organizations(s) in Hunterdon, Somerset and Middlesex Counties that will aid in the affirmative marketing program with particular emphasis on contacts that will reach out to groups that are least likely to apply for housing within the region, including major regional employers identified in Attachment A, Part III, Marketing, Section 3d of COAH's *Affirmative Fair Housing Marketing Plan for Affordable Housing in Region 3* (attached to and hereby made part of this Resolution).

1. Quarterly informational flyers and applications shall be sent to each of the following agencies for publication in their journals and for circulation among their members:

Hunterdon County Board of Realtors
Somerset County Board of Realtors
Middlesex County Board of Realtors

2. Quarterly informational circulars and applications shall be sent to the administrators of each of the following agencies within the counties of Hunterdon, Somerset and Middlesex:

Welfare or Social Service Board (via the Director)
Rental Assistance Office (local office of DCA)
Office on Aging
Housing Authority (municipal or county)
Community Action Agencies
Community Development Departments

3. Quarterly informational circulars and applications shall be sent to the chief personnel administrators of all of the major employers within the region, as listed on Attachment A, Part III, Marketing, Section 3d.

- I. The following is a listing of community contact person(s) and/or organizations in Hunterdon, Somerset and Middlesex Counties that will aid in the affirmative marketing program and provide guidance and counseling services to prospective occupants of low and moderate income units:
1. Somerset County Coalition on Affordable Housing, 600 First Avenue, Suite 3, Raritan, NJ 08869
 2. Brunswick and Raritan Housing Corporation, P.O. Box 11575, New Brunswick, NJ 08906
 3. Housing Coalition of New Jersey, 78 New Street, 3rd Floor, New Brunswick, NJ 08901
 4. Northwest New Jersey Community Action Program, Inc. (NORWESCAP), 350 Marshall Street, Phillipsburg, NJ 08865
- J. A random selection method to select occupants of low and moderate income housing will be used by the Administrative Agent, in conformance with N.J.A.C. 5:80-26.16 (I). The Affirmative Marketing Plan shall provide a regional preference for all households that live and/or work in COAH Housing Region 3 comprised of Hunterdon, Somerset and Middlesex Counties.
- J. The Administrative Agent shall administer the Affirmative Marketing Plan. The Administrative Agent has the responsibility to income qualify low and moderate income households; to place income eligible households in low and moderate income units upon initial occupancy; to provide for the initial occupancy of low and moderate income units with income qualified households; to continue to qualify households for re-occupancy of units as they become vacant during the period of affordability controls; to assist with outreach to low and moderate income households; and to enforce the terms of the deed restriction and mortgage loan as per N.J.A.C 5:80-26-1, *et seq.*
- K. The Administrative Agent shall provide or direct qualified low and moderate income applicants to counseling services on subjects such as budgeting, credit issues, mortgage qualifications, rental lease requirements and landlord/tenant law and shall develop, maintain and update a list of entities and lenders willing and able to perform such services.
- L. All developers/owners of low and moderate income housing units shall be required to undertake and pay the costs of the marketing of the affordable units in their respective developments, subject to the direction and supervision of the Administrative Agent.
- M. The implementation of the Affirmative Marketing Plan for a development that includes affordable housing shall commence at least 120 days before the issuance of either a temporary or permanent certificate of occupancy. The implementation of the Affirmative

**RESOLUTION
OF THE MAYOR AND COUNCIL OF THE
BOROUGH OF CALIFON, COUNTY OF HUNTERDON
STATE OF NEW JERSEY
ADOPTING THE 'AFFIRMATIVE MARKETING PLAN'
FOR THE BOROUGH OF CALIFON**

Resolution 2010-65

WHEREAS, in accordance with the regulations of COAH pursuant to N.J.A.C. 5:97-1, *et seq.*, and the New Jersey Uniform Housing Affordability Controls pursuant to N.J.A.C. 5:80-26-1, *et seq.*, the Borough of Califon is required to adopt by resolution an Affirmative Marketing Plan to ensure that all affordable housing units created, including those created by the rehabilitation of rental housing units within the Borough of Califon, are affirmatively marketed to low and moderate income households, particularly those living and/or working within Housing Region 3, the COAH Housing Region encompassing the Borough of Califon.

NOW, THEREFORE, BE IT RESOLVED, that the Mayor and Council of the Borough of Califon, County of Hunterdon, State of New Jersey, do hereby adopt the following Affirmative Marketing Plan:

Affirmative Marketing Plan

- A. All affordable housing units in the Borough of Califon shall be marketed in accordance with the provisions herein unless otherwise provided in COAH's Rules at N.J.A.C. 5:97-1, *et seq.*
- B. This Affirmative Marketing Plan shall apply to all developments that contain or will contain low and moderate income units, including those that are part of the Borough's prior round Fair Share Plan and its current Fair Share Plan and those that may be constructed in future developments not yet anticipated by the Fair Share Plan. This Affirmative Marketing Plan shall also apply to any rehabilitated rental units that are vacated and re-rented during the applicable period of controls for rehabilitated rental units.
- C. The Affirmative Marketing Plan shall be implemented by an Administrative Agent designated by and/or under contract to the Borough of Califon. All of the costs of advertising and affirmatively marketing affordable housing units shall be borne by the developer/seller/owner of the affordable unit(s).
- D. In implementing the Affirmative Marketing Plan, the Administrative Agent, acting on behalf of the Borough of Califon, shall undertake all of the following strategies:

1. Publication of one advertisement in a newspaper of general circulation within the housing region.
 2. Broadcast of one advertisement by a radio or television station broadcasting throughout the housing region.
 3. At least one additional regional marketing strategy using one of the other sources listed below.
- E. 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 or sponsor of affordable housing. The Affirmative Marketing Plan is also 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 the COAH Housing Region in which the municipality is located and covers the entire period of the deed restriction for each restricted housing unit. The Borough of Califon is located in COAH Housing Region 3, consisting of Hunterdon, Somerset and Middlesex Counties.
- F. The Affirmative Marketing Plan is a continuing program intended to be followed throughout the entire period of restrictions and shall meet the following requirements:
1. All newspaper articles, announcements and requests for applications for low and moderate income units shall appear in the Hunterdon Democrat, the Courier News and the Home News Tribune.
 2. The primary marketing shall take the form of at least one press release and a paid display advertisement in the above newspapers once a week for four consecutive weeks. Additional advertising and publicity shall be on an "as needed" basis. The developer/owner shall disseminate all public service announcements and pay for display advertisements. The developer/owner shall provide proof of publication to the Administrative Agent. All press releases and advertisements shall be approved in advance by the Administrative Agent.
 3. The advertisement shall include a description of the:
 - a. Location of the units;
 - b. Directions to the units;
 - c. Range of prices for the units;
 - d. Size, as measured in bedrooms, of units;

- e. Maximum income permitted to qualify for the units;
 - f. Location of applications;
 - g. Business hours when interested households may obtain an application; and
 - h. Application fees.
4. Newspaper articles, announcements and information on where to request applications for low and moderate income housing shall appear at least once a week for four consecutive weeks in at least three locally oriented weekly newspapers within the region, one of which shall be circulated primarily in Hunterdon County and the other two of which shall be circulated primarily outside of Hunterdon County but within the housing region.
5. The following regional cable television stations or regional radio stations shall be used during the first month of advertising. The developer must provide satisfactory proof of public dissemination:
- a. WKXW (101.5 FM)
 - b. WOR (710 AM)
 - c. WCBS (880 AM)
 - d. Comcast of Central New Jersey
 - e. Cablevision of Raritan Valley
- G. Applications, brochure(s), sign(s) and/or poster(s) used as part of the affirmative marketing program shall be available/posted in the following locations:
- 1. Califon Borough Hall
 - 2. Califon Borough Web Site (if applicable)
 - 3. Developer's Sales/Rental Offices
 - 4. Hunterdon County Administration Building
 - 5. Somerset County Administration Building
 - 6. Middlesex County Administration Building
 - 7. Hunterdon County Library (all branches).

9. Somerset County Library (all branches)
10. Middlesex County Library (all branches)

Applications shall be mailed by the Administrative Agent and Municipal Housing Liaison to prospective applicants upon request. Also, applications shall be available at the developer's sales/rental office and shall be mailed to prospective applicants upon request.

- H. The Administrative Agent shall develop, maintain and update a list of community contact person(s) and/or organizations(s) in Hunterdon, Somerset and Middlesex Counties that will aid in the affirmative marketing program with particular emphasis on contacts that will reach out to groups that are least likely to apply for housing within the region, including major regional employers identified in Attachment A, Part III, Marketing, Section 3d of COAH's *Affirmative Fair Housing Marketing Plan for Affordable Housing in Region 3* (attached to and hereby made part of this Resolution).
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 2. Quarterly informational circulars and applications shall be sent to the administrators of each of the following agencies within the counties of Hunterdon, Somerset and Middlesex:
 - Welfare or Social Service Board (via the Director)
 - Rental Assistance Office (local office of DCA)
 - Office on Aging
 - Housing Authority (municipal or county)
 - Community Action Agencies
 - Community Development Departments
 3. Quarterly informational circulars and applications shall be sent to the chief personnel administrators of all of the major employers within the region, as listed on Attachment A, Part III, Marketing, Section 3d.

- I. The following is a listing of community contact person(s) and/or organizations in Hunterdon, Somerset and Middlesex Counties that will aid in the affirmative marketing program and provide guidance and counseling services to prospective occupants of low and moderate income units:
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 3. Housing Coalition of New Jersey, 78 New Street, 3rd Floor, New Brunswick, NJ 08901
 4. Northwest New Jersey Community Action Program, Inc. (NORWESCAP), 350 Marshall Street, Phillipsburg, NJ 08865
- J. A random selection method to select occupants of low and moderate income housing will be used by the Administrative Agent, in conformance with N.J.A.C. 5:80-26.16 (I). The Affirmative Marketing Plan shall provide a regional preference for all households that live and/or work in COAH Housing Region 3 comprised of Hunterdon, Somerset and Middlesex Counties.
- J. The Administrative Agent shall administer the Affirmative Marketing Plan. The Administrative Agent has the responsibility to income qualify low and moderate income households; to place income eligible households in low and moderate income units upon initial occupancy; to provide for the initial occupancy of low and moderate income units with income qualified households; to continue to qualify households for re-occupancy of units as they become vacant during the period of affordability controls; to assist with outreach to low and moderate income households; and to enforce the terms of the deed restriction and mortgage loan as per N.J.A.C 5:80-26-1, *et seq.*
- K. The Administrative Agent shall provide or direct qualified low and moderate income applicants to counseling services on subjects such as budgeting, credit issues, mortgage qualifications, rental lease requirements and landlord/tenant law and shall develop, maintain and update a list of entities and lenders willing and able to perform such services.
- L. All developers/owners of low and moderate income housing units shall be required to undertake and pay the costs of the marketing of the affordable units in their respective developments, subject to the direction and supervision of the Administrative Agent.
- M. The implementation of the Affirmative Marketing Plan for a development that includes affordable housing shall commence at least 120 days before the issuance of either a temporary or permanent certificate of occupancy. The implementation of the Affirmative

Marketing Plan shall continue until all low income housing units are initially occupied and for as long as affordable units exist that remain deed restricted and for which the occupancy or reoccupancy of units continues to be necessary.

- N. The Administrative Agent shall provide the Affordable Housing Liaison with the information required to comply with monitoring and reporting requirements pursuant to N.J.A.C.5:80-26-1, *et seq.*

I hereby certify that this is a true copy of a resolution duly adopted by the Mayor and Council of the Borough of Califon at a Council meeting held on June 7, 2010.



Laura Eidsvaag, RMC, Borough Clerk

ATTACHMENT A
AFFIRMATIVE FAIR HOUSING MARKETING PLAN
For Affordable Housing in **(REGION 3)**

I. APPLICANT AND PROJECT INFORMATION

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

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

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

II. RANDOM SELECTION

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

III. MARKETING

3a. Direction of Marketing Activity: (indicate which group(s) in the housing region are least likely to apply for the housing without special outreach efforts because of its location and other factors)

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

3b. Commercial Media (required) (Check all that applies)

	DURATION & FREQUENCY OF OUTREACH	NAMES OF REGIONAL NEWSPAPER(S)	CIRCULATION AREA
TARGETS ENTIRE COAH REGION 3			
Daily Newspaper			
<input type="checkbox"/>		Star-Ledger	
TARGETS PARTIAL COAH REGION 3			
Daily Newspaper			
<input type="checkbox"/>		Home News Tribune	Middlesex, Somerset, Union
<input type="checkbox"/>		Courier News	Somerset and Hunterdon
Weekly Newspaper			
<input type="checkbox"/>		Beacon	Hunterdon
<input type="checkbox"/>		Delaware Valley News	Hunterdon
<input type="checkbox"/>		Hunterdon County Democrat / Hunterdon Observer	Hunterdon
<input type="checkbox"/>		Hunterdon Review	Hunterdon
<input type="checkbox"/>		Amboy Beacon	Middlesex
<input type="checkbox"/>		Colonia Corner	Middlesex
<input type="checkbox"/>		Cranbury Press	Middlesex
<input type="checkbox"/>		East Brunswick Sentinel	Middlesex
<input type="checkbox"/>		Edison Sentinel	Middlesex
<input type="checkbox"/>		South Brunswick Post	Middlesex
<input type="checkbox"/>		South Plainfield Observer	Middlesex
<input type="checkbox"/>		Suburban, The	Middlesex
<input type="checkbox"/>		Princeton Packet	Middlesex, Somerset
<input type="checkbox"/>		Sentinel, The	Middlesex, Somerset
<input type="checkbox"/>		Atom Tabloid & Citizen Gazette	Middlesex, Union
<input type="checkbox"/>		Parsippany Life	Morris

<input type="checkbox"/>		Echoes Sentinel	Morris, Somerset
<input type="checkbox"/>		Bernardsville News	Somerset
<input type="checkbox"/>		Branchburg News	Somerset
<input type="checkbox"/>		Chronicle	Somerset
<input type="checkbox"/>		Hills-Bedminster Press	Somerset
<input type="checkbox"/>		Hillsborough Beacon	Somerset
<input type="checkbox"/>		Manville News	Somerset
<input type="checkbox"/>		Messenger-Gazette	Somerset
<input type="checkbox"/>		Reporter	Somerset
<input type="checkbox"/>		Somerset Spectator	Somerset
Monthly Newspaper			
<input type="checkbox"/>		About Our Town/Community News	Middlesex, Somerset
	DURATION & FREQUENCY OF OUTREACH	NAMES OF REGIONAL TV STATION(S)	CIRCULATION AREA AND/OR RACIAL/ETHNIC IDENTIFICATION OF READERS/AUDIENCE
TARGETS ENTIRE COAH REGION 3			
<input type="checkbox"/>		2 WCBS-TV CBS Broadcasting, Inc.	
<input type="checkbox"/>		3 KYW-TV CBS Broadcasting, Inc.	
<input type="checkbox"/>		4 WNBC NBC Telemundo License Co. (General Electric)	
<input type="checkbox"/>		5 WNYW Fox Television Stations, Inc. (News Corp.)	
<input type="checkbox"/>		6 WPVI-TV American Broadcasting Companies, Inc. (Walt Disney)	
<input type="checkbox"/>		7 WABC-TV American Broadcasting Companies, Inc. (Walt Disney)	
<input type="checkbox"/>		9 WWOR-TV Fox Television Stations, Inc. (News Corp.)	
<input type="checkbox"/>		10 WCAU NBC Telemundo License Co. (General Electric)	
<input type="checkbox"/>		11 WPIX WPIX, Inc. (Tribune)	
<input type="checkbox"/>		12 WHYY-TV WHYY, Inc.	
<input type="checkbox"/>		13 WNET Educational Broadcasting Corporation	
<input type="checkbox"/>		17 WPHL-TV Tribune Company	

<input type="checkbox"/>		31 WPXN-TV Paxson Communications License Company, LLC	
<input type="checkbox"/>		35 WYBE Independence Public Media Of Philadelphia, Inc.	
<input type="checkbox"/>		39 WLVT-TV Lehigh Valley Public Telecommunications Corp.	
<input type="checkbox"/>		41 WXTV WXTV License Partnership, G.P. (Univision Communications, Inc.)	
<input type="checkbox"/>		48 WGTW-TV Trinity Broadcasting Network	
<input type="checkbox"/>		50 WNJN New Jersey Public Broadcasting Authority	
<input type="checkbox"/>		52 WNJT New Jersey Public Broadcasting Authority	
<input type="checkbox"/>		57 WPSG CBS Broadcasting, Inc.	
<input type="checkbox"/>		58 WNJB New Jersey Public Broadcasting Authority	
<input type="checkbox"/>		61 WPPX Paxson Communications License Company, LLC	
<input type="checkbox"/>		63 WMBC-TV Mountain Broadcasting Corporation	
<input type="checkbox"/>		65 WUVP-TV Univision Communications, Inc.	
<input type="checkbox"/>		68 WFUT-TV Univision New York, LLC	Spanish
TARGETS PARTIAL COAH REGION 3			
<input type="checkbox"/>		16 WNEP-TV New York Times Co.	Hunterdon
<input type="checkbox"/>		46 W46BL Maranatha Broadcasting Company, Inc.	Hunterdon
<input type="checkbox"/>		51 WTVE Reading Broadcasting, Inc.	Hunterdon (Christian)
<input type="checkbox"/>		25 W25BB New Jersey Public Broadcasting Authority	Hunterdon, Middlesex
<input type="checkbox"/>		22 WYOU Nexstar Broadcasting, Inc.	Hunterdon, Somerset
<input type="checkbox"/>		28 WBRE-TV Nexstar Broadcasting, Inc.	Hunterdon, Somerset
<input type="checkbox"/>		44 WVIA-TV Ne Pa Ed TV Association	Hunterdon, Somerset
<input type="checkbox"/>		56 WOLF-TV Wolf License Corp.	Hunterdon, Somerset
<input type="checkbox"/>		60 WBPB-TV Sonshine Family Television Corp.	Hunterdon, Somerset
<input type="checkbox"/>		69 WFMZ-TV Maranatha Broadcasting Company, Inc.	Hunterdon, Somerset

<input type="checkbox"/>		29 WTXF-TV Fox Television Stations, Inc. (News Corp.)	Middlesex, Somerset
<input type="checkbox"/>		47 WNJU NBC Telemundo License Co. (General Electric)	Middlesex, Somerset
<input type="checkbox"/>		66 WFME-TV Family Stations of New Jersey, Inc.	Middlesex, Somerset (Christian)
<input type="checkbox"/>		25 WNYE-TV New York City Dept. of Info., Technology & Telecommunications	Somerset

	DURATION & FREQUENCY OF OUTREACH	NAMES OF CABLE PROVIDER(S)	BROADCAST AREA
TARGETS PARTIAL COAH REGION 3			
<input type="checkbox"/>		Comcast of Northwest NJ, Southeast Pennsylvania	Partial Hunterdon
<input type="checkbox"/>		Patriot Media & Communications	Partial Hunterdon, Somerset
<input type="checkbox"/>		Service Electric Cable TV of Hunterdon	Partial Hunterdon
<input type="checkbox"/>		Cablevision of Raritan Valley	Partial Middlesex, Somerset
<input type="checkbox"/>		Comcast of Central NJ, NJ (Union System)	Partial Middlesex
<input type="checkbox"/>		Comcast of Plainfield	Partial Middlesex, Somerset

	DURATION & FREQUENCY OF OUTREACH	NAMES OF REGIONAL RADIO STATION(S)	BROADCAST AREA AND/OR RACIAL/ETHNIC IDENTIFICATION OF READERS/AUDIENCE
TARGETS ENTIRE COAH REGION 3			
AM			
<input type="checkbox"/>		WFAN 660	
<input type="checkbox"/>		WOR 710	
<input type="checkbox"/>		WABC 770	
<input type="checkbox"/>		WCBS 880	
<input type="checkbox"/>		WBBR 1130	
<input type="checkbox"/>		WWTR 1170	
<input type="checkbox"/>		WTTM 1680	Spanish, Asian, etc.
FM			
<input type="checkbox"/>		WFNY-FM 92.3	
<input type="checkbox"/>		WPAT-FM 93.1	Spanish
<input type="checkbox"/>		WNYC-FM 93.9	
<input type="checkbox"/>		WPST 94.5	

<input type="checkbox"/>		WFME 94.7	
<input type="checkbox"/>		WPLJ 95.5	
<input type="checkbox"/>		WQXR-FM 96.3	
<input type="checkbox"/>		WQHT 97.1	
<input type="checkbox"/>		WSKQ-FM 97.9	Spanish
<input type="checkbox"/>		WRKS 98.7	
<input type="checkbox"/>		WAWZ 99.1	Christian
<input type="checkbox"/>		WBAI 99.5	
<input type="checkbox"/>		WPHI-FM 100.3	
<input type="checkbox"/>		WCBS-FM 101.1	
<input type="checkbox"/>		WKXW-FM 101.5	
<input type="checkbox"/>		WQCD 101.9	
<input type="checkbox"/>		WNEW 102.7	
<input type="checkbox"/>		WPRB 103.3	
<input type="checkbox"/>		WKTU 103.5	
<input type="checkbox"/>		WWPR-FM 105.1	
<input type="checkbox"/>		WDAS-FM 105.3	
<input type="checkbox"/>		WLTW 106.7	

TARGETS PARTIAL COAH REGION 3

AM

<input type="checkbox"/>		WFIL 560	Hunterdon
<input type="checkbox"/>		WIP 610	Hunterdon
<input type="checkbox"/>		WAEB 790	Hunterdon
<input type="checkbox"/>		WCHR 1040	Hunterdon
<input type="checkbox"/>		WGPA 1100	Hunterdon
<input type="checkbox"/>		WEEX 1230	Hunterdon
<input type="checkbox"/>		WKAP 1470	Hunterdon
<input type="checkbox"/>		WRNJ 1510	Hunterdon
<input type="checkbox"/>		WWJZ 640	Hunterdon, Middlesex
<input type="checkbox"/>		WPHY 920	Hunterdon, Middlesex

<input type="checkbox"/>		WPHT 1210	Hunterdon, Middlesex
<input type="checkbox"/>		WBUD 1260	Hunterdon, Middlesex
<input type="checkbox"/>		WMCA 570	Middlesex (Christian)
<input type="checkbox"/>		WIMG 1300	Middlesex
<input type="checkbox"/>		WCTC 1450	Middlesex, Somerset
FM			
<input type="checkbox"/>		WRTI 90.1	Hunterdon
<input type="checkbox"/>		WCVH 90.5	Hunterdon
<input type="checkbox"/>		WHYY-FM 90.9	Hunterdon
<input type="checkbox"/>		WXTU 92.5	Hunterdon
<input type="checkbox"/>		WAEB-FM 104.1	Hunterdon
<input type="checkbox"/>		WFKB 107.5	Hunterdon
<input type="checkbox"/>		WMMR 93.3	Hunterdon, Middlesex
<input type="checkbox"/>		WYSP 94.1	Hunterdon, Middlesex
<input type="checkbox"/>		WBEN-FM 95.7	Hunterdon, Middlesex
<input type="checkbox"/>		WRDW-FM 96.5	Hunterdon, Middlesex
<input type="checkbox"/>		WOGI 98.1	Hunterdon, Middlesex
<input type="checkbox"/>		WUSL 98.9	Hunterdon, Middlesex
<input type="checkbox"/>		WIOQ 102.1	Hunterdon, Middlesex
<input type="checkbox"/>		WMGK 102.9	Hunterdon, Middlesex
<input type="checkbox"/>		WJJZ 106.1	Hunterdon, Middlesex
<input type="checkbox"/>		WKDN 106.9	Hunterdon, Middlesex (Christian)
<input type="checkbox"/>		WAXQ 104.3	Hunterdon, Middlesex, Somerset
<input type="checkbox"/>		WNTI 91.9	Hunterdon, Somerset
<input type="checkbox"/>		WZZO 95.1	Hunterdon, Somerset
<input type="checkbox"/>		WCTO 96.1	Hunterdon, Somerset
<input type="checkbox"/>		WLEV 100.7	Hunterdon, Somerset
<input type="checkbox"/>		WNJT-FM 88.1	Middlesex
<input type="checkbox"/>		WRSU-FM 88.7	Middlesex
<input type="checkbox"/>		WWFM 89.1	Middlesex
<input type="checkbox"/>		WWPH 107.9	Middlesex

<input type="checkbox"/>		WDVR 89.7	Middlesex, Somerset
<input type="checkbox"/>		WVPH 90.3	Middlesex, Somerset
<input type="checkbox"/>		WMGQ 98.3	Middlesex, Somerset
<input type="checkbox"/>		WBL5 107.5	Middlesex, Somerset

3c. Other Publications (such as neighborhood newspapers, religious publications, and organizational newsletters)
(Check all that applies)

	NAME OF PUBLICATIONS	OUTREACH AREA	RACIAL/ETHNIC IDENTIFICATION OF READERS/AUDIENCE
TARGETS ENTIRE COAH REGION 3			
Weekly			
	Nuestra Comunidad	Central/South Jersey	Spanish-Language
Monthly			
<input type="checkbox"/>	Sino Monthly	North Jersey/NYC area	Chinese-American

TARGETS PARTIAL COAH REGION 3

Daily			
<input type="checkbox"/>	24 Horas	Bergen, Essex, Hudson, Middlesex, Passaic, Union Counties	Portuguese-Language
Weekly			
<input type="checkbox"/>	Arab Voice Newspaper	North Jersey/NYC area	Arab-American
<input type="checkbox"/>	Catholic Advocate, The	Essex County area	Catholic
<input type="checkbox"/>	La Voz	Hudson, Union, Middlesex Counties	Cuban community
<input type="checkbox"/>	Amerika Magyar Nepszava (American Hungarian Peoples' Voice)	Central/North Jersey	Hungarian-Language
<input type="checkbox"/>	New Jersey Jewish News	Northern and Central New Jersey	Jewish
<input type="checkbox"/>	Nuestra Comunidad	Central/South Jersey	Spanish-Language
<input type="checkbox"/>	Desi NJ	Central Jersey	South Asian
<input type="checkbox"/>	Ukrainian Weekly	New Jersey	Ukrainian Community

3d. Employer Outreach (names of employers throughout the housing region that can be contacted to post advertisements and distribute flyers regarding available affordable housing) (Check all that applies)

DURATION & FREQUENCY OF OUTREACH	NAME OF EMPLOYER/COMPANY	LOCATION
Hunterdon County		
<input type="checkbox"/>	Merck & Co.	1 Merck Dr., Whitehouse Station

<input type="checkbox"/>		Hunterdon Medical Center	2100 Wescott Drive, Flemington, NJ 08822
<input type="checkbox"/>		Foster Wheeler	Perryville Corporate Park, Clinton, NJ 08809-4000
<input type="checkbox"/>		Chubb Insurance Co.	202 Halls Mill Rd., Whitehouse Station, NJ 08889
<input type="checkbox"/>		Exxon-Mobil Research & Engineering	1545 US Highway 22 E., Annandale, NJ 08801
<input type="checkbox"/>		New York Life	110 Cokesbury Rd, Lebanon
Middlesex County			
<input type="checkbox"/>		Bristol-Myers Squibb	1 Squibb Dr, New Brunswick, NJ 08901
<input type="checkbox"/>		Merrill Lynch & Company	800 Scudders Mill Rd, Plainsboro
<input type="checkbox"/>		Johnson & Johnson	1 Johnson & Johnson Plaza, New Brunswick
<input type="checkbox"/>		Prudential Insurance Company	44 Stelton Rd. # 130, Piscataway
<input type="checkbox"/>		Robert Wood Johnson University Hospital	1 Robert Wood Johnson Pl., New Brunswick, NJ 08901
<input type="checkbox"/>		Silverline Building Products	207 Pond Ave, Middlesex, NJ 08846
<input type="checkbox"/>		St. Peter's University Hospital	254 Easton Ave., New Brunswick
<input type="checkbox"/>		Telecordia Technology	444 Hoes Ln., Piscataway
<input type="checkbox"/>		J.F.K. Medical Center	65 James Street, Edison, NJ 08818
<input type="checkbox"/>		Raritan Bay Medical Center	530 New Brunswick Av., Perth Amboy, NJ 08861
<input type="checkbox"/>		Amerada Hess Corporation	405 Main St., Woodbridge and 679 Convery Blvd., Perth Amboy
<input type="checkbox"/>		Dow Jones & Company	54 Eddington Ln., Monroe Twp
<input type="checkbox"/>		Siemens AG	755 College Rd. E., Princeton
<input type="checkbox"/>		AT&T	1 Highway Ter., Edison
<input type="checkbox"/>		Engelhardt Corporation	101 Wood Ave. S., Metuchen
Somerset County			
<input type="checkbox"/>		AT&T	1414 Campbell St., Rahway
<input type="checkbox"/>		ABC Limousine	574 Ferry St., Newark
<input type="checkbox"/>		Bloomberg LP	1350 Liberty Ave., Hillside
<input type="checkbox"/>		Courier News	1091 Lousons Road, PO Box 271, Union, NJ
<input type="checkbox"/>		Emcore Corp.	800 Rahway Ave. Union, NJ
<input type="checkbox"/>		Ethicon, Inc.	1515 West Blancke Street, Bldgs 1501 and 1525, Linden, NJ
<input type="checkbox"/>		Fedders Corp.	27 Commerce Drive, Cranford, NJ

<input type="checkbox"/>		ICI Americas, Inc.	450 West First Ave., Roselle, NJ
<input type="checkbox"/>		ITW Electronic Component Packaging	600 Mountain Ave., Murray Hill, NJ
<input type="checkbox"/>		Johnson & Johnson	1 Merck Drive, PO Box 2000 (RY60-200E), Rahway, NJ
<input type="checkbox"/>		Tekni-Plex, Inc.	865 Stone Street, Rahway, NJ
		Ortho-Clinical Diagnostics, Inc.	1401 Park Ave. South, Linden
<input type="checkbox"/>		Hooper Holmes, Inc.	170 Mount Airy Rd., Basking Ridge, NJ 07920

3e. Community Contacts (names of community groups/organizations throughout the housing region that can be contacted to post advertisements and distribute flyers regarding available affordable housing)

Name of Group/Organization	Outreach Area	Racial/Ethnic Identification of Readers/Audience	Duration & Frequency of Outreach

IV. APPLICATIONS

Applications for affordable housing for the above units will be available at the following locations:	
4a. County Administration Buildings and/or Libraries for all counties in the housing region (list county building, address, contact person) (Check all that applies)	
<input type="checkbox"/>	BUILDING Middlesex County Administration Bldg.
<input type="checkbox"/>	LOCATION 75 Bayard Lane, New Brunswick, NJ 08903
<input type="checkbox"/>	Somerset County Admin. Bldg.
<input type="checkbox"/>	20 Grove Street, Somerville, NJ 08876
<input type="checkbox"/>	Somerset County Library Headquarters
<input type="checkbox"/>	1 Vogt Drive, Bridgewater, NJ 08807
<input type="checkbox"/>	Hunterdon County Library Headquarters
<input type="checkbox"/>	314 State Highway 12, Flemington, NJ 08822
4b. Municipality in which the units are located (list municipal building and municipal library, address, contact person)	
4c. Sales/Rental Office for units (if applicable)	

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 (select one: Municipality's COAH substantive certification or DCA Balanced Housing Program funding or HMFA UHORP/MONI funding).

Name (Type or Print)

Title/Municipality

Signature

Date

APPENDIX C
ACCESSORY APARTMENT PROGRAM DOCUMENTATION

ACCESSORY APARTMENTS (N.J.A.C. 5:97-6.8)

General Description

Municipality/County: *Califon Brough, Hunterdon County*

Affordable Units Proposed: *2-5*

Family: _____

Low-Income: _____

Moderate-Income: _____

Age-Restricted: _____

Low-Income: _____

Moderate-Income: _____

Average expenditure: *PRIOR ROUND PROGRAM FOR 5 UNITS - anticipated \$10,000 per unit.*
For each low-income unit: \$ *25,000*
For each moderate-income unit: \$ *20,000*

Information and Documentation Required with Petition

Project/Program Information Form (previously known as Project/Program Monitoring Form. If relying on previously submitted 2007 monitoring and/or subsequent CTM update, also check here in lieu of submitting forms.)

Draft or adopted accessory apartment ordinance

Documentation of funding sources *Municipality has \$50,000 put aside for this.*

Municipal resolution appropriating funds from general revenue or a resolution of intent to bond in the event of a funding shortfall *But not for access. apts. program - WAIVER.*

Demonstration that the housing stock lends itself to accessory apartments *Prior round*

Demonstration that there is water and sewer infrastructure with sufficient capacity to serve the proposed accessory apartments (indicate below type of infrastructure)

Public water and sewer system; OR

If served by individual well and/or septic system, the municipality must show that the well and/or septic system meet the appropriate NJDEP standards and have sufficient capacity for additional unit

Information and Documentation Required Prior to Substantive Certification

- Resolution or executed contract designating an experienced Administrative Agent, and a statement of his/her qualifications, in accordance with N.J.A.C. 5:96-18
- ^{Draft} Adopted operating manual that includes a description of program procedures and administration or a statement indicating that the Administrative Agent designated to run the program uses a COAH-approved manual
- Affirmative Marketing Plan in accordance with UHAC

Accessory Apartment Narrative Section

Califon's Accessory Apartment Program was a prior round compliance mechanism. Borough will maintain program, updated to COAH's Third Round Rules and Highlands RTP septic density limitations, but it will likely produce only 2 units, not 5 (\$50,000.00 allocated to program in prior round and still available). Program will address market need unless COAH will allow it to address part of Third Round growth share obligation.

**ZONING AMENDMENTS FOR ACCESSORY APARTMENTS
R-1, R-2 and R-3 ZONES
Califon Borough, Hunterdon County**

Section One: Delete Section 309.J. of the Borough's Land Development Ordinance in its entirety.

Section Two: Add the following as a new Section 401.A.7. and a new Section 402.A.7. (also incorporated by reference into Section 403)

7. Accessory Apartment within a single family dwelling subject to compliance with all of the following requirements:
 - a. The term "accessory apartment" shall be as defined in Section 104.
 - b. Each new accessory apartment created under the terms of this Section shall be deed restricted for occupancy by and affordability to either a qualified low income household or a qualified moderate income household, depending upon the extent of the subsidy requested by the owner (i.e. \$20,000 for a moderate income unit and \$25,000 for a low income unit). Said deed restriction shall be applicable for a period of at least ten (10) years from the date a Certificate of Occupancy is issued for the new unit in accordance with the terms of the Borough's Affordable Housing Ordinance.
 - c. No accessory apartment shall be created under the terms of this Section unless all of the following apply:
 - (1) An application has been submitted to and approved by the Administrative Agent for the accessory apartment program; and
 - (2) The creation of the accessory apartment shall be accomplished as part of the Borough's affordable housing compliance program; and
 - (3) The accessory apartment shall be deed-restricted in accordance with the terms of the Borough's Affordable Housing Ordinance, COAH's Rules and the UHAC Rules and affirmatively marketed in accordance with the terms of the Affirmative Marketing Plan.
 - d. The Board of Health shall certify the adequacy of the existing on-site septic system to accommodate the original dwelling plus the accessory apartment. No additional septic system shall be constructed to serve the accessory apartment, and

any replacement system, if required, shall not be expanded in its capacity beyond that needed to serve the number of bedrooms in the existing host dwelling unit.

- e. There is no limit on the number of bedrooms that may be included any accessory apartment unit, but the total number of bedrooms in both the accessory apartment unit and the host dwelling shall not exceed the pre-existing number of bedrooms in the host dwelling.
- f. All accessory apartment units shall meet the requirements of N.J.A.C. 5:23-2.4 and 2.5 following the completion of the conversion.
- g. The property proposed for conversion shall be able to accommodate at least three off-street parking spaces having direct and unrestricted driveway access and not blocked by any other parking space.
- h. The provisions of this Section shall expire automatically when five (5) accessory apartments have been approved or when funds are no longer available to subsidize accessory apartment conversions, whichever occurs later.
- i. An applicant seeking to create an accessory apartment shall submit to the Administrative Agent:
 - (1) A sketch of the existing host dwelling floor plan.
 - (2) A sketch of the proposed floor plan showing the location, size and relationship of both the accessory apartment and the primary or host dwelling;
 - (3) Rough elevations showing the modification of any exterior building facade to which a change is proposed (i.e. to accommodate a building entrance or new window(s)); and
 - (4) A site development sketch showing the location of the existing dwelling and other existing buildings; all property lines; and the required number of parking spaces pursuant to paragraph g. above.

All plans and elevations shall be clear and concise and drawn to a scale of not less than one (1) inch equals four (4) feet for the floor plan(s) and elevation(s) and one (1) inch equals twenty (20) feet for the site development plan.

- j. After the creation of the accessory apartment, the property shall maintain the usual appearance of a single-family detached dwelling and its appurtenant

structures and shall remain compatible with the character of the surrounding neighborhood.

- k. A converted dwelling shall not have more than the existing number of entrances along the front of the building. All new entrances to either the primary (host) or accessory dwelling units shall be located on the sides or rear of the building.
- l. No new unenclosed exterior stairways shall be allowed on the front of the building.
- m. No dwelling shall occupy any floor above the second floor except that existing space above the second floor may be used for storage or sleeping rooms for a second floor dwelling, provided that all applicable Construction Code requirements are met. No dwelling shall be located in a below-ground basement where the exterior grade is more than half the height of the exterior wall, unless there is at least one (1) exterior facade where the unit is at grade with the ground outside.
- n. An accessory apartment unit shall contain the following minimum gross floor area per unit:

Efficiency	450 sq. ft.
1 bedroom	550 sq. ft.
2 bedroom	660 sq. ft.

- o. Preexisting unauthorized accessory apartments may be legalized under this Section without penalty to the property owner, but with no public subsidy provided, if all of the foregoing criteria as well as the following criteria can be met:
 - (1) The unit is currently vacant.
 - (2) If the unit is currently in substandard condition, it can be brought up to standard condition before a Certificate of Occupancy is issued.
 - (3) The unit will be affirmatively marketed pursuant to the Borough's Affirmative Marketing Plan.
 - (4) The unit will be deed-restricted for occupancy by and will remain affordable to a qualified low income household for a period of ten (10) years from the date a Certificate of Occupancy is issued for it, consistent

with the requirements of the Borough's Affordable Housing Ordinance and the Rules of the Council on Affordable Housing.

Section Three: Modify the definition of Accessory Apartment at Section 104 of the Land Development Ordinance as follows:

Accessory Apartment

A portion of an existing single-family dwelling that has been converted in accordance with the provisions of Section 401.A.7. or Section 402.A.7. or Section 403 of the Land Development Ordinance, as applicable, to an additional dwelling unit under a Borough-sponsored affordable housing program in which public funds are granted for the creation or maintenance of the accessory apartment in exchange for a deed restriction limiting the unit for occupancy by and affordability to a qualified low or moderate income household, as applicable, for a period of at least ten (10) years (see Sections 401.A.7. and 402.A.7. and 403). This term may also encompass preexisting, illegal apartments that are legalized through the affordable housing program pursuant to the requirements of Sections 401.A.7., 402.A.7. or 403.

Section Four: Delete Accessory Apartments as a permitted conditional use in the GB Zone.

Model to be Modified for Califon by Program Administrator

Model Operating Manual

For the Administration of
ACCESSORY APARTMENTS
In Accordance with the
Uniform Housing Affordability Controls



Jon S. Corzine, Governor, State of New Jersey

SAMPLE

**Model Operating Manual
Accessory Apartments**

This sample manual and the checklist of minimum topics provide the minimum criteria required for an Operating Manual for accessory apartments. Municipalities should tailor this sample manual to meet any local requirements and include all established policies, but may not reduce the scope of this sample manual without permission from the Council on Affordable Housing (COAH). Municipalities must select an Administrative Agent experienced in the administration of accessory apartments. Only experienced municipal agencies or employees will be approved if a municipality chooses in-house administration.

ACCESSORY APARTMENT OPERATING MANUAL CHECKLIST Minimum Standards

At a minimum the Accessory Apartment Operating Manual must clearly describe the procedures and policies for the following:

<input type="checkbox"/>	Affordable Housing Program & Opportunities
<input type="checkbox"/>	Identify where Housing Element & Fair Share Plan can be viewed.
<input type="checkbox"/>	Identify local Affordable Housing Programs & Affordability Assistance Programs
<input type="checkbox"/>	Include overview of local rental process
<input type="checkbox"/>	Process for Creation of an Accessory Apartment
<input type="checkbox"/>	Requirements for creating an accessory apartment
<input type="checkbox"/>	Compensation for creating an accessory apartment
<input type="checkbox"/>	Local process for creating an accessory apartment
<input type="checkbox"/>	Determining Affordable Rents
<input type="checkbox"/>	Development Considerations and Compliance Issues
<input type="checkbox"/>	Determining Initial Rents
<input type="checkbox"/>	Determining Rent Increases
<input type="checkbox"/>	Affirmative Marketing
<input type="checkbox"/>	Approved Affirmative Marketing Plan included
<input type="checkbox"/>	How will new rental units be marketed?
<input type="checkbox"/>	How will re-rentals be marketed?
<input type="checkbox"/>	Will there be a regional preference?
<input type="checkbox"/>	Who will implement marketing new rental units and re-rentals?
<input type="checkbox"/>	Prepare sample marketing materials, including a sample display ad and Public Service Announcements
<input type="checkbox"/>	Random Selection & Applicant Pool
<input type="checkbox"/>	What level of verification will be completed before the lottery process – pre-application or full applications?
<input type="checkbox"/>	Will the pool of applicants be randomized each time a unit is available?
<input type="checkbox"/>	Will there be categories of applicant pools?
<input type="checkbox"/>	Matching Households to Available Units
<input type="checkbox"/>	How will households be matched to available units? Will there be categories of applicant pools?
<input type="checkbox"/>	Household Certification
<input type="checkbox"/>	Standards for reviewing applicant household eligibility and certifying applicant households
<input type="checkbox"/>	Verification documentation required
<input type="checkbox"/>	Eligible Income/Ineligible Income
<input type="checkbox"/>	Maximum Monthly Payment
<input type="checkbox"/>	Housing Counseling
<input type="checkbox"/>	Basis for Dismissing Applications
<input type="checkbox"/>	Appeals
<input type="checkbox"/>	Application Fees
<input type="checkbox"/>	Violations, Defaults and Remedies
<input type="checkbox"/>	Maintenance of Records
<input type="checkbox"/>	List documents to be filed
<input type="checkbox"/>	Monitoring information required

Table of Contents

INTRODUCTION.....	3
<i>WHAT IS AFFORDABLE HOUSING?</i>	<i>3</i>
<i>WHAT IS AN ACCESSORY APARTMENT?</i>	<i>4</i>
<i>WHO QUALIFIES FOR AFFORDABLE HOUSING?.....</i>	<i>4</i>
<i>LOCAL AFFORDABLE HOUSING PROGRAMS AND OPPORTUNITIES.....</i>	<i>4</i>
<i>OTHER AFFORDABLE HOUSING PROGRAMS AND OPPORTUNITIES.....</i>	<i>5</i>
<i>FAIR HOUSING AND EQUAL HOUSING OPPORTUNITIES.....</i>	<i>6</i>
<i>OVERVIEW OF THE AFFORDABLE HOUSING ADMINISTRATION PROCESS.....</i>	<i>6</i>
ROLES AND RESPONSIBILITIES.....	8
<i>RESPONSIBILITIES OF THE MUNICIPAL HOUSING LIAISON.....</i>	<i>8</i>
<i>RESPONSIBILITIES OF AN ADMINISTRATIVE AGENT.....</i>	<i>9</i>
<i>RESPONSIBILITIES OF THE MUNICIPAL ATTORNEY.....</i>	<i>10</i>
<i>RESPONSIBILITIES OF OWNERS OF ACCESSORY APARTMENTS.....</i>	<i>11</i>
CREATION OF AN ACCESSORY APARTMENT	12
<i>REQUIREMENTS FOR CREATING AN ACCESSORY APARTMENT.....</i>	<i>12</i>
<i>COMPENSATION FOR THE CREATION OF AN ACCESSORY APARTMENT.....</i>	<i>12</i>
<i>PROCESS FOR CREATING AN ACCESSORY APARTMENT.....</i>	<i>13</i>
DETERMINING AFFORDABLE RENTS	14
<i>DEVELOPMENT CONSIDERATIONS AND COMPLIANCE ISSUES.....</i>	<i>14</i>
<i>DETERMINING INITIAL RENTS.....</i>	<i>15</i>
<i>ADDITIONAL REGULATIONS FOR ACCESSORY APARTMENTS.....</i>	<i>15</i>
<i>DETERMINING RENT INCREASES.....</i>	<i>15</i>
AFFIRMATIVE MARKETING	16
<i>OVERVIEW OF THE REQUIREMENTS.....</i>	<i>16</i>
<i>REGIONAL PREFERENCE.....</i>	<i>18</i>
<i>IMPLEMENTATION OF THE AFFIRMATIVE MARKETING PLAN.....</i>	<i>18</i>
RANDOM SELECTION & APPLICANT POOL(S).....	20
<i>INITIAL RANDOMIZATION.....</i>	<i>20</i>
<i>RANDOMIZATION AFTER CERTIFICATION.....</i>	<i>21</i>
MATCHING HOUSEHOLDS TO AVAILABLE UNITS.....	22

APPLICATION FEES.....	23
HOUSEHOLD CERTIFICATION	24
<i>PROCEDURE FOR INCOME-ELIGIBILITY CERTIFICATION.....</i>	<i>24</i>
<i>INCOME.....</i>	<i>25</i>
<i>NOT INCOME.....</i>	<i>26</i>
<i>STUDENT INCOME</i>	<i>27</i>
<i>REAL ESTATE ASSET LIMIT.....</i>	<i>27</i>
<i>INCOME FROM REAL ESTATE</i>	<i>27</i>
<i>MAXIMUM MONTHLY PAYMENTS.....</i>	<i>28</i>
<i>HOUSING COUNSELING.....</i>	<i>28</i>
<i>THE APPLICANT INTERVIEW</i>	<i>29</i>
<i>DOCUMENTING HOUSEHOLD COMPOSITION AND CIRCUMSTANCES.....</i>	<i>29</i>
<i>APPROVING OR REJECTING A HOUSEHOLD.....</i>	<i>30</i>
<i>DISMISSAL OF APPLICATIONS.....</i>	<i>30</i>
<i>APPEALS.....</i>	<i>32</i>
FINALIZING THE TENANT	35
VACANCIES.....	35
LOCAL AFFORDABILITY ASSISTANCE PROGRAM	35
VIOLATIONS, DEFAULTS AND REMEDIES.....	35
MAINTENANCE OF RECORDS AND APPLICANT FILES	37
<i>FILES TO BE MAINTAINED ON EVERY APPLICANT.....</i>	<i>37</i>
<i>FILES TO BE MAINTAINED ON EVERY UNIT.....</i>	<i>37</i>
<i>FILES TO BE MAINTAINED ON THE APPLICANT POOL.....</i>	<i>37</i>
<i>MONITORING</i>	<i>38</i>

APPENDIX

- A.** COAH Annual Illustrative Rents By Housing Region
- B.** COAH Annual Regional Income Limits Chart
- C.** Affirmative Marketing Plan
- D.** List of HUD-Certified Housing Counseling Agencies
- E.** Fee Schedule
- F.** Deed restriction for Rental Units (UHAC Appendix E)

INTRODUCTION

This Operating Manual has been prepared to assist in the administration of accessory apartments in the *[Insert name of municipality]* Affordable Housing Program. It will serve as a guide to the program staff.

This manual describes the basic content and operation of the program, examines program purposes and provides the guidelines for implementing the program. It has been prepared with a flexible format allowing for periodic updates of its sections, when required, due to revisions in regulations and/or procedures.

This manual explains the steps in the initial creation of an accessory apartment and in the rental process. It describes the eligibility requirements for participation in the program, record keeping and overall program administration.

Implementation of any procedure, even if it is not included in this Operating Manual, shall be in accordance with the Federal Fair Housing Act and Equal Opportunities laws¹, the Uniform Housing Affordability Controls (UHAC) N.J.A.C. 5:80-26.1 et seq.², the substantive rules of the Council on Affordable Housing N.J.A.C. 5:96³ and 5:97⁴ and the affordable housing regulations of the *[Insert name of municipality]* (hereafter referred to as the “Regulations”).



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

WHAT IS AFFORDABLE HOUSING?

Affordable accessory apartments, unlike market rate housing, have affordability controls limiting the rent for [10 or 30] years. COAH considers housing “affordable” if the household pays approximately 35% or less of the household’s gross income on housing costs. Affordable housing is priced to be affordable to households earning up to 80% of the area median income for the region in which the affordable housing is located.

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

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

³ <http://www.nj.gov/dca/affiliates/coah/regulations/thirdroundregs/596.pdf>

⁴ <http://www.nj.gov/dca/affiliates/coah/regulations/thirdroundregs/597.pdf>

WHAT IS AN ACCESSORY APARTMENT?

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

WHO QUALIFIES FOR AFFORDABLE HOUSING?

In order to be eligible for affordable housing in New Jersey, a household’s income must be below the income limit for the region in which the affordable housing is located, either for low or moderate levels. A moderate-income household is classified as earning between 50 percent and 80 percent of the area median income. A low-income household is classified as earning less than 50 percent of area median income. Municipalities are also required to provide affordable housing to very low-income households; at least 13 percent of all affordable units must be affordable to households earning 30 percent or less of median income.

The six COAH housing regions are as follows:

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

The COAH Regional Income Limits Chart (Appendix B) provides information about income limits for each of COAH’s six housing regions. Each region has different calculated median incomes, which are adjusted annually.

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

LOCAL AFFORDABLE HOUSING PROGRAMS AND OPPORTUNITIES

The following affordable housing programs and opportunities are available in the *[Insert name of municipality]*:

Identify and describe the affordable housing programs and opportunities listed in the municipal Housing Element and Fair Share Plan, with for-sale and rental units.

Development 1, located [Insert location of development], consists of x number of for-sale market-rate units and x number of low-income for-sale affordable units and x number of moderate for-sale units.

Development 2, located [Insert location of development], consists of x number of rental market-rate units and x number of low-income rental affordable units and x number of moderate rental units. These units are age-restricted units, available only to households where the head of household is a minimum age of [Insert 55 or 62] years.

A copy of the [Insert name of municipality] Housing Element and Fair Share Plan is available at:

[Insert where a copy of the Housing Element and Fair Share Plan may be viewed, i.e. the municipal Clerk's Office, the municipal Library, on the municipal website].

OTHER AFFORDABLE HOUSING PROGRAMS AND OPPORTUNITIES

Affordable housing is administered by a wide variety of organizations and agencies. COAH does not administer affordable housing but links to affordable housing resources can be found on COAH's website at <http://www.nj.gov/dca/affiliates/coah/resources/looking.html>

Individuals interested in applying for affordable housing should contact the Municipal Housing Liaison in the municipality in which they are interested in living. Each municipality under COAH's jurisdiction has a Municipal Housing Liaison who is responsible for administering the municipality's affordable housing program. Some municipalities administer their own affordable housing and have their own application process. If not, the Municipal Housing Liaison can direct applicants to developers, nonprofit agencies, State agencies or consultants that may administer the affordable housing within the municipality. A list of Municipal Housing Liaisons can be found at <http://www.nj.gov/dca/affiliates/coah/resources/muniliaisons.pdf>.

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

The New Jersey Guide to Affordable Housing, which can be found at <http://www.nj.gov/dca/codes/affdhousing/affdhsgguide/index2.shtml>, is a listing compiled by the New Jersey Department of Community Affairs Division of Codes and

Standards. It lists all types of affordable housing by county. The housing units on the list have a variety of qualification requirements, including age-restricted housing and housing for the developmentally disabled.

Applicants who do not have access to the Internet should call 211 for assistance

FAIR HOUSING AND EQUAL HOUSING OPPORTUNITIES

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

For more information on discrimination or if anyone feels they are a victim of discrimination, please contact the New Jersey Division on Civil Rights at 1-866-405-3050 or <http://www.state.nj.us/lps/dcr/index.html>.

OVERVIEW OF THE AFFORDABLE HOUSING ADMINISTRATION PROCESS

This is a sample process only. This section of the Operating Manual should be modified to reflect the local administrative process.

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

- The Administrative Agent pre-qualifies applicants in the applicant pool for income eligibility and sends either a rejection letter to those over income or a preliminary approval letter to those who appear income-eligible.
- When a unit becomes available, the Administrative Agent will interview the applicant households and proceed with the income qualification process.
- The Administrative Agent must notify applicant households in writing of certification or denial within 20 days of the determination.
- Once certified, households are further screened to match household size to bedroom size.
- Certified households that are approved for a rental affordable housing unit will sign a Disclosure Statement (Appendix K) and any other applicable documents, which are held in the applicant file. Applicants then make an appointment with the accessory apartment unit owner. Applicant households seeking rental units may be subject to a credit check by the unit owner. If approved, the applicant will sign the lease, pay the first month's rent and the security deposit and receive the keys.
- The certified household moves into the affordable rental unit.

ROLES AND RESPONSIBILITIES

RESPONSIBILITIES OF THE MUNICIPAL HOUSING LIAISON

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

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

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

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

Coordinate meetings with Administrative Agents and Developers/Affordable Housing Sponsors/Owners. When a new accessory apartment is in the planning process, the Municipal Housing Liaison should coordinate a meeting between the Administrative Agent and the owner. The purpose of this initial meeting is to make sure the unit owner understands all the requirements of the program and go over the procedures outlined in the Operating Manual.

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

RESPONSIBILITIES OF AN ADMINISTRATIVE AGENT

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

Secure written acknowledgement from all owners in the accessory apartment program that no restricted unit can be offered or in any other way committed to any person other than a household duly certified by the Administrative Agent.

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

Implement the municipality's Affirmative Marketing Plan. The Administrative Agent is responsible for implementing the Affirmative Marketing Plan adopted by the municipality. Affirmative marketing includes conducting regional outreach and advertising for available affordable units.

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

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

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

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

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

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

- Immediately upon learning that an affordable rental unit will be vacated.
- For review and approval of annual rental increases.
- If they are considering or have decided to sell their home.

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

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

Serve as the custodian of all legal documents. An Administrative Agent is responsible for maintaining originals of all legal instruments for the units in their portfolio. Throughout the duration of a control period, an Administrative Agent must maintain a file containing its affordability control documents. This includes, but is not limited to, the recorded Deed Restriction, lease, and Disclosure Statement (Appendix K).

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

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

RESPONSIBILITIES OF THE MUNICIPAL ATTORNEY

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

- Assisting the Municipal Housing Liaison with the review of the affordable housing provisions of any Master Deed and Public Offering for consistency with

COAH and UHAC regulations, before they are recorded and submitted to DCA for approval.

- Providing all reasonable and necessary assistance in support of the Administrative Agent's efforts to ensure compliance with the housing affordability controls, including reviewing legal documents and legal actions required on foreclosures and violations.

RESPONSIBILITIES OF OWNERS OF ACCESSORY APARTMENTS

When an owner is in the planning process for an affordable accessory apartment, s/he should contact the Municipal Housing Liaison who shall coordinate a meeting between the Administrative Agent and the owner.

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

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

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

CREATION OF AN ACCESSORY APARTMENT

Accessory apartments are allowed in [*Insert name of municipality*] in [*Insert specific zones where accessory apartments are permitted and whether the use is permitted or conditional*]. Homeowners interested in creating an accessory apartment on their property should contact the Municipal Housing Liaison [*Insert name and contact information for the MHL*].

REQUIREMENTS FOR CREATING AN ACCESSORY APARTMENT

This section should be augmented by and tailored to local ordinances and construction requirements.

- Homeowners interested in creating an accessory apartment or making an existing accessory unit available for this program must read this manual and understand all of the requirements of owning and renting out an affordable housing unit.
- Property considered for an accessory unit must fall within the zone(s) where accessory units are permitted within [*Insert name of municipality*].
- Property must have sufficient sewer and water capacity to service the proposed accessory apartment. This must be documented and kept on file by the Administrative Agent.
- A deed restriction in the form of Appendix E in the Uniform Housing Affordability Controls (N.J.A.C. 5:80-26.1 et seq.) and appended to this manual stating the affordability controls will be **recorded** on the primary residence.
- Deed restrictions for accessory apartments in [*Insert name of municipality*] are for a period of no less than [10 or 30] years.
- The rent for the accessory apartment will be lower than market rate rents in the area to make it affordable for low- and/or moderate-income households. Households must be income-qualified by the Administrative Agent. Application for the apartment is open to the public, however the homeowner may establish reasonable criteria for the household selected to live in the unit.

COMPENSATION FOR THE CREATION OF AN ACCESSORY APARTMENT

- The municipality will provide \$[*Insert amount no less than \$20,000*] per unit to subsidize the creation of a moderate-income accessory apartment and \$[*Insert amount no less than \$25,000*] per unit to subsidize the creation of a low-income accessory apartment. [*If the municipality is creating only low-income units or*

only moderate-income units through this program, only include that level subsidy.]

- *[If the municipality will be waiving municipal fees associated with construction permits, mention it here.]*
- *[If the municipality will expend additional funds in order to rehabilitate existing units and bring them up to code, explain the procedures here.]*

PROCESS FOR CREATING AN ACCESSORY APARTMENT

This section should give specific information for a prospective homeowner interested in creating an accessory apartment about what steps will be involved in building the unit. The following is a general list of possible steps. This should be edited and further detailed to fit the municipality's administration and construction process.

- Application for approval of accessory apartment construction
- Initial inspection by building inspector
- Approval of apartment design
- Contract agreement between municipality and owner
- Deed restriction recorded on residence
- Construction inspections
- Final inspection and issuance of Certificate of Occupancy
- Final payment
- Initial occupancy by qualified tenant

DETERMINING AFFORDABLE RENTS

To determine the affordable rents the Administrative Agent uses the COAH calculators located at <http://www.nj.gov/dca/affiliates/coah/resources/calculators.html>.

DEVELOPMENT CONSIDERATIONS AND COMPLIANCE ISSUES

There are several regulations that must be considered from the *development perspective* before the rents of accessory apartments can be calculated. These requirements should be discussed at the first meeting between the Municipal Housing Liaison, Administrative Agent and homeowner.

Number of Bedrooms. The number of bedrooms is a decision that must be made by the homeowner as there is no requirement for a certain number of bedrooms for accessory apartments. The homeowner must provide this information to the municipality and the Administrative Agent so that a rent may be established for the unit.

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

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

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

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

Utilities. The homeowner must determine how utilities for the accessory apartment will be paid, either by the homeowner and reimbursed through rent or by the tenant separately. Either way, the maximum rent amount may not be exceeded. This should be discussed with the Administrative Agent prior to the rent being set.

DETERMINING INITIAL RENTS

To determine the initial rents the Administrative Agent uses the COAH calculators located at <http://www.nj.gov/dca/affiliates/coah/resources/calculators.html>.

Maximum Rent. When including percentages in the COAH rental calculator, 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.

ADDITIONAL REGULATIONS FOR ACCESSORY APARTMENTS

In [*Insert name of municipality*], the Accessory Apartment Program [*allows for the creation of both low- and moderate-income units or is limited to only low-income units or only moderate-income units*], which has been established by ordinance. [*If both low- and moderate-income units are allowed, describe how it is determined which accessory apartments will be designated as low-income and which as moderate-income.*]

DETERMINING RENT INCREASES

Annual rent increases are permitted in affordable units. Rent increases are permitted at the anniversary of tenancy according to COAH's Annual Regional Income Limits Chart, available on COAH's website. These increases must be filed with and approved by the Administrative Agent. Property managers or landlords who have charged less than the permissible increase may use the maximum allowable rent with the next tenant with permission of the Administrative Agent. The maximum allowable rent would be calculated by starting with the rent schedule approved as part of initial lease-up of the development, and calculating the annual COAH-approved increase from the initial lease-up year to the present. Rents may not be increased more than once a year, may not be increased by more than one COAH-approved increment at a time, and may not be increased at the time of new occupancy if this occurs less than one year from the last rental. No additional fees may be added to the approved rent without the express written approval of the Administrative Agent.

FINDING AN ACCESSORY APARTMENT TENANT

AFFIRMATIVE MARKETING

OVERVIEW OF THE REQUIREMENTS

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

The [*Insert name of municipality*]'s Affirmative Marketing Plan can be found in the Appendix.

Every Affirmative Marketing Plan and any revisions thereto must be adopted by resolution of the governing body, referenced by ordinance and approved by COAH. A form to help municipalities set up an Affirmative Marketing Plan is available on COAH's website for Administrative Agents. It is recommended to include the approved Affirmative Marketing Plan in the Appendix rather than in the text of the Operating Manual so that if any revision is required to the Affirmative Marketing Plan, the manual will not need to be revised, only the insertion in the Appendix.

Every Affirmative Marketing Plan must include all of the following:

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

Although not a requirement of UHAC, COAH encourages municipalities to list all affordable housing units in their community on the New Jersey Housing Resource Center at www.njhousing.gov. The New Jersey Housing Resource Center is a free service to both owners and administrators of affordable housing and households seeking affordable housing opportunities.

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

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

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

- The name of the program, i.e. Accessory Apartment
- The rent amount
- The bedroom size of the units
- The maximum income permitted to qualify for the housing units
- The locations of applications for the housing units
- The business hours when interested households may obtain an application for a housing unit
- Application fees, if any

It is also recommended that the following information be included in the advertisements:

- Last date applications will be accepted
- Contact number of the Municipal Housing Liaison or Administrative Agent
- If already adopted by ordinance, a statement concerning regional preference.

COAH recommends including the following statement on all advertisements. “Visit www.njhousing.gov for more affordable housing opportunities.”

REGIONAL PREFERENCE

The [*Insert name of municipality*] has by ordinance provided that households that live or work in COAH Housing Region [*Insert number*] comprised of the following counties [*Insert counties*] shall be selected for an affordable housing unit before households from outside this region. Units that remain unoccupied after households who live or work in the region are exhausted, may be offered to the households outside the region.

Municipalities that wish to give preference to applicant households that live or work in their housing region must state this preference in the form of an ordinance. This preference cannot be limited to families that live or work in the host municipality – if preference is given, it must be given to all households that live or work in the housing region.

IMPLEMENTATION OF THE AFFIRMATIVE MARKETING PLAN

The Operating Manual must identify who will market the affordable units, the municipality or the Administrative Agent, and how frequently they will be marketed, depending on such factors as whether there will be advertising to create and maintain a central list of applicants or advertising shall be conducted for each project, or some combination thereof.

It is strongly recommended that detailed records on all marketing initiatives be maintained.

If the municipality has an established waiting list of applicants for rental units, it may pull off of that list to fill accessory apartments. This fact should be reflected in the manual, but this affirmative marketing process must have been followed to establish that list.

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

An applicant pool will be maintained by the [*Insert municipality/Administrative Agent*] for re-rentals.

Alternatively, the manual may say: An applicant pool will be maintained by each project for re-rentals.

When a re-rental affordable unit becomes available, the [Insert municipality/Administrative Agent] applicants will be selected from the applicant pool and, if necessary, the unit will be affirmatively marketed as described above.

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

Question: *How often should we advertise?*

Answer: If this is a new program within the municipality and/or a waiting list for rental units does not exist, Administrative Agents must advertise initially to create an applicant pool beginning four months prior to the anticipated occupancy of the unit(s). Advertising should continue monthly until all units are rented. Once all vacant units are filled with eligible households, the Administrative Agent can either close the applicant pool or keep it open. If the applicant pool has sufficient eligible households for approximately two years worth of turnover, COAH recommends that the applicant pool be closed and applications no longer be accepted. In this case, advertising does not need to be conducted until four months before the applicant pool is to be reopened. If the Administrative Agent wishes to keep the applicant pool open, they must conduct some form of advertising on a monthly basis. However, all the components of the Affirmative Marketing Plan do not need to be implemented every month. One strategy can be implemented each month on a rotating basis. The next section provides more information on random selection and applicant pool maintenance to help determine how often advertising should be conducted.

Question: *My county doesn't have a library. How do I comply with the application availability rule?*

Answer: Only 11 of New Jersey's 21 counties have a county library (a list is included on COAH's website for Administrative Agents). If one or more of the counties in a housing region do not have county libraries, applications must be made available at the county administration building.

Question: *Our affordable housing development is very small. It is unnecessary for us to conduct monthly marketing initiatives and the number of applicants in our existing pool already exceeds the two-year rule of thumb. Is there any way for us to maintain compliance without conducting monthly outreach initiatives?*

Answer: COAH suggests that you attempt to partner with other municipalities in your housing region to help defray time and cost or close the applicant pool and do not accept applications until the applicant pool contains fewer applicants and affirmative marketing is implemented.

Question: *We have moderate-income units available, but not low-income units. Can we keep only the moderate portion of the applicant pool open?*

Answer: Yes. In fact, if you regularly have a type of unit that is hard to fill, you may tailor marketing initiatives to fill that type of unit. However, households that submit applications and are not interested or eligible for the targeted unit type must be notified that they will not be placed in the applicant pool until it is reopened for their unit type.

Question: *Are all developments required to conduct affirmative marketing, or just those with a certain number of units, for example, more than five units?*

Answer: All affordable units governed by UHAC are required to be affirmatively marketed. If it is burdensome for a small development to conduct its own affirmative marketing, the municipality and Administrative Agent(s) should consider conducting the affirmative marketing for all the units within the municipality at the municipal level, not at the development level. An alternative is to contract with an Administrative Agent who will do the affirmative marketing for your units as well as other units they manage.

RANDOM SELECTION & APPLICANT POOL(S)

The Operating Manual must describe the randomization process to be used. Below are two sample processes, Initial Randomization and Randomization After Certification.

INITIAL RANDOMIZATION

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

After advertising is implemented, applications are accepted for [*Insert the number of days*] days.

To help analyze the impact and success of various marketing initiatives, it is recommended that the Administrative Agent ask the applicants where they learned of the housing opportunity.

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

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

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

A municipal representative should also be invited to attend the lottery.

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

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

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

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

Two years of turnover is a recommended standard.

When the applicant pool is close to being depleted, the Administrative

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

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

RANDOMIZATION AFTER CERTIFICATION

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

After advertising is implemented, applications are accepted for [*Insert the number of days*] days.

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

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

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

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

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

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

MATCHING HOUSEHOLDS TO AVAILABLE UNITS

This topic in the Operating Manual is frequently challenged. Think carefully about the policies entered and be sure the policies are consistent with the Federal Fair Housing Act.

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

- Provide an occupant for each unit bedroom;
- Provide children of different sex with separate bedrooms;
- Prevent more than two persons from occupying a single bedroom;
- Require that all the bedrooms be used as bedrooms; and
- Require that a couple requesting a two-bedroom unit provide a doctor's note justifying such request.

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

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

Question: What happens if a moderate-income household "walks in" (when the applicant pool is closed and no affirmative marketing is being conducted) and I have a moderate unit available with no eligible moderate-income households in the applicant pool?

Answer: If the Administrative Agent notices that a specific unit type is hard to fill and few eligible households are in the applicant pool, the Administrative Agent should conduct ongoing affirmative marketing for that unit type to ensure a steady stream of certified households and keep the list open for that unit type. The walk-in can be added to the list.

Question: I am working with an applicant household that requires an accessible unit. Do they skip ahead on the list when an accessible unit becomes available?

Answer: UHAC does not provide any guidance on this situation. However, COAH suggests that the Administrative Agent consider an accessible unit a unit type, just as a unit is defined by bedroom size. Therefore, if the Administrative Agent is using the initial randomization model, the first household on the randomized list that requires an accessible unit should be selected when an accessible unit becomes available. If the Administrative Agent is using the randomization after certification model, all households of the appropriate size who are in need of an accessible unit, would be selected, and randomized.

Question: An applicant household has a daughter that has room and board at her college. Can they request a unit that is large enough for her to have a bedroom when she is at home?

Answer: Yes. If the household has a student away at college who is still claimed as a dependent and maintains the parents' address as a legal address, the student should be counted in the household size.

Question: Do I have to place a one-person household in a two-bedroom unit if there is no one-bedroom units available or the applicant requests a two-bedroom unit?

Answer: A household should not be placed in a unit where there is more than one bedroom per household member. In order to deviate from these standards, the Administrative Agent must obtain written approval from COAH. If a development does not have any one-bedroom units, for example, the Administrative Agent should inform one-person households that they will not be offered a unit unless there are no eligible households with more than one person. The Administrative Agent should also refer one-bedroom households to other Administrative Agents within the municipality or region that offer one-bedroom units. The Administrative Agent must demonstrate that every effort has been made to find a household of the appropriate size and composition and that a hardship exists that would justify deviating from the established standard.

Question: I am working with an applicant household that consists of two parents and five children. This household is applying for a three-bedroom unit. Should this household only be offered a four-bedroom unit?

Answer: No. The administrator must *strive* to prevent more than two people from occupying one bedroom, as outlined in N.J.A.C. 5:80-26.4(c), but may not force a family to purchase or rent a larger unit as long as it does not violate municipal regulations for over-crowding.

APPLICATION FEES

The Administrative Agent's fee schedule can be found in the Appendix.

HOUSEHOLD CERTIFICATION

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

Various properties utilize slightly different methods of calculating the income of applicants for affordable housing. Much depends on the particular program under which a property is operated. Outlined below is the most common set of requirements used in calculating income for households in New Jersey in UHAC; however, these requirements do not apply to programs which are regulated by the federal government.

PROCEDURE FOR INCOME-ELIGIBILITY CERTIFICATION

The Administrative Agent shall require each member of an applicant household who is 18 years of age or older to provide documentation to verify their income. Income verification documentation should include, but is not limited to the following for each and every member of a household who is 18 years of age or older:

- Four current consecutive pay stubs [including both the check and the stub], including bonuses, overtime or tips, or a letter from the employer stating the present annual income figure or if self-employed, a current Certified Profit & Loss Statement and Balance Sheet.
- Copies of Federal and State income tax returns for each of the preceding three tax years - A Form 1040 Tax Summary for the past three tax years can be requested from the local Internal Revenue Service Center or by calling 1-800-829-1040.
- A letter or appropriate reporting form verifying monthly benefits such as
 - Social Security or SSI – Current award letter or computer print out letter
 - Unemployment – verification of Unemployment Benefits
 - Welfare -TANF⁵ current award letter
 - Disability - Worker's compensation letter or

⁵ TANF – Temporary Assistance for Needy Families

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

Administrative Agents typically use a spreadsheet or worksheet similar to the one included in the Appendix to help calculate an applicant's income. This summarizing document will also prove useful in the event there is an appeal or question by the applicant concerning the calculation or during COAH monitoring visits. The Operating Manual should include a reasonable period to complete the submission of all required documentation and this policy should be included in the manual.

The following is a list of various types of wages, payments, rebates and credits. Those that are considered as part of the household's income are listed under Income. Those that are not considered as part of the household's income are listed under Not Income. Restricted units constructed with Federal funds should consult the appropriate regulations, for example, HUD Section 42, to ensure compliance with applicable Federal regulations.

INCOME

1. Wages, salaries, tips, commissions
2. Alimony
3. Regularly scheduled overtime

4. Pensions
5. Social security
6. Unemployment compensation (verify the remaining number of weeks they are eligible to receive)
7. TANF
8. Verified regular child support
9. Disability
10. Net income from business or real estate
11. Interest income from assets such as savings, certificates of deposit, money market accounts, mutual funds, stocks, bonds
12. Imputed interest (using a current average annual rate of two percent) from non-income producing assets, such as equity in real estate. Rent from real estate is considered income, after deduction of any mortgage payments, real estate taxes, property owner's insurance.
13. Rent from real estate is considered income
14. Any other forms of regular income reported to the Internal Revenue Service

NOT INCOME

1. Rebates or credits received under low-income energy assistance programs
2. Food stamps
3. Payments received for foster care
4. Relocation assistance benefits
5. Income of live-in attendants
6. Scholarships
7. Student loans
8. Personal property such as automobiles
9. Lump-sum additions to assets such as inheritances, lottery winnings, gifts, insurance settlements
10. Part-time income of persons enrolled as full-time students

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

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

STUDENT INCOME

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

REAL ESTATE ASSET LIMIT

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

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

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

Before obtaining a professional appraisal, the applicant should review the property's tax appraisal and the current market value and compare it to the asset limit to avoid any unnecessary expense. For instance, if homes are commonly selling in the applicant's neighborhood for over \$250,000, it is unlikely that an appraisal will determine a value below the asset limit.

INCOME FROM REAL ESTATE

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

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

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

MAXIMUM MONTHLY PAYMENTS

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

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

- The household currently pays more than 35 percent (40 percent for households eligible for age-restricted units) of its gross household income for rent and the proposed rent will reduce the household's housing costs;
- The household has consistently paid more than 35 percent (40 percent for households eligible for age-restricted units) of eligible monthly income for rent in the past and has proven its ability to pay;
- The household is currently in substandard or overcrowded living conditions;
- The household documents the existence of assets, with which the household proposes to supplement the rent payments; or
- The household documents proposed third party assistance from an outside source such as a family member in a form acceptable to the Administrative Agent and the Owner of the unit; and
- The household receives budget counseling.

HOUSING COUNSELING

The Administrative Agent is responsible for providing housing counseling, or providing referrals for counseling, as a part of the Affirmative Marketing Plan and during the application process. Although housing counseling is recommended, a household is only required to attend counseling if their monthly housing expense exceeds UHAC standards. A HUD-approved housing counseling agency, or a counseling agency approved by the NJ Department of Banking and Insurance, meets UHAC's requirements for an experienced Housing Counseling Agency. If the Administrative Agent is not approved by HUD or by the NJ Department of Banking and Insurance, the Agent will make

referrals to one of the HUD-approved housing counseling agencies in New Jersey. This counseling to low- and moderate-income housing applicants will focus on subjects such as budgeting, credit issues, and mortgage qualification, and is free of charge. A list of non-profit counselors approved by HUD and/or the New Jersey Department of Banking and Insurance is included on COAH's website and is available from the Administrative Agent.

THE APPLICANT INTERVIEW

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

- Confirm and update all information provided on the application.
- Explain program requirements, procedures used to verify information, and penalties for providing false information. Ask the head of household, co-head, spouse and household members over age 18 to sign the Authorization for Release of Information forms and other verification requests.
- Review the applicant's identification and financial information and documentation, ask any questions to clarify information on the application, and obtain any additional information needed to verify the household's income.
- Make sure the applicant has reported all sources for earned and benefit income and assets (including assets disposed of for less than fair market value in the past two years). Require the applicant to give a written certification as to whether any household member did or did not dispose of any assets for less than fair market value during the past two years.

DOCUMENTING HOUSEHOLD COMPOSITION AND CIRCUMSTANCES

The following are various records for documenting household information:

- Social Security records or cards. Either individual Social Security card or letter from Social Security Administration
- Adoption papers, or legal documents showing adoption in process
- Income tax return

- Birth Certificate or Passport
- Alien Registration Card

APPROVING OR REJECTING A HOUSEHOLD

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

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

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

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

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

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

DISMISSAL OF APPLICATIONS

Applications can be dismissed for the following reasons:

1. The application is not signed or submitted on time.
2. The applicant commits fraud, or the application is not truthful or complete.

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

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

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

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

APPEALS

Appeals from all decisions of an Administrative Agent shall be made in writing to the Executive Director of the Council on Affordable Housing (COAH), 101 South Broad Street, P.O. Box 813, Trenton, New Jersey 08615. The Executive Director's written decision, which shall be made within 15 days of receipt of an appeal, shall be a final administrative action of COAH.

Question: Is it a requirement of UHAC that Administrative Agents meet with applicants in person?

Answer: Because an applicant interview could prove to be burdensome to many households it is not a prerequisite to purchase or occupancy, although it is encouraged. Administrative Agents should be prepared to conduct the household certification via mail.

Question: With households filing taxes through e-filing, we are having trouble getting copies of tax returns. How can we get copies of e-filed tax returns?

Answer: According to the IRS website, transcripts of previously filed tax returns can be ordered by completing a Form 4506-T or calling (800) 829-1040 and following the prompts in the recorded message. There is no charge for the transcript and you should receive it in 10 business days from the time they receive your request. Tax return transcripts are generally available for the current and past three years.

Question: How can child support payments that are made in cash be documented?

Answer: If the applicant is depositing the cash child support payments into a bank account, a series of statements from that account should be used to establish a trend of payments. If not, a notarized statement from the former spouse should be obtained to document the income.

Question: Is it a requirement that the Administrative Agent always obtain a written statement from the household's employer(s) confirming their income and job status?

Answer: No. However, when evaluating overtime and other income trends, such as bonuses, working directly with the employer is typically much more efficient and reliable than simply evaluating pay stubs.

Question: Are there any potential issues with renting to a separated family that has a divorce pending?

Answer: Yes, until a divorce is finalized, a spouse can make claim on a residence rented by the other spouse. Until a divorce is finalized, it is suggested that Administrative Agents place these types of cases on hold.

Question: How can income eligibility be established for someone that may have been out of work for two years, but had a job during the most recent tax year?

Answer: As long as the applicant is currently employed, a series of consecutive pay stubs (at least 3 months) should be used to establish the income of an applicant in this or similar situations.

Question: Can an applicant for a rental unit be rejected solely because they have Section 8 rental assistance?

Answer: No. A household receiving Section 8 assistance cannot be rejected based on this status. Discrimination such as this is illegal.

Question: Can an applicant be required to attend and graduate from a Housing Counseling Program in order to rent a restricted unit?

Answer: No. A household is only required to attend housing counseling if their monthly housing expense exceeds UHAC standards. Administrative Agents, however, are required to provide housing counseling or refer applicants to an approved Housing Counseling Program.

Question: *Do households with Section 8 vouchers automatically qualify for affordable housing under UHAC?*

Answer: Yes, a Section 8 voucher is acceptable for income qualification, provided the applicant meets the criteria of the property manager or landlord. The Administrative Agent must still collect income verification documentation to match the household to an appropriately priced unit.

Question: *Can an existing moderate-income tenant be moved to a low-income unit when they can substantiate that there has been a change in their income? If so, can they bypass the random selection process?*

Answer: Yes, an existing tenant household may re-apply for a low-income unit within the same project if they can prove a change in their circumstances. If qualified, the tenant would be added to the applicant pool. The tenant should also be referred to the local Affordability Assistance Program, if available.

Question: *Does the Administrative Agent need to impute the value of a household's stocks as an asset?*

Answer: Only dividends from stock count towards a household's income. IRS Form-1099 from the previous year should be requested from the applicant if it was not part of their initial application.

Question: *Is there a maximum cost for the credit check?*

Answer: No, but the credit check is included in application fees which may total no more than five percent of the monthly rent.

Question: *In order to overcome inadequate or poor credit, can an applicant have a cosigner on a lease?*

Answer: No one outside the household, as certified by the Administrative Agent, may cosign or otherwise be party to any financing or legal instruments.

Question: *Does UHAC set a minimum income for eligibility for affordable housing?*

Answer: No, UHAC does not specify a minimum income for affordable housing units. However, an applicant household must be able to afford the unit and must not pay more than 33 percent for sale units or 35 percent for rental units of its monthly income (or 40 percent for age-restricted units), unless they meet the exemption criteria set forth in N.J.A.C. 5:80-26.7(b) or N.J.A.C. 5:80-26.13(b).

Question: *After I certify an applicant, how long is that certification valid?*

Answer: Pursuant to N.J.A.C. 5:80-26.16(b), an initial certification is valid for 180 days and may be extended for an additional 180 days once the household's eligibility is verified.

Question: *How do I document third-party assistance from a guarantor? For example, a relative is providing funds toward the applicant's monthly payments.*

Answer: In the case of a rental unit, the applicant should demonstrate regular deposits from third party assistance, or a notarized letter from the third party documenting future assistance. The Administrative Agent must receive a copy of the policy regarding guarantors from the developer, affordable housing provider or owner, so as to assure the policy is applied consistently.

Question: *If an applicant for affordable housing has a "reverse mortgage", how does an Administrative*

Agent count income from that mortgage?

Answer: An applicant for affordable housing with a “reverse mortgage” would not be eligible for affordable housing unless that mortgage was satisfied or, at a minimum, a contract for sale of the market unit was in place. “Reverse mortgages” require that the mortgaged property remain the principal place of residence of the person taking the mortgage. Since this is also a requirement of affordable housing only one such residence can be owned or leased at any given time.

Question: For the purpose of income-qualification, what is considered part-time income of full-time students?

Answer: Under UHAC, part-time income of persons enrolled as fulltime students, who are reported as dependents to the IRS, is not included in income calculations for determining eligibility. COAH recommends stipulating in the Operating Manual the following criteria in applying this rule:

- A full-time student is a member of the household who is enrolled in a degree seeking program for 12 or more credit hours per semester; and
- Part-time income is income earned on less than a 35-hour workweek.

Please note that full-time income of full-time students is included in the income calculation.

FINALIZING THE TENANT

Once a household has been certified to occupy an accessory apartment, the income has been documented and the ability to pay the established rent has been verified, the Administrative Agent may refer that household to meet with the owner of the apartment for final approval. The owner may develop a reasonable list of criteria, such as smoking or non-smoking, whether or not pets are allowed, etc., and may only reject tenants who do not meet those criteria. That list must be approved by the Administrative Agent.

The owner may also conduct a credit check and criminal background check on prospective tenants. An acceptable credit limit must be established prior to any credit check and must be on file with the Administrative Agent.

Lease. When a tenant is found, that tenant will be required to sign a lease. This may be a standard lease and must be approved by the Administrative Agent. It should list the location of the unit, the name of the tenant and the initial rent amount. A copy of the executed lease must be provided to the Administrative Agent. In addition, Certification K, which is appended to this manual, must also be signed by the tenant and a file must be given to the tenant and the original kept on file with the Administrative Agent.

Security Deposit. The owner may require a reasonable security deposit from the tenant.

VACANCIES

Once a homeowner learns that an accessory apartment will be vacated by a tenant, the Administrative Agent should immediately be notified to begin the process of finding a new tenant.

LOCAL AFFORDABILITY ASSISTANCE PROGRAM

[Describe here any local affordability assistance program. See samples on COAH website.]

VIOLATIONS, DEFAULTS AND REMEDIES

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

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

Insert additional enforcement provisions provided for by ordinance. See samples on COAH website.

MAINTENANCE OF RECORDS AND APPLICANT FILES

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

Administrative Agents maintain detailed records on all marketing initiatives.

FILES TO BE MAINTAINED ON EVERY APPLICANT

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

- Application Form.
- Tenant Information Form
- Income Verification
- Letter of Certification of Eligibility or Letter of Determination of Ineligibility.

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

FILES TO BE MAINTAINED ON EVERY UNIT

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

- Base rent
- Identification as low- or moderate-income
- Description of number of bedrooms and physical layout
- Floor plan
- Application materials, verifications and certifications of all present owners, pertinent correspondence
- Copy of lease
- Disclosure Statement (Appendix K)
- Deed restriction with length of controls on the unit

FILES TO BE MAINTAINED ON THE APPLICANT POOL

- Any changes to the applicant pool
- Any action taken with regard to the applicant pool
- Any activity that occurs that affects a particular applicant
- Current applications for all applicants whose status is active in the applicant pool

- The application, the initial rejection notice, the applicant's reply to the notice, a copy of the Administrative Agent's final response to the applicant, and all documentation of the reason the applicant's name was removed from the applicant pool.

MONITORING

The current annual monitoring information required to be maintained and reported annually to the Municipal Housing Liaison can be found on COAH's website at <http://www.nj.gov/dca/affiliates/coah/upcoming/ctmproject.html>.

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

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

Question: How long must the Administrative Agent keep files on applications for affordable housing units and certified Owners/tenants of affordable housing units?

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

Accessory Apartment Program Audit Checklist

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

APPENDIX D
REHABILITATION PROGRAM DOCUMENTATION

REHABILITATION PROGRAM (N.J.A.C. 5:97-6.2)

General Description

Municipality/County: *Califon Borough, Hunterdon County*
Program Name: *Local*
Number of proposed units to be rehabilitated: 3

Information and Documentation Required with Petition

- Determination of Rehabilitation Share
- Accept number in N.J.A.C. 5:97 – Appendix B; **OR**
- Exterior Housing Survey conducted by the municipality
- Information regarding the rehabilitation program on forms provided by the Council. (If relying on previously submitted 2007 monitoring and/or subsequent CTM update, also check here in lieu of submitting forms.)
- Documentation demonstrating the source(s) of funding
- Municipal resolution appropriating funds from general revenue or a resolution of intent to bond in the event of a funding shortfall
- Schedule illustrating how the rehabilitation share will be addressed within the period of substantive certification

Information and Documentation Required Prior to Substantive Certification

- Resolution or executed contract designating an experienced Administrative Agent, and a statement of his/her qualifications, in accordance with N.J.A.C. 5:96-18
- Draft or adopted rehabilitation operating manual that includes a description of the program procedures and administration including a copy of sample deed restriction and/or lien.
- Affirmative Marketing Plan for the re-rental of rehabilitated rental units, in accordance with UHAC *See Aff. Marketing Plan*

Rehabilitation Narrative Section

Unless Hunterdon County creates a County-wide
rehab program, Calton will establish its
own program as described in the Fairshare
Plan.

BOROUGH OF CALIFON
COUNTY OF HUNTERDON, STATE OF NEW JERSEY
RESOLUTION OF INTENT TO FUND SPENDING PLAN SHORTFALL FOR
REHABILITATION PROGRAM

Resolution 2010-64

WHEREAS, the Third Round Housing Element and Fair Share Plan of this Borough as adopted by the Califon Borough Planning Board on June 7, 2010, and endorsed by the Mayor and Council on June 7, 2010, provides for a housing rehabilitation program targeted at existing substandard housing units occupied by low and moderate income households; and

WHEREAS, the implementation of a housing rehabilitation program requires a financial commitment for which outside resources are not expected to be available; and

WHEREAS, the New Jersey Council on Affordable Housing (COAH) requires a municipality to state its intent to cover any shortfall in the funding of an affordable housing program covered in the Spending Plan and the Fair Share Plan, including its intention to incur bonded indebtedness, if necessary, to provide the funds required for the timely implementation of such programs;

RESOLVED, by the Mayor and Council of the Borough of Califon, in the County of Hunterdon, New Jersey, as follows:

1. That to the degree that the funds required for the implementation of the Borough's housing rehabilitation program are not available at the time they are needed from funds collected from developers under the Development Fee Ordinance or from any other sources, the Borough will provide the funding needed to cover any shortfall in this program from appropriations in the Borough's annual budget or by incurring indebtedness by authorizing and issuing, pursuant to the Local Bond Law, bonds and/or bond anticipation notes to the extent of the funding deficiency, with the understanding that any payments subsequently collected from developers under the Development Fee Ordinance may be used to reimburse the Borough for the costs of the housing rehabilitation program; and
2. That the Borough currently has the unencumbered capacity to incur such debt under the Local Bond Law.

CERTIFICATION

I, Laura Eidsvaag, RMC, Clerk of the Borough of Califon, County of Hunterdon, hereby certify the foregoing to be a true copy of a resolution adopted by the Mayor and Council of the Borough of Califon at a duly noticed and duly convened regular meeting held on June 7, 2010.



Laura Eidsvaag, RMC, Borough Clerk

SCHEDULE FOR FUNDING THIRD ROUND REHABILITATION PROGRAM

Minimum Program Costs: \$10,000 in hard costs per unit, plus up to \$4,000 per unit in administration costs = Total of \$30,000 in hard costs and \$12,000 in administration costs = ***\$42,000 required to fund program.***

2011 Budget	\$7,000
2012 Budget	\$7,000
2013 Budget	\$7,000
2014 Budget	\$7,000
2015 Budget	\$7,000
2016 Budget	\$7,000
<hr/>	
Total:	\$42,000

Under COAH's Rules, the Borough is required to fund at least half of the program costs within the first five (5) years of the certification period.

Allocated funds should be maintained in a separate escrow account (NOT in the Affordable Housing Trust Fund) until such time as they are needed.

The first rehabilitation project could not begin until the 2012 budget is approved.

Resolution 2010-60

**BOROUGH OF CALIFON
COUNTY OF HUNTERDON, STATE OF NEW JERSEY
RESOLUTION OF INTENT TO ENTER INTO A CONTRACT
WITH A REHABILITATION ADMINISTRATOR
FOR ADMINISTRATION OF REHABILITATION PROGRAM**

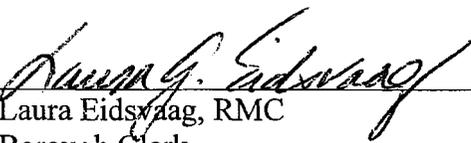
WHEREAS, the Borough of Califon is pursuing a Petition for Substantive Certification of its Third Round Housing Element and Fair Share Plan, adopted by the Planning Board on June 7, 2010, from the Council on Affordable Housing (COAH) consistent with the Fair Housing Act; and

WHEREAS, it is the intention of the Mayor and Council of the Borough of Califon by way of this resolution to declare its intent to enter into a contract with a qualified Rehabilitation Administrator for the administration of the Borough's Housing Rehabilitation Program;

NOW, THEREFORE, BE IT RESOLVED, by the Mayor and Council of the Borough of Califon, County of Hunterdon, State of New Jersey, that the Borough of Califon hereby declares its intent to select a COAH-qualified Rehabilitation Administrator and to enter into a contract with that entity for the management and administration of the Borough's Housing Rehabilitation Program as described in the Borough's Third Round Housing Element and Fair Share Plan adopted by the Planning Board on June 7, 2010.

CERTIFICATION

I, Laura Eidsvaag, RMC, Clerk of the Borough of Califon, hereby certify the foregoing to be a true copy of a resolution passed by the Mayor and Council of the Borough of Califon at a duly noticed and duly convened regular meeting held on June 7, 2010.

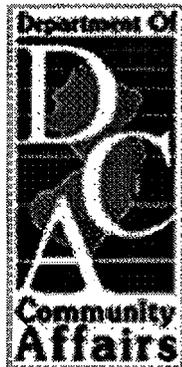


Laura Eidsvaag, RMC
Borough Clerk

Model to be Modified for Califon by Program Administrator

Model Operating Manual

For the Administration of
REHABILITATION UNITS



SAMPLE

**Model Operating Manual
Housing Rehabilitation Program**

[This sample manual and the checklist of minimum topics provide the minimum criteria required for an Operating Manual for a housing rehabilitation program. Municipalities may tailor this sample manual to meet any local requirements and include all established policies, but shall not reduce the scope of this sample manual without permission from the Council on Affordable Housing (COAH). Municipalities must select an Administrative Agent experienced in the administration of a rehabilitation program. Only experienced municipal agencies or employees are acceptable if a municipality chooses in-house administration.]¹

¹ COAH, June 2008

REHABILITATION PROGRAM OPERATING MANUAL CHECKLIST

Minimum Standards

At a minimum the Rehabilitation Program Operating Manual must clearly describe the procedures and policies for the following:

	Eligible Participants
<input type="checkbox"/>	Categories of Participants –Owners/Renters
<input type="checkbox"/>	Income Limits – The carrying costs of the unit should meet COAH criteria.
<input type="checkbox"/>	Certification of Substandard – List Major Systems
	Available Benefits
<input type="checkbox"/>	Program Financing – Owners/Renters
<input type="checkbox"/>	Program Affordability Controls
<input type="checkbox"/>	Program Affordability Controls – Owner-occupied - Lien
<input type="checkbox"/>	Program Affordability Controls – Renter-occupied – Deed and may include a lien
	Eligible Property Improvements
<input type="checkbox"/>	Eligible property improvements - Sample related work
<input type="checkbox"/>	Ineligible property improvements
<input type="checkbox"/>	Rehabilitation Standard
<input type="checkbox"/>	Certification of Standards required
	Overview of Administrative Procedures
<input type="checkbox"/>	Preliminary Application/Interview – Owners/Renters
<input type="checkbox"/>	Income Eligibility and Program Certification – Documents to be submitted Owners/Renters – period of eligibility
<input type="checkbox"/>	Housing Inspection/Substandard Certification
<input type="checkbox"/>	Ineligible Properties – The total debt must be less than the appraised price.
<input type="checkbox"/>	Work Write-up and Cost Estimate
<input type="checkbox"/>	Contractor Bidding Negotiations – Min 3 Bids/Max # Bids
<input type="checkbox"/>	Contractor Signing/Pre-Construction Conference – indicate # days to begin work and complete work
<input type="checkbox"/>	Progress Inspections
<input type="checkbox"/>	Change Orders
<input type="checkbox"/>	Payment Schedule
<input type="checkbox"/>	Appeal Process – Property Improvements
<input type="checkbox"/>	Final Inspection
<input type="checkbox"/>	Recorded Mortgage, Mortgage Note, Restricted Covenant
	Income Eligibility Certification
<input type="checkbox"/>	Verification documentation required
<input type="checkbox"/>	Eligible Income/Ineligible Income
<input type="checkbox"/>	Appeal Process – Income Eligibility
	Contractor Related Procedures
<input type="checkbox"/>	Standards for contractor selection – 3 recent job references, licenses, evidence of financial stability to secure performance bond, workmen’s compensation BI \$100,000/\$300,000 PD \$50,000 minimum
<input type="checkbox"/>	# of proposals required – minimum of 3 - # of days in which to submit bid – bids must fall within max of 10% of cost estimate – award to lowest bidder
<input type="checkbox"/>	Contractor Requirements – work schedule and agreement
<input type="checkbox"/>	List of Pre-qualified Contractors

	Maintenance of Records
<input type="checkbox"/>	List documents to be filed
<input type="checkbox"/>	Rehabilitation Log
<input type="checkbox"/>	Monitoring Information required
	Program Marketing
<input type="checkbox"/>	Notice of Public Hearing
<input type="checkbox"/>	Program Flyer
<input type="checkbox"/>	Program Brochure
	Rental Units
<input type="checkbox"/>	Include overview of local rental process
<input type="checkbox"/>	Affirmative Marketing
<input type="checkbox"/>	Approved Affirmative Marketing Plan included
<input type="checkbox"/>	How will re-rentals be marketed?
<input type="checkbox"/>	Will there be a regional preference?
<input type="checkbox"/>	Who will implement marketing re-rentals?
<input type="checkbox"/>	Prepare sample marketing materials, including a sample display ad and PSA
<input type="checkbox"/>	Random Selection & Applicant Pool
<input type="checkbox"/>	What level of verification will be completed before the lottery process – pre-application or full applications?
<input type="checkbox"/>	Will the pool of applicants be randomized each time a unit is available?
<input type="checkbox"/>	Will there be categories of applicant pools?
	Matching Households to Available Units
<input type="checkbox"/>	How will households be matched to available units? Will there be categories of applicant pools?
<input type="checkbox"/>	Household Certification
<input type="checkbox"/>	Standards for reviewing applicant household eligibility and certifying applicant households
<input type="checkbox"/>	Verification documentation required
<input type="checkbox"/>	Eligible Income/Ineligible Income
<input type="checkbox"/>	Maximum Monthly Payment
<input type="checkbox"/>	Housing Counseling
<input type="checkbox"/>	Basis for Dismissing Applications
<input type="checkbox"/>	Appeals – Income Eligibility
<input type="checkbox"/>	Determining Affordable Rents
<input type="checkbox"/>	Determining Initial Rents
<input type="checkbox"/>	Determining Rent Increases
<input type="checkbox"/>	Application Fees
<input type="checkbox"/>	Violations, Defaults and Remedies
<input type="checkbox"/>	Maintenance of Records for Rental Program
<input type="checkbox"/>	List documents to be filed
<input type="checkbox"/>	Monitoring information required
<input type="checkbox"/>	Appendices
<input type="checkbox"/>	Mortgage
<input type="checkbox"/>	Deed (Rental Units)

Table of Contents

Introduction

- A. Fair Housing and Equal Housing Opportunities

Section I. Eligible Participants

- A. Categories of Participants
- B. Income Limits for Participation
- C. Target Neighborhood
- D. Certification of Substandard

Section II. Available Benefits

- A. Program Financing
- B. Owner-occupied Units
- C. Renter-occupied Units
- D. Program Affordability Controls
- E. Owner-occupied Affordability Controls
- F. Renter-occupied Affordability Controls

Section III. Eligible Property Improvements

- A. Eligible Improvements
- B. Ineligible Improvements
- C. Rehabilitation Standards
- D. Certification of Standard

Section IV. Overview of Administrative Procedures

- A. Application/Interview
- B. Income Eligibility and Program Certification
- C. Housing Inspection/Substandard Certification
- D. Cost Estimate
- E. Contractor Bidding Negotiations
- F. Contract Signing/Pre-Construction Conference
- G. Progress Inspections
- H. Change Orders
- I. Payment Schedule
- J. Appeal Process – Property Improvements
- K. Final Inspection
- L. Record Mortgage Documentation and Restricted Covenant
- M. File Closing

Section V. Procedure for Income-Eligibility Certification

- A. Complete a Household Eligibility Determination Form
- B. Certify the Household Income Eligibility
- C. Records Documenting Household Composition and Circumstances
- D. Appeal Process – Income Eligibility

Section VI. Contractor Related Procedures

- A. Contractor Selection
- B. Number of Proposals Required
- C. Contractor Requirements

Section VII. Maintenance of Records and Client Files

- A. Files To Be Maintained on Every Applicant
- B. Rehabilitation Log
- C. Monitoring Information

Section VIII. Program Marketing

Section IX. Rental Procedures

- A. Fair Housing and Equal Housing Opportunities
- B. Overview of the Affordable Housing Administration Process for Rental Units
- C. Roles and Responsibilities
- D. Affirmative Marketing
- E. Random Selection & Applicant Pool(s)
- F. Matching Households To Available Units
- G. Application Fees
- H. Maximum Monthly Payments
- I. Housing Counseling
- J. The Applicant Interview
- K. Procedure for Income-Eligibility Certification
- L. Approving or Rejecting a Household
- M. Dismissal of Applications
- N. Appeal Process – Income Eligibility
- O. Determining Affordable Rents
- P. Determining Rent Increases

Section X. Affordability Assistance Program

Suggested Appendix

- A. COAH Annual Regional Income Limits Chart
- B. List of Pre-Qualified Contractors
- C. Loan Application
- D. Application for Rehabilitation Assistance
- E. Application for Rehabilitation Assistance – Rental Rehabilitation
- F. Tenant Information Application/Application
- G. Tenant Information
- H. Case File Checklist
- I. Income Cover Sheet
- J. Owner Occupied Approval Letter
- K. Rental Property Eligibility Work Sheet
- L. Rental Approval Letter
- M. Certification of Substandard
- N. Borrower's Agreement
- O. Rental Borrower's Agreement
- P. Subordination Policy Instructions
- Q. Final Work Write-up and Cost Estimate
- R. Owners Acceptance of Work Write-up
- S. Request for Rehabilitation Bid and Bid Announcement
- T. Bidding Procedures and Contractor Responsibilities
- U. Bid Acceptance Form
- V. General Contractor Application
- W. Bid Spread Sheet
- X. Notice to Proceed
- Y. Construction Agreement
- Z. Construction Agreement Addendum – Changes and Modifications
- AA. Right of Entry Document
- BB. Description of Work to be Performed
- CC. Mortgage
- DD. Mortgage Note
- EE. Rental Mortgage
- FF. Rental Mortgage Note
- GG. Deed Restriction for Rental Units – Affordable Housing Agreement – Rental Properties
- HH. Restrictive Covenant
- II. Change Order Authorization
- JJ. Contractor's Final Invoice, Release of Liens, and Warranty
- KK. Homeowner's Statement of Satisfaction – Program Inspector Final Inspection Report
- LL. Certification of Standard by Construction Code Official
- MM. Contractor's Agreement
- NN. Property Rehabilitation Agreements
- OO. Proceed to Work Order
- PP. Property Owner Sign-off Letter
- QQ. Household Eligibility Determination Form
- RR. Certification of Work Schedule
- SS. Program Brochure
- TT. Program Flyer

- UU. Notice of Public Hearing
For Rental Program
- VV. COAH Annual Illustrative Rents By Housing Region
- WW. Affirmative Marketing Plan
- XX. List of HUD-Certified Housing Counseling Agencies

INTRODUCTION

This Rehabilitation Program Operating Manual has been prepared to assist in the administration of the *[insert name of municipality]* Rehabilitation Program. It will serve as a guide to the program staff and applicants.

This manual describes the basic content and operation of the program, examines program purposes and provides the guidelines for implementing the program. It has been prepared with a flexible format allowing for periodic updates of its sections, when required, due to revisions in regulations and/or procedures.

This manual explains the steps in the rehabilitation process. It describes the eligibility requirements for participation in the program, program criteria, funding terms and conditions, cost estimating, contract payments, record keeping and overall program administration.

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

A. Fair Housing and Equal Housing Opportunities



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

For more information on discrimination or if anyone feels they are a victim of discrimination, please contact the New Jersey Division on Civil Rights at 1-866-405-3050 or <http://www.state.nj.us/lps/dcr/index.html>.

SECTION I. ELIGIBLE PARTICIPANTS

A. Categories of Participants

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

NOTE: Pursuant to N.J.A.C. 5:97-6.2(b)6 rental units may not be excluded from a municipal rehabilitation program. If a county administers the municipal rehabilitation program and the county program does not include rehabilitation of rental units, the municipality will need to supplement the county program with its own rehabilitation program for rental units.

B. Income Limits for Participation

The occupants of the units must have incomes that fall within the income guidelines established for *[insert the name of the County]* County by the Council on Affordable Housing (COAH). These limits are revised annually as COAH figures become available and can be found in Appendix A.

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

NOTE: The program should strive to provide that low-income households occupy at least 50 percent of the units rehabilitated.

If the rehabilitation program is funded with state or federal funds, the regulations of these funding sources must be taken into consideration. Regarding income limits, use the lowest income limits.

C. Program Area

This is a municipal-wide program. The rehabilitation property must be located in *[insert name of municipality]*.

NOTE: A municipality may decide to target certain neighborhoods for the program and would then list those neighborhoods here.

D. Certification of Substandard

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

1. Roof
2. Plumbing (including wells)
3. Heating
4. Electrical
5. Sanitary plumbing (including septic systems)
6. Load bearing structural systems
7. Lead paint abatement
8. Weatherization (building insulation for attic, exterior walls and crawl space, siding to improve energy efficiency, replacement storm windows and storm doors and replacement windows and doors)

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

SECTION II. AVAILABLE BENEFITS

A. Program Financing

Up to *[insert maximum funding available]* per unit may be available for improvements to eligible owner-occupied and renter-occupied units.

B. Owner-occupied Units

[Insert program financing here]

C. Renter-occupied Units

[Insert program financing here]

NOTE: Municipal rehabilitation investment shall average at least \$10,000 per unit in hard costs. Administrative costs may be covered in conformance with N.J.A.C. 5:97-8.9.

Financing of rehabilitation programs shall be structured to encourage rehabilitation and continued occupancy. Low interest rates and forgivable loans are encouraged. Leveraging of private financing is also encouraged if the result is low interest loans that encourage rehabilitation. If an owner-occupied housing unit is sold prior to the end of the controls on affordability, at least part of the loan shall be recaptured and used to rehabilitate another housing unit, unless the unit is sold to a low- or moderate-income household at an affordable price pursuant to N.J.A.C. 5:97:-9.3

See attached sample Program Financing options.

D. Program Affordability Controls

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

E. Owner-occupied Affordability Controls

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

F. Renter-occupied Affordability Controls

For rental units, the controls on affordability shall be in the form of a deed restriction and may also include a lien. If a unit is vacant upon initial rental subsequent to rehabilitation, or if a renter-occupied unit is re-rented prior to the end of controls on affordability, the deed restriction shall require the unit to be rented to a low- or moderate- income household at an affordable price and affirmatively marketed pursuant to the N.J.A.C. 5:97-9. Rents in rehabilitated units may increase annually based on the standards in N.J.A.C. 5:97-9.

G. Subordination [Optional]

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

SECTION III. ELIGIBLE PROPERTY IMPROVEMENTS

A. Eligible Improvements

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

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

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

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

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

B. Ineligible Improvements

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

C. Rehabilitation Standards

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

D. Certification of Standard

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

A municipality may provide for repairs in emergency situations if the conditions are stipulated in the Operating Manual.

E. Emergency Repairs

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

SECTION IV. OVERVIEW OF ADMINISTRATIVE PROCEDURES

A. Application/Interview

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

[insert name and address of selected locations]

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

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

Applications will be processed in the order of receipt.

A municipality may alternatively provide for a random selection process where there is sufficient interest in the program and the process must be documented in this Operating Manual. See Random Selection process in Rental Section.

A municipality may also provide to deviate from the rank order for emergency situations, if these standards are incorporated into the Operating Manual.

Only emergency situations shall be handled out of the order of receipt *[or randomly selected list]*.

B. Income Eligibility and Program Certification

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

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

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

If after review of the income documentation submitted an applicant is determined to be ineligible, the applicant will receive a letter delineating the reasons for the determination of ineligibility. An applicant may be determined ineligible if the applicant's or each tenants'

income exceeds COAH income limits or, for owner occupied units, if the carrying costs of the unit (taxes, mortgage, insurance[*including the rehabilitation repayment mortgage*]) exceed COAH's criteria (less than 33% of gross income for families, less than 40% of gross income for seniors).

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

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

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

C. Housing Inspection/Substandard Certification

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

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

D. Ineligible Properties

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

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

[Optional Clause]

The municipality may disqualify properties requiring excessive repairs to meet municipal housing standards. The estimated or bid cost of repairs must exceed *[insert amount, at least 50]* percent of the estimated after-rehabilitation value of the property for the municipality to exclude the property

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

E. Cost Estimate

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

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

F. Contractor Bidding Negotiations

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

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

G. Contract Signing/Pre-Construction Conference

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

The program staff will then call a Pre-Construction Conference. Documents to be executed at the Pre-construction Conference include: Contractors Agreement(s), Right of Entry Document, a Restricted Covenant, Mortgage and Mortgage Note. The property owner, program staff representative, contractor and bank representative will execute the appropriate documents and copies will be provided as appropriate. A staff member will outline project procedures to which

property owner must adhere. A Proceed to Work Order, guaranteeing that the work will commence within fifteen (15) calendar days of the date of the conference and be totally completed within ninety (90) days from the start of work, will be issued to each contractor at this Conference.

H. Progress Inspections

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

I. Change Orders

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

J. Payment Schedule

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

The contractor will submit a payment request. The applicant will sign a payment approval if both the applicant and housing/building inspector [*insert the municipal governing body if the municipality elects to also require their approval*] are satisfied with the work performed. The municipality will then release the payment.

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

The contractor's performance bond will be released within [*insert minimum of three*] months after the final payment is made to the contractor.

K. Appeal Process

If an applicant does not approve a payment that the housing/building inspector has approved, the disputed payment will be appealed to the municipality's [*insert municipal entity*] for a hearing. The municipality's [*insert municipal entity*] will decide if the payment shall be released to the contractor or the contractor must complete additional work or correct work completed before the

release of the payment. The municipality's *[insert municipal entity]* decision will be binding on both the applicant and the contractor

L. Final Inspection

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

M. Record Restricted Covenant and Mortgage Documentation

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

N. File Closing

After the final payment is made, the applicant's file will be closed by the program staff *[Insert if applicable: and submitted to the municipality upon termination of the program]*.

SECTION V. PROCEDURE FOR INCOME-ELIGIBILITY CERTIFICATION

A. Complete a Household Eligibility Determination Form

If the rehabilitation program is funded with state or federal funds, the regulations of these funding sources must be taken into consideration. Regarding income limits, use the lowest income limits. For the income qualifying process, use the regulations of the funding source and modify this Operating Manual accordingly.

The program staff shall require each member of an applicant household who is 18 years of age or older to provide documentation to verify their income, pursuant to the Uniform Housing Affordability Controls at N.J.A.C. 5:80-16.1 et seq. (except for the asset test).² Income verification documentation should include, but is not limited to the following for each and every member of a household who is 18 years of age or older:

- Four current consecutive pay stubs [including both the check and the stub], including bonuses, overtime or tips, or a letter from the employer stating the present annual income figure or if self-employed, a current Certified Profit & Loss Statement and Balance Sheet.
- Copies of Federal and State income tax returns for each of the preceding three tax years - A Form 1040 Tax Summary for the past three tax years can be requested from the local Internal Revenue Service Center or by calling 1-800-829-1040.

² Asset Test – N.J.A.C. 5:80-26.16(b)3 which provides that if an applicant household owns a primary residence with no mortgage on the property valued at or above the regional asset limit as published annually by COAH, a certificate of eligibility shall be denied by the administrative agent, unless the applicant's existing monthly housing costs ...exceed 38 percent of the household's eligible monthly income.

- A letter or appropriate reporting form verifying monthly benefits such as
 - Social Security or SSI – Current award letter or computer print out letter
 - Unemployment – verification of Unemployment Benefits
 - Welfare -TANF³ current award letter
 - Disability - Worker’s compensation letter or
 - Pension income (monthly or annually) – a pension letter
- A letter or appropriate reporting form verifying any other sources of income claimed by the applicant, such as alimony or child support – copy of court order or recent original letters from the court or education scholarship/stipends – current award letter.
- Current reports of savings and checking accounts (bank statements and passbooks) and income reports from banks or other financial institutions holding or managing trust funds, money market accounts, certificates of deposit, stocks or bonds (In brokerage accounts – most recent statements and/or in certificate form – photocopy of certificates).
- Evidence or reports of income from directly held assets, such as real estate or businesses.
- Interest in a corporation or partnership – Federal tax returns for each of the preceding three tax years.
- Current reports of assets – Market Value Appraisal or Realtor Comparative Market Analysis and Bank/Mortgage Co. Statement indicating Current Mortgage Balance. For rental property attach copies of all leases.

NOTE: Administrative Agents typically use a spreadsheet or worksheet similar to the one included in the Appendix to help calculate an applicant’s income. This summarizing document will also prove useful in the event there is an appeal or question by the applicant concerning the calculation or during COAH monitoring visits. The Operating Manual should include a reasonable period [30 days is recommended] to complete the submission of all required documentation and this policy should be included in the manual.

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

Income

1. Wages, salaries, tips, commissions

³ TANF – Temporary Assistance for Needy Families

2. Alimony
3. Regularly scheduled overtime
4. Pensions
5. Social security
6. Unemployment compensation (verify the remaining number of weeks they are eligible to receive)
7. TANF
8. Verified regular child support
9. Disability
10. Net income from business or real estate
11. Interest income from assets such as savings, certificates of deposit, money market accounts, mutual funds, stocks, bonds
12. Imputed interest (using a current average annual rate of two percent) from non-income producing assets, such as equity in real estate. Rent from real estate is considered income, after deduction of any mortgage payments, real estate taxes, property owner's insurance.
13. Rent from real estate is considered income
14. Any other forms of regular income reported to the Internal Revenue Service

Not Income

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

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

Student Income

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

Income from Real Estate

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

If an applicant owns real estate with mortgage debt, which is not to be used as rental housing, the Administrative Agent should determine the imputed interest from the value of the property. The Administrative Agent should deduct outstanding mortgage debt from the documented market value established by a market value appraisal. Based on current money market rates, interest will be imputed on the determined value of the real estate.

B. Records Documenting Household Composition and Circumstances

The following are various records for documenting household information:

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

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

D. Appeals

Appeals from all decisions of an Administrative Agent shall be made in writing to the Executive Director of the Council on Affordable Housing (COAH), 101 South Broad Street, P.O. Box 813, Trenton, New Jersey 08615. The Executive Director's written decision, which shall be made within 15 days of receipt of an appeal, shall be a final administrative action of COAH.

SECTION VI. CONTRACTOR RELATED PROCEDURES

A. Contractor Selection

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

B. Number of Proposals Required

The property owner will select a minimum of three general contractors from a list of pre-approved contractors. Property owners may not select contractors who do not appear on the list.⁴ The approved work write-up will be submitted to the selected contractors by the program staff. Contractors must visit the property and submit bids within *[insert number of days, minimum 14]* days. The contract will be awarded to the lowest bidder⁵, provided that the housing/building inspector or the professional who drafted the work write-up certify that the work can be completed at the price bid and that the bid is reasonably close to the cost estimate. Bids must fall within *[insert percent, maximum of 10]* percent of the cost estimate.

C. Contractor Requirements

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

⁴ The program may permit a property owner to seek proposals from non-program participating contractors. However, the municipality must pre-approve the contractor prior to submitting a bid.

⁵ If the property owner wishes to use a contractor other than the lowest responsible bidder, the property owner shall pay the difference between the lowest bid price and the bid price of the selected contractor.

SECTION VII. MAINTENANCE OF RECORDS

A. Files To Be Maintained on Every Applicant

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

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

B. Files of applicants approved for the program will also contain the following additional documentation:

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

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

- Work Write-Up/Cost Estimate
- Copies of Bids
- Applicant/Contractor Contract Agreement
- Recorded Mortgage/Lien Documents
- Copies of All Required Permits
- Contractor Requests for Progress Payments
- Progress Payment Inspection Reports
- Progress Payment Vouchers
- Change Orders (If needed)
- Final Inspection Report
- Photographs - After
- Certification of Completion
- Certification of Release of Contractor's Bond

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

D. Rehabilitation Log

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

E. Monitoring

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

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

SECTION VIII. PROGRAM MARKETING

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

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

RENTAL PROCEDURES
SECTION IX

SECTION IX. RENTAL PROCEDURES

Rental units are subject to the Uniform Housing Affordability Controls (UHAC) at N.J.A.C. 5-80:26.1 et. seq. once the rental units are rehabilitated.

A. Fair Housing and Equal Housing Opportunities



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

For more information on discrimination or if anyone feels they are a victim of discrimination, please contact the New Jersey Division on Civil Rights at 1-866-405-3050 or <http://www.state.nj.us/lps/dcr/index.html>.

B. Overview of the Affordable Housing Administration Process for Rental Units

NOTE: This is a sample process only. This section of the Operating Manual should be modified to reflect the local administrative process.

- The Municipal Housing Liaison serves as an initial point of contact for unsolicited calls to the municipality about affordable housing and where appropriate directs applicants to an Administrative Agent, who may be a nonprofit agency, State agency or consultant that may administer the rehabilitation program within the municipality.
- The Administrative Agent implements the municipality's Affirmative Marketing Plan.
- The Administrative Agent serves as the initial point of contact for all inquiries generated by the affirmative marketing efforts and sends out pre-applications to interested callers.
- The Administrative Agent will accept these returned pre-applications for a specific period of time, for example, 30 to 90 days. At the end of this time period these applications will be randomly selected, through a lottery, to create a pool of applicants.
- The Administrative Agent pre-qualifies applicants in the applicant pool for income eligibility and sends either a rejection letter to those over income or a preliminary approval letter to those who appear income-eligible.
- When a unit becomes available, the Administrative Agent will interview the applicant households and proceed with the income qualification process.
- The Administrative Agent must notify applicant households in writing of certification or denial within 20 days of the determination.
- Once certified, households are further screened to match household size to bedroom size.

- Certified households that are approved for a rental affordable housing unit will sign Appendix K and any other applicable documents, which are held in the applicant file. Applicants then make an appointment with the leasing agent. Applicant households seeking rental units proceed with a credit check, which is generally conducted by the developer, affordable housing sponsor or landlord. If approved, the applicant will sign the lease, pay the first month's rent and the security deposit and receive the keys.
- The certified household moves in to the affordable rental unit.

C. Roles and Responsibilities

Responsibilities of the Municipal Housing Liaison

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

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

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

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

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

Responsibilities of an Administrative Agent

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

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

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

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

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

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

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

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

Establish and maintain effective communication with property managers and landlords. Property managers and landlords of restricted units should be instructed and regularly reminded

that the Administrative Agent is their primary point of contact. The Administrative Agent must immediately inform all property managers and landlords of any changes to the Administrative Agent's contact information or business hours.

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

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

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

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

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

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

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

Responsibilities of the Municipal Attorney

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

- Providing all reasonable and necessary assistance in support of the Administrative Agent's efforts to ensure compliance with the housing affordability controls.

Responsibilities of Owners of Rental Units

Open and direct communication between the Owners of rental units, the Municipal Housing Liaison and the Administrative Agent is essential to ongoing administration of affordability

controls. Although the Administrative Agent is required to serve as the primary point of contact with households, the Owner must provide the Municipal Housing Liaison and Administrative Agent with information on vacancies. Owners of rental units are also responsible for working with the Administrative Agent to ensure that the Municipal Housing Liaison has all necessary information to complete the annual COAH reporting.

Responsibilities of Landlords and Property Managers

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

D. Affirmative Marketing

Overview of the Requirements of an Affirmative Marketing Plan

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

[Insert name of municipality]'s Affirmative Marketing Plan can be found in the Appendix.

NOTE: Every Affirmative Marketing Plan and any revisions thereto must be adopted by resolution of the governing body, referenced by ordinance and approved by COAH. A form to help municipalities set up an Affirmative Marketing Plan is available on COAH's website for Administrative Agents. It is recommended to include the approved Affirmative Marketing Plan in the Appendix rather than in the text of the Operating Manual so that if any revision is required to the Affirmative Marketing Plan, the manual will not need to be revised, only the insertion in the Appendix.

Every Affirmative Marketing Plan must include all of the following:

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

NOTE: Although not a requirement of UHAC, COAH encourages municipalities to list all affordable housing units in their community on the New Jersey Housing Resource Center at www.njhousing.gov. The New Jersey Housing Resource Center is a free service to both owners and administrators of affordable housing and households seeking affordable housing opportunities.

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

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

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

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

NOTE: It is also recommended that the following information be included in the advertisements:

- Last date applications will be accepted
- Contact number of the Municipal Housing Liaison, Administrative Agent, property

manager or landlord

- A statement concerning the availability of credit, budget and/or homeownership counseling services
- If already adopted by ordinance, a statement concerning regional preference.

COAH recommends including the following statement on all advertisements. “Visit www.njhousing.gov for more affordable housing opportunities.”

OPTIONAL: Regional Preference

[Insert name of municipality] has by ordinance provided that households that live or work in COAH Housing Region *[insert region number]* comprised of the following counties *[insert counties]* shall be selected for an affordable housing unit before households from outside this region. Units that remain unoccupied after households who live or work in the region are exhausted, may be offered to the households outside the region.

NOTE: Municipalities that wish to give preference to applicant households that live or work in their housing region must state this preference in the form of an ordinance. This preference cannot be limited to families that live or work in the host municipality – if preference is given, it must be given to all households that live or work in the housing region.

Implementation of the Affirmative Marketing Plan

NOTE: The Operating Manual must identify who will market the affordable units, the municipality or the Administrative Agent, and how frequently they will be marketed, depending on such factors as whether there will be advertising to create and maintain a central list of applicants or advertising shall be conducted for each project, or some combination thereof.

It is strongly recommended that detailed records on all marketing initiatives be maintained.

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

An applicant pool will be maintained by the *[insert municipality or Administrative Agent]* for re-rentals.

NOTE: Alternatively, the manual may say: *An applicant pool will be maintained by each project for re-rentals.*

When a re-rental affordable unit becomes available, *[insert municipality or Administrative Agent]* applicants will be selected from the applicant pool and, if necessary, the unit will be affirmatively marketed as described above.

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

FREQUENTLY ASKED QUESTIONS

Question: *How often should we advertise?*

Answer: Administrative Agents responsible for new developments, or newly hired Administrative Agents, must advertise initially to create an applicant pool. For new developments, advertising should begin four months prior to the anticipated occupancy of the units. Advertising should continue monthly until all units are sold or rented. Once all vacant units are filled with eligible households, the Administrative Agent can either close the applicant pool or keep it open. If the applicant pool has sufficient eligible households for approximately two years worth of turnover, COAH recommends that the applicant pool be closed and applications no longer be accepted. In this case, advertising does not need to be conducted until four months before the applicant pool is to be reopened. If the Administrative Agent wishes to keep the applicant pool open, they must conduct some form of advertising on a monthly basis. However, all the components of the Affirmative Marketing Plan do not need to be implemented every month. One strategy can be implemented each month on a rotating basis. The next section provides more information on random selection and applicant pool maintenance to help determine how often advertising should be conducted.

Question: *My county doesn't have a library. How do I comply with the application availability rule?*

Answer: Only 11 of New Jersey's 21 counties have a county library (a list is included on COAH's website for Administrative Agents). If one or more of the counties in a housing region do not have county libraries, applications must be made available at the county administration building.

Question: *Our affordable housing development is very small. It is unnecessary for us to conduct monthly marketing initiatives and the number of applicants in our existing pool already exceeds the two-year rule of thumb. Is there any way for us to maintain compliance without conducting monthly outreach initiatives?*

Answer: COAH suggests that you attempt to partner with other municipalities in your housing region to help defray time and cost or close the applicant pool and do not accept applications until the applicant pool contains fewer applicants and affirmative marketing is implemented.

Question: *We have moderate-income units available, but not low-income units. Can we keep only the moderate portion of the applicant pool open?*

Answer: Yes. In fact, if you regularly have a type of unit that is hard to fill, you may tailor marketing initiatives to fill that type of unit. However, households that submit applications and are not interested or eligible for the targeted unit type must be notified that they will not be placed in the applicant pool until it is reopened for their unit type.

Question: *Are all developments required to conduct affirmative marketing, or just those with a certain number of units, for example, more than five units?*

Answer: All affordable units governed by UHAC are required to be affirmatively marketed. If it is burdensome for a small development to conduct its own affirmative marketing, the municipality and Administrative Agent(s) should consider conducting the affirmative marketing for all the units within the municipality at the municipal level, not at the development level. An alternative is to contract with an Administrative Agent who will do the affirmative marketing for your units as well as other units they manage.

E. Random Selection & Applicant Pool(s)

NOTE: The Operating Manual must describe the randomization process to be used. Below are two sample processes, Initial Randomization and Randomization After Certification.

Initial Randomization

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

After advertising is implemented, applications are accepted for [*insert number of days*] days.

NOTE: To help analyze the impact and success of various marketing initiatives, it is recommended that the Administrative Agent ask the applicants where they learned of the housing opportunity.

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

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

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

NOTE: A municipal representative should also be invited to attend the lottery.

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

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

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

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

NOTE: Two years of turnover is a recommended standard.

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

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

Randomization after Certification

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

After advertising is implemented, applications are accepted for [*insert number of days*] days.

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

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

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

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

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

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

F. Matching Households To Available Units

NOTE: This topic in the Operating Manual is frequently challenged. Think carefully about the policies entered and be sure the policies are consistent with the Federal Fair Housing Act.

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

- Provide an occupant for each unit bedroom;
- Provide children of different sex with separate bedrooms;
- Prevent more than two persons from occupying a single bedroom;
- Require that all the bedrooms be used as bedrooms; and
- Require that a couple requesting a two-bedroom unit provide a doctor's note justifying such request.

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

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

FREQUENTLY ASKED QUESTIONS

Question: *What happens if a moderate-income household “walks in” (when the applicant pool is closed and no affirmative marketing is being conducted) and I have a moderate unit available with no eligible moderate-income households in the applicant pool?*

Answer: If the Administrative Agent notices that a specific unit type is hard to fill and few eligible households are in the applicant pool, the Administrative Agent should conduct ongoing affirmative marketing for that unit type to ensure a steady stream of certified households and keep the list open for that unit type. The walk-in can be added to the list.

Question: *I am working with an applicant household that requires an accessible unit. Do they skip ahead on the list when an accessible unit becomes available?*

Answer: UHAC does not provide any guidance on this situation. However, COAH suggests that the Administrative Agent consider an accessible unit a unit type, just as a unit is defined by bedroom size. Therefore, if the Administrative Agent is using the initial randomization model, the first household on the randomized list that requires an accessible unit should be selected when an accessible unit becomes available. If the Administrative Agent is using the randomization after certification model, all households of the appropriate size who are in need of an accessible unit, would be selected, and randomized.

Question: *An applicant household has a daughter that has room and board at her college. Can they request a unit that is large enough for her to have a bedroom when she is at home?*

Answer: Yes. If the household has a student away at college who is still claimed as a dependent and maintains the parents’ address as a legal address, the student should be counted in the household size.

Question: *Do I have to place a one-person household in a two-bedroom unit if there is no one-bedroom units available or the applicant requests a two-bedroom unit?*

Answer: A household should not be placed in a unit where there is more than one bedroom per household member. In order to deviate from these standards, the Administrative Agent must obtain written approval from COAH. If a development does not have any one-bedroom units, for example, the Administrative Agent should inform one-person households that they will not be offered a unit unless there are no eligible households with more than one person. The Administrative Agent should also refer one-bedroom households to other Administrative Agents within the municipality or region that offer one-bedroom units. The Administrative Agent must demonstrate that every effort has been made to find a household of the appropriate size and composition and that a hardship exists that would justify deviating from the established standard.

Question: *I am working with an applicant household that consists of two parents and five children. This household is applying for a three-bedroom unit. Should this household only be offered a four-bedroom unit?*

Answer: No. The administrator must *strive* to prevent more than two people from occupying one bedroom, as outlined in N.J.A.C. 5:80-26.4(c), but may not force a family to purchase or rent a larger unit as long as it does not violate municipal regulations for over-crowding.

G. Application Fees

The Administrative Agent's fee schedule can be found in the Appendix.

H. Maximum Monthly Payments

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

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

- The household currently pays more than 35 percent (40 percent for households eligible for age-restricted units) of its gross household income for rent and the proposed rent will reduce the household's housing costs;
- The household has consistently paid more than 35 percent (40 percent for households eligible for age-restricted units) of eligible monthly income for rent in the past and has proven its ability to pay;
- The household is currently in substandard or overcrowded living conditions;
- The household documents the existence of assets, with which the household proposes to supplement the rent payments; or
- The household documents proposed third party assistance from an outside source such as a family member in a form acceptable to the Administrative Agent and the Owner of the unit; and
- The household receives budget counseling.

I. Housing Counseling

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

charge. A list of non-profit counselors approved by HUD and/or the New Jersey Department of Banking and Insurance is included on COAH's website and is available from the Administrative Agent.

J. The Applicant Interview

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

- Confirm and update all information provided on the application.
- Explain program requirements, procedures used to verify information, and penalties for providing false information. Ask the head of household, co-head, spouse and household members over age 18 to sign the Authorization for Release of Information forms and other verification requests.
- Review the applicant's identification and financial information and documentation, ask any questions to clarify information on the application, and obtain any additional information needed to verify the household's income.
- Make sure the applicant has reported all sources for earned and benefit income and assets (including assets disposed of for less than fair market value in the past two years). Require the applicant to give a written certification as to whether any household member did or did not dispose of any assets for less than fair market value during the past two years.

K. PROCEDURE FOR INCOME-ELIGIBILITY CERTIFICATION

1. Complete a Household Eligibility Determination Form

If the rehabilitation program is funded with state or federal funds, the regulations of these funding sources must be taken into consideration. Regarding income limits, use the lowest income limits. For the income qualifying process, use the regulations of the funding source and modify this Operating Manual accordingly.

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

- Four current consecutive pay stubs [including both the check and the stub], including bonuses, overtime or tips, or a letter from the employer stating the present annual income figure or if self-employed, a current Certified Profit & Loss Statement and Balance Sheet.
- Copies of Federal and State income tax returns for each of the preceding three tax years - A Form 1040 Tax Summary for the past three tax years can be requested from the local Internal Revenue Service Center or by calling 1-800-829-1040.
- A letter or appropriate reporting form verifying monthly benefits such as
 - Social Security or SSI – Current award letter or computer print out letter
 - Unemployment – verification of Unemployment Benefits
 - Welfare -TANF⁶ current award letter
 - Disability - Worker’s compensation letter or
 - Pension income (monthly or annually) – a pension letter
- A letter or appropriate reporting form verifying any other sources of income claimed by the applicant, such as alimony or child support – copy of court order or recent original letters from the court or education scholarship/stipends – current award letter.
- Current reports of savings and checking accounts (bank statements and passbooks) and income reports from banks or other financial institutions holding or managing trust funds, money market accounts, certificates of deposit, stocks or bonds (In brokerage accounts – most recent statements and/or in certificate form – photocopy of certificates).
- Evidence or reports of income from directly held assets, such as real estate or businesses.
- Interest in a corporation or partnership – Federal tax returns for each of the preceding three tax years.
- Current reports of assets – Market Value Appraisal or Realtor Comparative Market Analysis and Bank/Mortgage Co. Statement indicating Current Mortgage Balance. For rental property attach copies of all leases.

NOTE: Administrative Agents typically use a spreadsheet or worksheet similar to the one included in the Appendix to help calculate an applicant’s income. This summarizing document will also prove useful in the event there is an appeal or question by the applicant concerning the calculation or during COAH monitoring visits. The Operating Manual should include a reasonable period [30 days is recommended] to complete the submission of all required documentation and this policy should be included in the manual.

⁶ TANF – Temporary Assistance for Needy Families

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

Income

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

Not Income

1. Rebates or credits received under low-income energy assistance programs
2. Food stamps
3. Payments received for foster care
4. Relocation assistance benefits
5. Income of live-in attendants
6. Scholarships

7. Student loans
8. Personal property such as automobiles
9. Lump-sum additions to assets such as inheritances, lottery winnings, gifts, insurance settlements
10. Part-time income of dependents enrolled as full-time students
11. Court ordered payments for alimony or child support paid to another household shall be deducted from gross annual income

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

Student Income

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

Real Estate Asset Limit

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

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

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

Before obtaining a professional appraisal, the applicant should review the property's tax appraisal and the current market value and compare it to the asset limit to avoid any unnecessary expense. For instance, if homes are commonly selling in the applicant's neighborhood for over \$250,000, it is unlikely that an appraisal will determine a value below the asset limit. The maximum asset limit for Region 1 in 2006, for example, is \$139,396.

Income from Real Estate

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

If an applicant owns real estate with mortgage debt, which is not to be used as rental housing, the Administrative Agent should determine the imputed interest from the value of the property. The Administrative Agent should deduct outstanding mortgage debt from the documented market value established by a market value appraisal. Based on current money market rates, interest will be imputed on the determined value of the real estate.

2. Records Documenting Household Composition and Circumstances

The following are various records for documenting household information:

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

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

L. Approving or Rejecting a Household

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

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

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

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

Once the applicant is certified and matched to an available unit, the Administrative Agent must secure from the applicant a signed and notarized acknowledgement of their requirements and

responsibilities in renting a restricted unit. UHAC's Appendix K shall be forwarded to the applicants.

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

M. Dismissal of Applications

Applications can be dismissed for the following reasons:

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

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

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

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

N. Appeals

Appeals from all decisions of an Administrative Agent shall be made in writing to the Executive Director of the Council on Affordable Housing (COAH), 101 South Broad Street, P.O. Box 813, Trenton, New Jersey 08615. The Executive Director's written decision, which shall be made within 15 days of receipt of an appeal, shall be a final administrative action of COAH.

FREQUENTLY ASKED QUESTIONS:

Question: Is it a requirement of UHAC that Administrative Agents meet with applicants in person?

Answer: Because an applicant interview could prove to be burdensome to many households it is not a prerequisite to purchase or occupancy, although it is encouraged. Administrative Agents should be prepared to conduct the household certification via mail.

Question: With households filing taxes through e-filing, we are having trouble getting copies of tax returns. How can we get copies of e-filed tax returns?

Answer: According to the IRS website, transcripts of previously filed tax returns can be ordered by completing a Form 4506-T or calling (800) 829-1040 and following the prompts in the recorded message. There is no charge for the transcript and you should receive it in 10 business days from the time they receive your request. Tax return transcripts are generally available for the current and past three years.

Question: How can child support payments that are made in cash be documented?

Answer: If the applicant is depositing the cash child support payments into a bank account, a series of statements from that account should be used to establish a trend of payments. If not, a notarized statement from the former spouse should be obtained to document the income.

Question: Is it a requirement that the Administrative Agent always obtain a written statement from the household's employer(s) confirming their income and job status?

Answer: No. However, when evaluating overtime and other income trends, such as bonuses, working directly with the employer is typically much more efficient and reliable than simply evaluating pay stubs.

Question: Are there any potential issues with renting to a separated family that has a divorce pending?

Answer: Yes, until a divorce is finalized, a spouse can make claim on a residence rented by the other spouse. Until a divorce is finalized, it is suggested that Administrative Agents place these types of cases on hold.

Question: How can income eligibility be established for someone that may have been out of work for two years, but had a job during the most recent tax year?

Answer: As long as the applicant is currently employed, a series of consecutive pay stubs (at least 3 months) should be used to establish the income of an applicant in this or similar situations.

Question: Can an applicant for a rental unit be rejected solely because they have Section 8 rental assistance?

Answer: No. A household receiving Section 8 assistance cannot be rejected based on this status. Discrimination such as this is illegal.

Question: Can an applicant be required to attend and graduate from a Housing Counseling Program in order to rent a restricted unit?

Answer: No. A household is only required to attend housing counseling if their monthly housing expense exceeds UHAC standards. Administrative Agents, however, are required to provide housing counseling or refer applicants to an approved Housing Counseling Program.

Question: Do households with Section 8 vouchers automatically qualify for affordable housing under UHAC?

Answer: Yes, a Section 8 voucher is acceptable for income qualification, provided the applicant meets the

criteria of the property manager or landlord. The Administrative Agent must still collect income verification documentation to match the household to an appropriately priced unit.

Question: Can an existing moderate-income tenant be moved to a low-income unit when they can substantiate that there has been a change in their income? If so, can they bypass the random selection process?

Answer: Yes, an existing tenant household may re-apply for a low-income unit within the same project if they can prove a change in their circumstances. If qualified, the tenant would be added to the applicant pool. The tenant should also be referred to the local Affordability Assistance Program, if available.

Question: Does the Administrative Agent need to impute the value of a household's stocks as an asset?

Answer: Only dividends from stock count towards a household's income. IRS Form-1099 from the previous year should be requested from the applicant if it was not part of their initial application.

Question: Is there a maximum cost for the credit check?

Answer: No, but the credit check is included in application fees which may total no more than five percent of the monthly rent.

Question: In order to overcome inadequate or poor credit, can an applicant have a cosigner on a lease?

Answer: No one outside the household, as certified by the Administrative Agent, may cosign or otherwise be party to any financing or legal instruments.

Question: Does UHAC set a minimum income for eligibility for affordable housing?

Answer: No, UHAC does not specify a minimum income for affordable housing units. However, an applicant household must be able to afford the unit and must not pay more than 33 percent for sale units or 35 percent for rental units of its monthly income (or 40 percent for age-restricted units), unless they meet the exemption criteria set forth in N.J.A.C. 5:80-26.7(b) or N.J.A.C. 5:80-26.13(b).

Question: After I certify an applicant, how long is that certification valid?

Answer: Pursuant to N.J.A.C. 5:80-26.16(b), an initial certification is valid for 180 days and may be extended for an additional 180 days once the household's eligibility is verified.

Question: How do I document third-party assistance from a guarantor? For example, a relative is providing funds toward the applicant's monthly payments.

Answer: In the case of a rental unit, the applicant should demonstrate regular deposits from third party assistance, or a notarized letter from the third party documenting future assistance. The Administrative Agent must receive a copy of the policy regarding guarantors from the developer, affordable housing provider or owner, so as to assure the policy is applied consistently.

Question: If an applicant for affordable housing has a "reverse mortgage", how does an Administrative Agent count income from that mortgage?

Answer: An applicant for affordable housing with a "reverse mortgage" would not be eligible for affordable housing unless that mortgage was satisfied or, at a minimum, a contract for sale of the market unit was in place. "Reverse mortgages" require that the mortgaged property remain the principal place of residence of the person taking the mortgage. Since this is also a requirement of affordable housing only one such residence can be owned or leased at any given time.

Question: For the purpose of income-qualification, what is considered part-time income of full-time students?

Answer: Under UHAC, part-time income of persons enrolled as fulltime students, who are reported as dependents to the IRS, is not included in income calculations for determining eligibility. COAH recommends stipulating in the Operating Manual the following criteria in applying this rule:

- A full-time student is a member of the household who is enrolled in a degree seeking program for 12 or more credit hours per semester; and
- Part-time income is income earned on less than a 35-hour workweek.

Please note that full-time income of full-time students is included in the income calculation.

O. Determining Affordable Rents

To determine the initial rents the Administrative Agent uses the COAH calculators located at <http://www.nj.gov/dca/affiliates/coah/resources.calculators.html>.

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

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

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

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

Split Between Low- and Moderate-income Rental Units. *At least 50 percent (of the affordable units within each bedroom distribution (unit size) must be low-income units and at least 10 percent of the affordable units within each bedroom distribution must be affordable to households earning no more than 35 percent of the regional median income. The remainder of the affordable units must be affordable to moderate-income households.*

Affordability Average. The average rent for all affordable units cannot exceed 52 percent of the regional median income. At least one rent for each bedroom type must be offered for both low-income and moderate-income units. Calculation of the affordability average is available on COAH’s website.

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

P. Determining Rent Increases

Annual rent increases are permitted in affordable units. Rent increases are permitted at the anniversary of tenancy according to COAH's Annual Regional Income Limits Chart, available on COAH's website. These increases must be filed with and approved by the Administrative Agent. Property managers or landlords who have charged less than the permissible increase may use the maximum allowable rent with the next tenant with permission of the Administrative Agent. The maximum allowable rent would be calculated by starting with the rent schedule approved as part of initial lease-up of the development, and calculating the annual COAH-approved increase from the initial lease-up year to the present. Rents may not be increased more than once a year, may not be increased by more than one COAH-approved increment at a time, and may not be increased at the time of new occupancy if this occurs less than one year from the last rental. No additional fees may be added to the approved rent without the express written approval of the Administrative Agent.

IF APPLICABLE:

Section X: LOCAL AFFORDABILITY ASSISTANCE PROGRAM

[Describe here any local affordability assistance program. See samples attached.]

Sample Financing Options:

- The municipality may decide to establish a loan program or a grant program.
- If a loan program, the municipality may chose for loans to be interest-free or charge interest.
- If a grant program, the municipality may chose to forgive the grant after ten years and require no repayment, but if the unit is vacated for any reason before the ten years (sale, death, foreclosure) the balance of the grant will become payable.
- The municipality may choose to require owners of rental units to contribute a percentage of the funds to rehabilitate each eligible rental unit.

Sample Program Financing

Loans *[and/or grants]* will be interest-free *(or the municipality may choose to charge interest)* and due when title to the property is transferred. *[Insert if grants proposed: Grants are forgiven after 10 years and no repayment is required.]*

Should an owner-occupant die before repayment of the loan *[before 10 years for grants]*, the balance of the loan *[or grant]* will be due at the time of settlement of the estate. However, if the household inheriting the unit is income eligible and agrees to occupy the unit or even if not income-eligible agrees to rent the unit only to income-eligible households, the terms of the funding agreement shall be transferred to the inheriting household. *[Upon the transfer of title of rental units, municipalities may choose to require repayment of the funds provided or may choose to permit the transfer of the terms to the new owner(s).]* The new owner(s) must commit to keeping rental units affordable for the full 10 years specified in the original agreement.

Funding for owner-occupied units will be secured by a mortgage and mortgage note *[the municipality may chose to insert: grants may be secured through a lien]* to the municipality.

Funding for renter-occupied units will be secured by a mortgage and mortgage note to the municipality.

In situations where the non-income eligible owner(s) of eligible rental units occupies a unit in the structure to be rehabilitated, repairs to shared systems (i.e.: roof, heating, foundations, etc.) will be prorated with the owner(s) receiving no financial assistance for the owner's share.

Sample Program Financing:

If the homeowner resides in his/her unit for the 10-year period after completion, the loan will be forgiven. If the homeowner decides to vacate the home prior to the completion of the term, the loan shall become payable in full upon the date of such sale or transfer. In the event of the death of the homeowner, the loan is an immediate obligation of the beneficiary unless the beneficiary meets the required income-eligibility guidelines and resides in the unit or rents to an income-eligible household.

SAMPLE LOCAL AFFORDABILITY ASSISTANCE PROGRAMS

Security Deposit Assistance

[Municipality] will designate *[insert amount of funds from above]* of its affordable housing trust fund as a revolving Security Deposit Assistance Fund. A *[low interest, interest-free, etc]* loan from the fund will be received by an income eligible renter with good credit standing who qualifies for a low- or moderate-income rental unit.

The security deposit assistance will be in the form of a cash loan equal to the security deposit amount determined by the landlord paid to the landlord on behalf of the tenant. *[Optional: The loan will accrue interest at a below-market interest rate of five points below the prime rate at the time of the signing of the lease)].*

At the termination of the lease, the landlord will return the portion of the security deposit it determines to *[municipality]* along with the interest earned. The tenant will repay any difference between the original security deposit amount and the portion returned by the landlord *[Optional: as well as the interest accrued to the full loan amount]* to *[municipality]*. Funds returned to the municipality will be placed in the affordable housing trust fund to be used for future security deposit assistance.

Rental Assistance

[Municipality] will designate *[insert amount of funds from above]* of its affordable housing trust fund as a Rental Assistance Fund. A rental supplement from the fund will be received by an income eligible renter with good credit standing who qualifies for a low- or moderate-income rental unit when only a unit in a higher income category is available (ie: placing a low-income household in a moderate-income unit, or placing a very-low income household in a low-income unit).

The amount of the rental supplement will be determined by *[municipality]* as the difference between the restricted rent set by the landlord and 30 percent of the renter's gross monthly income. The rental supplement will be paid directly to the landlord each month by *[municipality]* on behalf of the tenant.

Rental assistance does not need to be repaid by the tenant. If the tenant wishes to renew the lease, they must be re-income qualified and the rental supplement will be recalculated. If the tenant no longer qualifies for the rental assistance, but qualifies for the actual rent, they may renew the lease and stay in the unit, but will no longer receive rental assistance.

Administration

[Municipality]’s Affordability Assistance Programs will be administered by [if individual programs are administered by different agents or persons, list all]. After an applicant is income qualified by [insert name of entity that qualifies applicants] pursuant to COAH’s rules and the Uniform Housing Affordability Controls, or cannot be qualified due to a need for assistance, an affordability assistance application will be completed and forwarded with all necessary documentation to [insert name of affordability assistance administrator].

The affordability assistance recipient will sign a contract with *[municipality]* which states, at a minimum: the amount of funds granted, interest information, procedures, duration and conditions of affordability assistance, and repayment information.

The availability of any Affordability Assistance Programs must be noticed to all tenants of affordable units within *[municipality]* and provided to all administrative agents of affordable units within *[municipality]*.

An income eligible occupant or applicant for an affordable unit within municipality may not be denied participation in the Affordability Assistance Program(s) unless funding is no longer available.

[Insert any additional or more detailed procedures.]

Rehabilitation Program Audit Checklist

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

Rehabilitation Program Audit Checklist For Rental Units

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

APPENDIX E
EXISTING AND PROPOSED DEVELOPMENT FEE ORDINANCES
AND ESCROW AGREEMENT

16.44.010

Chapter 16.44**DEVELOPMENT FEE ORDINANCE****Sections:**

- 16.44.010 Purpose.**
16.44.020 Definitions.
16.44.030 Residential development fees.
16.44.040 Nonresidential development fees.
16.44.050 Eligible exaction, ineligible exaction and exemptions.
16.44.060 Collection of fees.
16.44.070 Housing trust fund.
16.44.080 Use of funds.
16.44.090 Expiration of ordinance codified in this chapter.

16.44.010 Purpose.

In *Holmdel Builder's Ass'n. v. Holmdel Township*, 121, N.J. 550 (1990), the New Jersey Supreme Court determined that mandatory development fees are authorized by the Fair Housing Act of 1985, N.J.S.A. 52:27d-301 et seq., and the State Constitution subject to the council on affordable housing's (COAH) adoption of rules. The purpose of this chapter is to establish standards for the collection, maintenance and expenditure of development fees pursuant to COAH's rules. Fees collected pursuant to this chapter shall be used for the sole purpose of providing low- and moderate-income housing. This chapter shall be interpreted within the framework of COAH's rules on development fees. (Ord. 2004-04 § 1; Ord. 2004-03 § 1; Ord. 2003-03 § 1)

16.44.020 Definitions.

For the purposes of this chapter and consistent with all borough of Califon ordinances

relating to the borough of Califon housing element and fair share housing plan, the following definitions shall apply:

"COAH" means the New Jersey Council on Affordable Housing.

"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; any man-made change to improved or unimproved real estate, including mining, dredging, filling, grading, paving, excavation, drilling, or storage of equipment or materials; any use or change in the use of any building or other structure or land; or any extension of the use of land.

"Development fees" means money paid by an individual, person, partnership, association, company or corporation for the improvement of property as permitted in COAH's rules.

"Equalized assessed value" means the value of a property determined by the municipal tax assessor through a process designed to ensure that all property in the municipality is assessed at the same assessment ratio or ratios required by law. Estimates at the time of issuance of a building permit may be obtained utilizing estimates for construction cost. Final equalized assessed value will be determined at project completion by the municipal tax assessor.

"Housing unit" means a house, apartment, room, or group of rooms occupied or intended

16.44.030

to be occupied by a household living independently of other households.

“Judgment of repose” means a judgment issued by the superior court approving a municipality’s plan to satisfy its fair share obligation.

“Substantive certification” means a determination by COAH approving a municipality’s housing element and fair share plan in accordance with the provisions of the Fair Housing Act and the rules and criteria as set forth herein. A grant of substantive certification shall be valid for a period of six years in accordance with the terms and conditions therein. (Ord. 2004-04 § 2: Ord. 2004-03 § 2: Ord. 2003-03 § 2)

16.44.030 Residential development fees.

A. Developers shall pay a development fee of one-half of one percent or 0.005 of the equalized assessed value for development of any new residential housing unit or units in any zoning district in the borough, provided no increased density is permitted. If a “d” variance is granted pursuant to N.J.S.A. 40:55D-70d(1) to permit construction of a residential unit or units in a district restricted against such use, this provision shall apply equally to the new unit(s).

B. The fee shall be realized on the equalized assessed value, whether units are for sale or for rent.

C. If a “d” variance is granted for density, pursuant to N.J.S.A. 40:55D-70d(5), then the additional residential units realized (above what is permitted by right under the existing zoning) will incur a bonus development fee of six percent rather than the development fee of one-half of one percent. However, if the zoning on a site has changed during the two-year period preceding the filing of the “d” variance

application, the 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 “d” variance application. The fee shall be based on the equalized assessed value, whether units are for sale or for rent. (Ord. 2004-04 § 3: Ord. 2004-03 § 3: Ord. 2003-03 § 3)

16.44.040 Nonresidential development fees.

A. For nonresidential development in any zoning district within the borough, developers shall pay a fee of one percent, or 0.01 of the equalized assessed value. If a “d” variance is granted to permit nonresidential development in a district restricted against such use, this provision shall apply equally to the nonresidential construction. The fee shall be based on the equalized assessed value, whether units are for sale or for rent.

B. Where an existing nonresidential structure in any zoning district is expanded, the development fee shall be calculated on the increase in the equalized assessed value of the improved structure.

C. If a “d” variance is granted for floor area pursuant to N.J.S.A. 40:55D-70d(4), then the additional floor area realized (above what is permitted by right under the existing zoning) will incur a bonus development fee of six percent rather than the development fee of one percent. However, if the zoning on a site has changed during the two-year period preceding the filing of the “d” variance application, the floor area for the purposes of calculating the bonus development fee shall be the highest permitted by right during the two-year period preceding the filing of the “d” variance application. The development fee shall be based on the equalized assessed value of the nonresi-

16.44.050

dential development. (Ord. 2004-04 § 4: Ord. 2004-03 § 4: Ord. 2003-03 § 4)

16.44.050 Eligible exaction, ineligible exaction and exemptions.

A. Developers of sites zoned for inclusionary development shall be exempt from development fees.

B. Developers of low- and moderate-income housing units outside of an area zoned for inclusionary development shall be exempt from paying development fees for such units provided said units are fully compliant with all COAH regulations inclusive of those governing construction, occupancy, affordability controls, and affirmative marketing.

C. Developers that have received preliminary or final site plan or subdivision approval prior to the effective date of the ordinance codified in this chapter shall be exempt from paying a development fee unless the developer seeks a substantial change in the approval. Such exemption shall expire at the time of expiration of the applicable period of statutory protections provided pursuant to the New Jersey Municipal Land Use Law (N.J.S.A. 40:55D-1 et seq.).

D. Developers of additions or improvements to existing residential housing units shall be exempt from paying a development fee.

E. Developers of land, buildings, out-buildings, and/or other structures dedicated to farming and/or agricultural uses shall be exempt from paying a development fee.

F. Developers of land, buildings, out-buildings, and/or other structures dedicated to any public park, playground, school, library, museum, or municipal facility, inclusive of volunteer fire and rescue facilities, shall be exempt from paying a development fee.

G. Developers of land, buildings, accessory buildings and/or other structures dedicated to a house of worship shall be exempt from paying a development fee. (Ord. 2004-04 § 5: Ord. 2004-03 § 5: Ord. 2003-03 § 5)

16.44.060 Collection of fees.

Developers shall pay twenty-five (25) percent of the calculated development fee to the borough of Califon at the time of issuance of building permits. The remaining seventy-five (75) percent shall be paid at the issuance of certificate(s) of occupancy. (Ord. 2004-04 § 6: Ord. 2004-03 § 6: Ord. 2003-03 § 6)

16.44.070 Housing trust fund.

A. There is created an interest bearing housing trust fund in PNC Bank for the purpose of receiving development fees from residential and nonresidential developers. All development fees paid by developers pursuant to this chapter shall be deposited in this fund. No money shall be expended from the housing trust fund unless the expenditure conforms to a spending plan approved by COAH.

B. If COAH determines that the borough of Califon is not in conformance with COAH's rules on development fees, COAH is authorized to direct the manner in which all development fees collected pursuant to this chapter shall be expended. Such authorization is pursuant to this chapter, COAH's rules on development fees, and written authorization from the governing body to the PNC Bank. (Ord. 2004-04 § 7: Ord. 2004-03 § 7: Ord. 2003-03 § 7)

16.44.080 Use of funds.

A. Money deposited in the housing trust fund may be used for any activity approved by COAH for addressing the borough of Califon's low- and moderate-income housing obligation.

16.44.090

Such activities may include, but are not necessarily limited to, housing rehabilitation, new construction, regional contribution agreements, the purchase of land for low- and moderate-income housing, extensions and/or improvements of roads and infrastructure to low- and moderate-income housing sites, assistance designed to render units more affordable to low- and moderate-income households and administrative costs necessary to implement the borough of Califon's housing element. The expenditure of all money shall conform to a spending plan approved by COAH.

B. At least thirty (30) percent of the revenues collected shall be devoted to render units more affordable. Examples of such activities include, but are not limited to, down payment and closing cost assistance, low interest loans, and rental assistance. This provision shall not apply in the case of development fees collected to finance an RCA, a rehabilitation program, a new construction project, or unless otherwise exempt as per N.J.A.C. 5:93-8-16(c).

C. No more than twenty (20) percent of the revenues shall be expended on administrative costs necessary to develop, revise or implement the housing element. Examples of eligible administrative activities include personnel, consultant services, space costs, consumable supplies and rental or purchase of equipment directly associated with plan development or plan implementation. (Ord. 2004-04 § 8; Ord. 2004-03 § 8; Ord. 2003-03 § 8)

**16.44.090 Expiration of ordinance
codified in this chapter.**

The ordinance codified in this chapter shall expire if COAH dismisses or denies the borough of Califon's petition for substantive certification, if substantive certification expires

prior to the borough receiving COAH's approval of the ordinance codified in this chapter, or if COAH revokes Califon's substantive certification or the ordinance codified in this chapter. (Ord. 2004-04 § 9)

Development Fee Ordinance

1. Purpose

A. In Holmdel Builder's Association v. Holmdel Township, 121 N.J. 550 (1990), the New Jersey Supreme Court determined that mandatory development fees are authorized by the Fair Housing Act of 1985, N.J.S.A. 52:27d-301 *et seq.*, and the State Constitution, subject to the adoption of Rules by the Council on Affordable Housing (COAH).

B. Pursuant to P.L. 2008, c. 46, Section 8 (C. 52:27D-329.2) and the Statewide Non-Residential Development Fee Act (C. 40:55D-8.1 through 8.7), COAH is authorized to adopt and promulgate regulations necessary for the establishment, implementation, review, monitoring and enforcement of municipal affordable housing trust funds and corresponding spending plans. Municipalities that are under the jurisdiction of the Council or court of competent jurisdiction and have a COAH-approved Spending Plan may retain fees collected from non-residential development.

C. This Ordinance establishes standards for the collection, maintenance, and expenditure of development fees pursuant to COAH's regulations and in accordance P.L. 2008, c. 46, Sections 8 and 32-38. Fees collected pursuant to this Ordinance shall be used for the sole purpose of providing low- and moderate-income housing. This Ordinance shall be interpreted within the framework of COAH's rules on development fees, codified at N.J.A.C. 5:97-8.

2. Basic Requirements

A. This Ordinance shall not be effective until approved by COAH pursuant to N.J.A.C. 5:96-5.1.

B. The Borough of Califon shall not spend development fees until COAH has approved a plan for spending such fees (Spending Plan) in conformance with N.J.A.C. 5:97-8.10 and N.J.A.C. 5:96-5.3.

3. Definitions

The following terms, as used in this Ordinance, shall have the following meanings:

"Affordable housing development" means a development included in the Housing Element and Fair Share Plan, and includes, but is not limited to, an inclusionary development, a municipal construction project or a 100 percent affordable housing development.

"COAH" or the "Council" means the New Jersey Council on Affordable Housing established under the Act which has primary jurisdiction for the administration of housing obligations in accordance with sound regional planning consideration in the State.

“Development fee” means money paid by a developer for the improvement of property as permitted at N.J.A.C. 5:97-8.3.

“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.

“Equalized assessed value” 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 of P.L. 1973, c.123 (C.54:1-35a through C.54:1-35c).

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

4. Residential Development Fees

A. Imposition of Fees

1) Within the Borough of Califon, all residential developers, except for developers of the types of developments specifically exempted below and developers of developments that include affordable housing, shall pay a fee of one and a half percent (1.5%) of the equalized assessed value for all new 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 six percent (6%) percent 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.

B. Eligible Exactions, Ineligible Exactions and Exemptions for Residential Developments

1) Affordable housing developments and/or developments where the developer has made a payment in lieu of on-site construction of affordable units shall be exempt from the payment of development fees.

2) Developments that have received preliminary or final site plan approval prior to the adoption of this Ordinance shall be exempt from the payment of development fees, unless the developer seeks a substantial change in the original approval. Where site plan approval is not applicable, the issuance of a Zoning Permit and/or Construction 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) Improvements or additions to existing one and two-family dwellings on individual lots shall not be required to pay a development fee, but a development fee shall be charged for any new dwelling constructed as a replacement for a previously existing dwelling on the same lot that was or will be demolished, unless the owner resided in the previous dwelling for a period of one year or more prior to obtaining a demolition permit. Where a development fee is charged for a replacement dwelling, the development fee shall be calculated on the increase in the equalized assessed value of the new structure as compared to the previous structure.

4) Homes replaced as a result of a natural disaster (such as a fire or flood) shall be exempt from the payment of a development fee.

5. Non-Residential Development Fees

A. Imposition of Fees

1) Within all zoning districts, non-residential developers, except for developers of the types of developments specifically exempted below, shall pay a fee equal to two and one-half (2.5) percent 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 developments specifically exempted below, shall also pay a fee equal to two and one-half (2.5) percent of the increase in equalized assessed value resulting from any additions to existing structures to be used for non-residential purposes.

3) Development fees shall be imposed and collected when an existing structure is demolished and replaced. The development fee of two and a half percent (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 two and a half percent (2.5%) development fee, unless otherwise exempted below.

2) The two and a half percent (2.5%) development fee shall not apply to an increase in equalized assessed value resulting from alterations, change in use within the existing footprint, reconstruction, renovations and repairs.

3) 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.

4) 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 for the non-residential development, whichever is later.

5) If a property which was exempted from the collection of a non-residential development fee thereafter ceases to be exempt from property taxation, the owner of the property shall remit the fees required pursuant to this Section within 45 days of the termination of the property tax exemption. Unpaid non-residential development fees under these circumstances may be enforceable by the Borough of Califon as a lien against the real property of the owner.

6. Collection Procedures

A. Upon the granting of a preliminary, final or other applicable approval for a development, the approving authority or entity shall notify or direct its staff to notify the Construction Official responsible for the issuance of a Construction 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 as per the instructions provided. The developer of a non-residential development shall complete Form N-RDF as per the instructions provided. The Construction Official shall verify the information submitted by the non-residential developer as per the instructions provided in the Form N-RDF. The Tax Assessor shall verify exemptions and prepare estimated and final assessments as per the instructions provided in Form N-RDF.

C. The Construction Official responsible for the issuance of a Construction Permit shall notify the Borough Tax Assessor of the issuance of the first Construction Permit for a development which is subject to a development fee.

D. Within 90 days of receipt of such notification, the Borough Tax Assessor shall prepare an estimate of the equalized assessed value of the development based on the plans filed.

E. The Construction Official responsible for the issuance of a final Certificate of Occupancy shall notify the Borough Tax Assessor of any and all requests for the scheduling of a final inspection on a property which is subject to a development fee.

F. Within 10 business days of a request for the scheduling of a final inspection, the Borough 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 Borough of Califon fail to determine or notify the developer of the amount of the development fee within 10 business days of the request for final inspection, the developer may estimate the amount due and pay that estimated amount consistent with the dispute process set forth in Subsection b. of Section 37 of P.L. 2008, c.46 (C.40:55D-8.6).

H. Except as provided in Section 5.A.3) hereinabove, fifty percent (50%) of the initially calculated 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 the Certificate of Occupancy.

I. Appeal of Development Fees

1) A developer may challenge residential development fees imposed by filing a challenge with the County Board of Taxation. Pending a review and determination by the Board, collected fees shall be placed in an interest bearing escrow account by the Borough of Califon. 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.

2) A developer may challenge non-residential development fees imposed by filing a challenge with the Director of the Division of Taxation. Pending a review and determination by the Director, which shall be made within 45 days of receipt of the challenge, collected fees shall be placed in an interest bearing escrow account by the Borough of Califon. 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.

7. Affordable Housing Trust Fund

A. There is hereby created a separate, interest-bearing Affordable Housing Trust Fund to be maintained by the Chief Financial Officer of the Borough of Califon 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 Affordable Housing Trust Fund and shall at all times be identifiable by source and amount:

- 1) Payments in lieu of on-site construction of a fraction of an affordable unit;
- 2) Funds contributed by developers to make ten percent (10%) of the adaptable entrances in a townhouse or other multistory attached unit development accessible;
- 3) Rental income from municipally operated units;
- 4) Repayments from affordable housing program loans;
- 5) Recapture funds;
- 6) Proceeds from the sale of affordable units; and
- 7) Any other funds collected in connection with Califon's affordable housing program.

C. Within seven days from the opening of the Affordable Housing Trust Fund, the Borough of Califon shall provide COAH with written authorization, in the form of a three-party escrow agreement between the Borough of Califon, the bank, and COAH to permit COAH to direct the disbursement of the funds as provided for in N.J.A.C. 5:97-8.13(b).

D. Interest accrued in the Affordable Housing Trust Fund shall only be used to fund eligible affordable housing activities approved by COAH.

8. Use of Funds

A. The expenditure of all funds shall conform to a Spending Plan approved by COAH. Funds deposited in the Affordable Housing Trust Fund may be used for any activity approved by COAH to address the Borough of Califon's 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; Regional Housing Partnership programs; conversion of existing non-residential buildings to create new affordable units; green building strategies designed to be cost saving and in accordance with accepted national or State standards; purchase of land for affordable housing; improvement of land to be used for affordable housing; extensions or improvements of roads and infrastructure to affordable housing sites; financial assistance designed to increase affordability; administration necessary for implementation of the Housing Element and Fair Share Plan; and/or any other activity as permitted pursuant to N.J.A.C. 5:97-8.7 through 8.9 and specified in the approved Spending Plan.

B. Funds shall not be expended to reimburse the Borough of Califon for past housing activities.

C. At least 30 percent of all development fees collected and interest earned on such fees shall be used to provide affordability assistance to low- and moderate-income households in affordable units included in the municipal Fair Share Plan. One-third of the affordability assistance portion of development fees collected shall be used to provide affordability assistance to those households earning 30 percent or less of the median income for Housing Region 3, in which Califon is located.

1) Affordability assistance programs may include down payment assistance, security deposit assistance, low interest loans, rental assistance, assistance with homeowners association or condominium fees and special assessments, and assistance with emergency repairs.

2) Affordability assistance to households earning 30 percent or less of median income may include buying down the cost of low or moderate income units in the municipal Fair Share Plan to make them affordable to households earning 30 percent or less of median income. The use of development fees in this manner may entitle the Borough of Califon to bonus credits pursuant to N.J.A.C. 5:97-3.7.

3) Payments in lieu of constructing affordable housing units on site and funds from the sale of units with extinguished controls shall be exempt from the affordability assistance requirement.

D. The Borough of Califon may contract with a private or public entity to administer any part of its Housing Element and Fair Share Plan, including the requirement for affordability assistance, in accordance with N.J.A.C. 5:96-18.

E. No more than 20 percent of all revenues collected from development fees, may 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 a Housing Element and Fair Share Plan, and/or administer an affirmative marketing program.

1) In the case of a rehabilitation program, no more than 20 percent of the revenues collected from development fees shall be expended for such administrative expenses.

2) Administrative funds may be used for income qualification of households, monitoring the turnover of sale and rental units, and compliance with COAH's monitoring requirements. Legal or other fees related to litigation opposing affordable housing sites or objecting to the Council's regulations and/or actions are not eligible uses of the Affordable Housing Trust Fund.

9. Monitoring

The Borough of Califon shall complete and return to COAH all required monitoring forms necessary to comply with COAH's monitoring requirements related to the collection of development fees from residential and non-residential developers, payments in lieu of constructing affordable units on site, funds from the sale of units with extinguished controls, barrier free escrow funds, rental income, repayments from affordable housing program loans, and any other funds collected in connection with Califon's affordable housing program, as well as to the expenditure of revenues and implementation of the Housing Element and Fair Share Plan approved by COAH. All monitoring reports shall be completed on forms designed by COAH.

10. Ongoing Collection of Fees

A. The ability for the Borough of Califon to impose, collect and expend development fees shall expire with the expiration of its Third Round Substantive Certification from COAH unless the Borough of Califon has first filed an adopted Housing Element and Fair Share Plan with COAH, has petitioned for Substantive Certification, and has received COAH's approval of its Development Fee Ordinance.

B. If the Borough of Califon fails to renew its ability to impose and collect development fees prior to the expiration of its Third Round Substantive Certification, 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).

C. The Borough of Califon shall not impose a residential development fee on a development that receives preliminary or final site plan approval after the expiration of its Third Round Substantive Certification, nor shall the Borough of Califon retroactively impose a development fee on such a development. The Borough of Califon also shall not expend any of its collected development fees after the expiration of its Third Round Substantive Certification.



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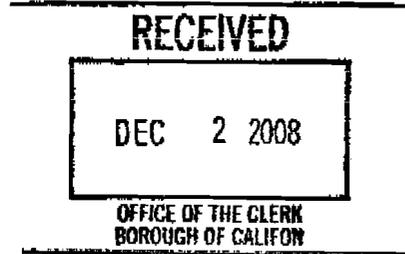
JON S. CORZINE
Governor

JOSEPH V. DORIA, JR.
Commissioner

LUCY I. VANDENBERG
Executive Director

Decembe

782-4056



Laura G. E
Borough o
39 Acaden
Califon, NJ

Dear Ms. E

Enclosed i
Housing Tr
forwarded t

w Agreement for the Affordable
second executed original is being

copy of this letter.

COAH has retained the third executed original of the agreement for our files.

If you have any questions, please call Larissa DeGraw at (609) 633-9575.

Sincerely,

Lucy Vandenberg
Executive Director

Enclosure

cc: Pamela N. Young, PNC Bank
Joanne Wiggins, COAH Planner (w/o enclosure)



Escrow Agreement for Housing Trust Fund

NOTE: *In order for COAH to execute a three-party escrow agreement, the municipality must submit three copies of the agreement, all with original signatures from the municipal representative and the bank representative.*

This Escrow Agreement made this 5th day of November, 2008, by and between the Council on Affordable Housing (COAH) and the Borough of Califon and PNC Bank.

WHEREAS, a municipality may impose, collect and spend development fees and establish an affordable housing trust fund that includes, development fees; payments from developers in lieu of constructing affordable units on-site; developer-contributed funds to make ten percent (10%) of the adaptable entrances in a townhouse or other multistory attached development accessible; rental income from municipally operated units; repayments from affordable housing program loans; recapture funds; proceeds from the sale of affordable units; and/or any other funds collected in connection with Califon Borough's affordable housing program in accordance with P.L.2008, c.46 (C. 52:27D-329.1 et al) and the regulations of COAH at N.J.A.C. 5:97-8.1 et seq.; and

WHEREAS, on April 6, 2004, COAH approved the Borough of Califon's Development Fee Ordinance establishing standards for the collection, maintenance and expenditure of development fees consistent with COAH's rules and P.L.2008, c.46 (C. 52:27D-329.1 et al) and requiring that funds shall only be applied directly toward implementation of Califon Borough's COAH-certified Fair Share Plan or Court Judgment of Compliance; and

WHEREAS, on August 16, 2004, the governing body of the Borough of Califon adopted Ordinance No. 2004-04, the Development Fee Ordinance of The Borough of Califon, amending the Municipal Code; and

WHEREAS, COAH has not yet approved a spending plan for the Borough of Califon, the Borough of Califon acknowledges that no expenditure of development fees; payments from developers in lieu of constructing affordable units on-site; developer-contributed funds to make ten percent (10%) of the adaptable entrances in a townhouse or other multistory attached development accessible; rental income from municipally operated units; repayments from affordable housing program loans; recapture funds; proceeds from the sale of affordable units; and/or any other funds collected in connection with the Borough of Califon's affordable housing program in accordance with P.L.2008, c.46 (C. 52:27D-329.1 et al) and the regulations of COAH at N.J.A.C. 5:97-8.1 et seq. may occur prior to COAH's approval of a spending plan; and

WHEREAS, the Development Fee Ordinance requires an interest-bearing housing trust fund to be established for the purpose of receiving collected development fees; payments from developers in lieu of constructing affordable units on-site; developer-contributed funds to make ten percent (10%) of the adaptable entrances in a townhouse or other multistory attached development accessible; rental income from municipally operated units; repayments from

affordable housing program loans; recapture funds; proceeds from the sale of affordable units; and/or any other funds collected in connection with the Borough of Califon's affordable housing program in accordance with P.L.2008, c.46 (C. 52:27D-329.1 et al) and the regulations of COAH at N.J.A.C. 5:97-8.1 et seq. and provides that no money shall be expended from the housing trust fund unless the expenditure conforms to the Development Fee Ordinance, a spending plan approved by COAH and the conditions set out at N.J.A.C. 5:97-8.7-8.9; and

WHEREAS, COAH's approval of the Development Fee Ordinance further requires the Borough of Califon, within seven days of opening the trust fund account authorized by the ordinance, to enter into an escrow agreement with COAH pursuant to N.J.A.C. 5:97-8.2(a) to enable COAH to monitor disbursement of collected development fees; payments from developers in lieu of constructing affordable units on-site; developer-contributed funds to make ten percent (10%) of the adaptable entrances in a townhouse or other multistory attached development accessible; rental income from municipally operated units; repayments from affordable housing program loans; recapture funds; proceeds from the sale of affordable units; and/or any other funds collected in connection with Califon Borough's affordable housing program in accordance with P.L.2008, c.46 (C. 52:27D-329.1 et al) and the regulations of COAH at N.J.A.C. 5:97-8.1 et seq. and to direct the forfeiture of such funds after proper notice if their imposition, collection and/or expenditure are not in conformance with the terms of the approved Development Fee Ordinance, the conditions set out at N.J.A.C. 5:97-8.13(a), the spending plan approved by COAH, and P.L.2008, c.46 (C. 52:27D-329.1 et al); and

WHEREAS, the Development Fee Ordinance further provides that if COAH determines that the imposition, collection, and/or expenditure of development fees are not in conformance with the terms of the approved Development Fee Ordinance, approved spending plan, and P.L.2008, c.46 (C. 52:27D-329.1 et al), COAH may, after a hearing pursuant to the Administrative Procedure Act, N.J.S.A. 52:14B-1 et seq., revoke a Development Fee Ordinance approval and direct the transfer of funds including future collection of non-residential development fees to the New Jersey Affordable Housing Trust Fund.

NOW THEREFORE, COAH, the Borough of Califon and the Bank agree as follows:

1. Designation of Escrow Agent

COAH and the Borough of Califon hereby designate PNC Bank as their escrow agent, upon terms and conditions set forth herein, for the purpose of (a) receiving development fees, payments from developers in lieu of constructing affordable units on-site; developer-contributed funds to make ten percent (10%) of the adaptable entrances in a townhouse or other multistory attached development accessible; rental income from municipally operated units; repayments from affordable housing program loans; recapture funds; proceeds from the sale of affordable units; and/or any other funds collected in connection with Califon Borough's affordable housing program in accordance with P.L.2008, c.46 (C. 52:27D-329.1 et al) and the regulations of COAH at N.J.A.C. 5:97-8.1 et seq. collected by Califon Borough, (b) holding such sums in the escrow account hereinafter described, and (c) disbursing the monies upon the direction of the Chief Financial Officer/Treasurer of the Borough of Califon consistent with the spending plan approved by COAH.

2. Escrow Account

The Borough of Califon shall deposit all development fees; payments from developers in lieu of constructing affordable units on-site; developer-contributed funds to make ten percent (10%) of the adaptable entrances in a townhouse or other multistory attached development accessible; rental income from municipally operated units; repayments from affordable housing program loans; recapture funds; proceeds from the sale of affordable units; and/or any other funds collected in connection with Califon Borough's affordable housing program in accordance with P.L.2008, c.46 (C. 52:27D-329.1 et al) and the regulations of COAH at N.J.A.C. 5:97-8.1 et seq. with the escrow agent and said escrow agent shall establish a separate, interest bearing account to be known as Califon Borough Affordable Housing Trust Fund Account and shall deposit therein such initial funds, as well as all subsequent development fees; payments from developers in lieu of constructing affordable units on-site; developer-contributed funds to make ten percent (10%) of the adaptable entrances in a townhouse or other multistory attached development accessible; rental income from municipally operated units; repayments from affordable housing program loans; recapture funds; proceeds from the sale of affordable units; and/or any other funds collected in connection with Califon Borough's affordable housing program in accordance with P.L.2008, c.46 (C. 52:27D-329.1 et al) and the regulations of COAH at N.J.A.C. 5:97-8.1 et seq. received from Califon Borough. At no time shall the escrow agent co-mingle the funds deposited in the Account with any other funds or accounts held or maintained by the escrow agent, nor shall the escrow agent at any time set off any amount on deposit in the Account against (a) any indebtedness owed to the escrow agent by the Borough of Califon or any other party, (b) any other obligation owed to the escrow agent by the Borough of Califon or any other party, or (c) any claim which the escrow agent may have against the Borough of Califon or any other party.

3. Application of Amounts on Deposit

The funds in the Account shall only be used for eligible affordable housing activities of the Borough of Califon as set forth in a spending plan approved by COAH. The Bank shall disburse funds in the Account upon the direction of the Chief Financial Officer/Treasurer of the Borough of Califon, unless notified otherwise by COAH.

4. Cessation of Disbursements from Funds and Forfeiture of Funds to the "New Jersey Affordable Housing Trust Fund" established pursuant to section 20 of P.L.1985, c.222 (C.52:27D-320)

COAH shall have the authority to halt disbursements by the Borough of Califon from the Account upon written notice to the Bank and to direct all remaining funds to the New Jersey Affordable Housing Trust Fund. COAH shall have such authority if it determines, after notice to the Borough of Califon, that the municipality is not in compliance with all conditions set out in N.J.A.C. 5:97-8.13(a), the Spending Plan and the Development Fee Ordinance. Upon receipt of written notice to cease disbursements from the Account, the Bank shall immediately halt disbursements by the Borough of Califon until further written notice from COAH. The Bank shall allow the transfer of funds by COAH to the New Jersey Affordable Housing Trust Fund on behalf of the Borough of Califon. COAH shall provide the Borough of Califon Municipal Clerk and Chief Financial Officer with copies of all written notices.

In the event that any of the following conditions, as set out in N.J.A.C. 5:97-8.13(a) occur, COAH shall be authorized on behalf of the Borough of Califon and consistent with its rules and P.L.2008, c.46 (C. 52:27D-329.1 et al), to transfer all development fees; payments from developers in lieu of constructing affordable units on-site; developer-contributed funds to make ten percent (10%) of the adaptable entrances in a townhouse or other multistory attached development accessible; rental income from municipally operated units; repayments from affordable housing program loans; recapture funds; proceeds from the sale of affordable units; and/or any other funds collected in connection with Califon Borough's affordable housing program in accordance with P.L.2008, c.46 (C. 52:27D-329.1 et al) and the regulations of COAH at N.J.A.C. 5:97-8.1 et seq., to the New Jersey Affordable Housing Trust Fund :

- a. Failure to meet deadlines for information required by COAH in its review of a Housing Element and Fair Share Plan, development fee ordinance or plan for spending fees;
 - b. Failure to address COAH's conditions for approval of a plan to spend development fees; payments from developers in lieu of constructing affordable units on-site; developer-contributed funds to make ten percent (10%) of the adaptable entrances in a townhouse or other multistory attached development accessible; rental income from municipally operated units; repayments from affordable housing program loans; recapture funds; proceeds from the sale of affordable units; and/or any other funds collected in connection with Califon Borough's affordable housing program within the deadlines imposed by COAH;
 - c. Failure to address COAH's conditions for substantive certification within deadlines imposed by COAH;
 - d. Failure to submit accurate annual monitoring reports pursuant to N.J.A.C. 5:97-8.12(a) within the time limits imposed by COAH;
 - e. Failure to implement the Spending Plan and expend the funds within the time schedules specified in the Spending Plan, including the requirement to spend the remaining trust fund balance pursuant to N.J.A.C. 5:97-8.10(a)8 and collected fees pursuant to P.L.2008, c.46 (C.52:27D-329.2(8.d) & C.52:27D-329.3(9.b)) within four years;
 - f. Expenditure of development fees; payments from developers in lieu of constructing affordable units on-site; developer-contributed funds to make ten percent (10%) of the adaptable entrances in a townhouse or other multistory attached development accessible; rental income from municipally operated units; repayments from affordable housing program loans; recapture funds; proceeds from the sale of affordable units; and/or any other funds collected in connection with Califon Borough's affordable housing program on activities not permitted by COAH;
 - g. Revocation of certification; or
 - h. Other good cause demonstrating that the revenues are not being used for the approved purpose.
5. Standard of Care; Indemnification
- The Bank shall use reasonable care and due diligence in the performance of all of its duties hereunder. The Borough of Califon shall indemnify COAH and hold it harmless from and

against all liabilities, losses or damages incurred under COAH with respect to any action COAH may take under this escrow agreement with the exception of liabilities, losses or damages solely caused by negligent acts, omissions, errors or willful misconduct by COAH.

6. Records and Accounts

The Bank shall keep accurate financial records and accounts of all transactions relating to the Account, including but not limited to all deposits to the Account, disbursements from the Account and interest earned on the Account which shall be made available for inspection by COAH and the Borough of Califon, or their respective designees, at any reasonable time. The Borough of Califon shall provide COAH with reports on a quarterly basis, which set forth the amount, date and description of all activity from the Account as well as other information COAH may require to monitor the Account.

7. Notices

All notices, certificates or other communications hereunder shall be delivered by hand or mailed by certified mail to the parties at the following addresses:

a. If to COAH: Executive Director
New Jersey Council on Affordable Housing
101 South Broad Street
PO Box 813
Trenton, NJ 08625-0813

b. If to Municipality: Municipal Clerk and Chief Financial Officer
39 Academy St.
P.O. Box 368
Califon, N.J. 07830

c. If to Bank: 431 County Rt. 513
Califon, N.J. 07830

Any of the parties may hereby designate different or additional addresses by notice in writing given to the other parties.

8. Further Assistance

The parties hereto shall authorize, execute, acknowledge and deliver such further resolutions, assurances and other instruments as may be necessary or desirable for better assuring, conveying, granting, assigning and confirming the rights and interests granted hereunder.

9. Agreement Subject to the Fair Housing Act

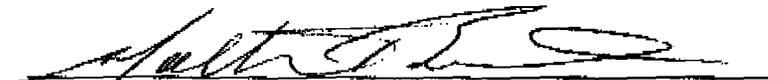
This agreement is subject to the Fair Housing Act, P.L.2008, c.46 (C. 52:27D-329.1 et al) and the rules of COAH set forth at N.J.A.C. 5:97-8.1 et seq., and nothing contained herein shall be interpreted to limit or restrict in any way the discretion and authority vested in COAH by the Act or rules.

10. Amendments

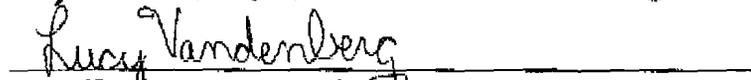
This agreement may not be amended, supplemented or modified except by a written instrument executed by all the parties hereto.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the date set forth above.

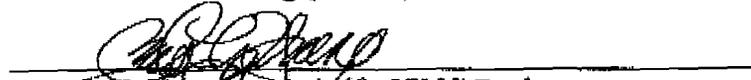
11/19/08
Date


Walter Burnett, Mayor, on behalf of Califon Borough

11/26/08
Date


Lucy Vandenberg, Executive Director
on behalf of the New Jersey Council
on Affordable Housing (COAH)

11/19/08
Date


Pamela N. Young, on behalf of PNC Bank

**APPENDIX F
PROPOSED SPENDING PLAN AND
RESOLUTION TO INTENT TO FUND REHABILITATION PROGRAM**

BOROUGH OF CALIFON
COUNTY OF HUNTERDON, STATE OF NEW JERSEY
RESOLUTION ADOPTING AND REQUESTING COAH'S
APPROVAL OF THE SPENDING PLAN

Resolution 2010-61

WHEREAS, the Borough Council of the Borough of Califon, Hunterdon County, is petitioning the Council on Affordable Housing (COAH) for substantive certification of its Third Round Housing Element and Fair Share Plan; and

WHEREAS, Califon Borough, Hunterdon County, has a Development Fee Ordinance and is proposing to adopt a new Development Fee Ordinance consistent with COAH's current regulations and the Fair Housing Act, as amended, subject to COAH's approval of the new Development Fee Ordinance; and

WHEREAS, the previously adopted Development Fee Ordinance established an Affordable Housing Trust Fund to receive any development fees, payments from developers in lieu of constructing a fraction of an affordable unit on-site, barrier free escrow funds, rental income, repayments from affordable housing program loans, recapture funds, proceeds from the sale of affordable units, and any other funds from other sources consistent COAH's Rules; and

WHEREAS, N.J.A.C. 5:97-8.1(d) requires a municipality with an Affordable Housing Trust Fund to receive approval of a Spending Plan from COAH prior to spending any of the funds in its Affordable Housing Trust Fund; and

WHEREAS, N.J.A.C. 5:97-8.10 requires a Spending Plan to include the following:

A projection of revenues anticipated from imposing fees on development, based on pending, approved and anticipated developments and historic development activity;

A projection of revenues anticipated from other sources, including payments in lieu of constructing affordable units on sites zoned for affordable housing, funds from the sale of units with extinguished controls, proceeds from the sale of affordable units, rental income, repayments from affordable housing program loans, and interest earned;

A description of the administrative mechanism that the municipality will use to collect and distribute revenues;

A description of the anticipated use of all funds in the Affordable Housing Trust Fund pursuant to N.J.A.C. 5:97-8.7, 8.8, and 8.9;

A schedule for the expenditure of all affordable housing trust funds;

If applicable, a schedule for the creation or rehabilitation of housing units;

A pro-forma statement of the anticipated costs and revenues associated with the development if the municipality envisions supporting or sponsoring public sector or non-profit construction of housing; and

A plan to spend the trust fund balance within four years of the Council's approval of the Spending Plan, or in accordance with an implementation schedule approved by the Council;

A plan to spend and/or contractually commit all development fees and any payments in lieu of construction within three years of the end of the calendar year in which funds are collected, but no later than the end of third round substantive certification period;

The manner through which the municipality will address any expected or unexpected shortfall if the anticipated revenues from development fees are not sufficient to implement the plan; and

A description of the anticipated use of excess funds in the Affordable Housing Trust Fund, in the event more funds than anticipated are collected, or projected funds exceed the amount necessary for satisfying the municipal affordable housing obligation; and

WHEREAS, the Borough of Califon, Hunterdon County, has prepared a Spending Plan consistent with N.J.A.C. 5:97-8.10 and P.L. 2008, c. 46;

NOW THEREFORE BE IT RESOLVED that the Borough Council of the Borough of Califon, Hunterdon County, hereby adopts the Spending Plan and requests that COAH review and approve Califon Borough's Spending Plan.

CERTIFICATION

I, Laura Eidsvaag, RMC, Clerk of the Borough of Califon, County of Hunterdon, hereby certify the foregoing to be a true copy of a resolution adopted by the Borough Council of the Borough of Califon at a duly noticed and duly convened meeting held on June 7, 2010.



Laura Eidsvaag, RMC, Borough Clerk

Council on Affordable Housing

Affordable Housing Trust Fund Spending Plan

INTRODUCTION

Califon Borough, Hunterdon County, has prepared a Third Round Housing Element and Fair Share plan that addresses its fair share of the regional affordable housing need in accordance with the Municipal Land Use Law (N.J.S.A. 40:55D-1 et seq.), the Fair Housing Act (N.J.S.A. 52:27D-301) and the regulations of the Council on Affordable Housing (COAH) (N.J.A.C. 5:97-1 et seq. and N.J.A.C. 5:96-1 et seq.).

Califon Borough had received substantive certification of its first round Housing Element and Fair Share Plan from COAH in May of 1990. Second round substantive certification was granted by COAH on June 5, 2002.

The Borough existing Development Fee Ordinance was adopted on August 16, 2004. That Development Fee Ordinance had been approved by COAH on April 6, 2004. A new Development Fee Ordinance is proposed to be adopted as part of the Third Round Housing Element and Fair Share Plan.

The 2004 Development Fee Ordinance authorized the establishment of the Affordable Housing Trust Fund for which this Spending Plan has been prepared. The Trust Fund was not opened until 2008, due to the fact that no development fees were collected. In 2008, the Borough opened the Affordable Housing Trust Fund with \$50.00 of its own money (NOT with development fees). The Borough of Califon also has a separate account that holds \$50,000 of money allocated to the prior round Accessory Apartments program. That account was fully funded by the Borough and is not, therefore, part of the Affordable Housing Trust Fund.

As of May 31, 2010, Califon Borough had collected \$0.00 in its Affordable Housing Trust Fund. Nothing has been expended from the account, so the balance remains at \$50.00 (the amount advanced by the Borough to open the account) as of the end of May, 2010. Any development fees, payments in lieu of constructing affordable units on-site, funds from the sale of units with extinguished controls, and any interest generated by such fees and other payments will be deposited in this separate interest-bearing account (Account Number 80-3788-9022) at PNC Bank. Any such funds shall be spent in accordance with N.J.A.C. 5:97-8.7-8.9 as described herein.

1. REVENUES FOR CERTIFICATION PERIOD

To calculate a projection of revenue anticipated during the period of third round substantive certification, Califon Borough has considered the following:

- (a) Development fees:

1. Residential and nonresidential projects which have had development fees imposed upon them at the time of preliminary or final development approvals;
2. All projects currently before the planning and zoning boards for development approvals that may apply for building permits and certificates of occupancy; and
3. Future development that is likely to occur based on historical rates of development.

(b) Payment in lieu (PIL):

Actual and committed payment in lieu from developers (none anticipated at this time).

(c) Other funding sources:

Funds from other sources (this would include, but would not be limited to, the sale of units with extinguished controls, repayment of affordable housing program loans, unless such loans originate from the Borough-funded Accessory Apartment account, rental income, and proceeds from the sale of affordable units).

(d) Projected interest:

Interest on the projected revenue in the Affordable Housing Trust Fund at the current average interest rate.

SOURCE OF FUNDS		PROJECTED REVENUES-HOUSING TRUST FUND - 2010 THROUGH 2018										
	As of 5-31-10	2010	2011	2012	2013	2014	2015	2016	2017	2018	Total	
(a) Development fees:	\$0										\$0	
1. Approved Development		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
2. Development Pending Approval		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
3. Projected Development		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
(b) Payments in Lieu of Construction												
(c) Other Funds	\$50.00 from Borough										\$50.00 from Borough	
(d) Interest		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Total	\$50.00 from Borough	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$50.00 from Borough	

Califon Borough, Hunterdon County, projects a total of \$0 in revenue to be collected between May 31, 2010 and December 31, 2018. Nevertheless, any interest that may be earned on unanticipated revenues deposited in the account shall accrue to the account to be used only for the purposes of affordable housing.

2. ADMINISTRATIVE MECHANISM TO COLLECT AND DISTRIBUTE FUNDS

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

(a) Collection of development fee revenues:

Collection of development fee revenues shall be consistent with Califon Borough's Development Fee Ordinance for both residential and non-residential developments in accordance with COAH's rules and P.L.2008, c.46, sections 8 (C. 52:27D-329.2) and 32-38 (C. 40:55D-8.1 through 8.7).

(b) Distribution of development fee revenues:

Development fee revenues shall be distributed upon approval by the Califon Borough Council, based upon consistency of the proposed distribution with the terms of this Spending Plan.

3. DESCRIPTION OF ANTICIPATED USE OF AFFORDABLE HOUSING FUNDS

(a) **Rehabilitation program:**

Califon Borough plans to use any available development fee revenues to reimburse the Borough for the costs of its rehabilitation program.

Rehabilitation program: Projected program hard costs of \$30,000

(b) **Affordability Assistance:** Minimum of 30 percent of development fees collected, with one-third of this amount to be allocated to very low income households.

Projected minimum affordability assistance requirement:

Actual development fees and interest through 5/31/2010		\$0
Development fees projected 2010-2018	+	\$0
Interest projected 2010-2018	+	\$0
Less housing activity expenditures to date	-	\$0
Total	=	\$0
30 percent requirement	x 0.30 =	\$0
Less Affordability assistance expenditures to date	-	\$0
PROJECTED MINIMUM Affordability Assistance Requirement through 12/31/2018	=	\$0
PROJECTED MINIMUM Very Low-Income Affordability Assistance Requirement through 12/31/2018	÷ 3 =	\$0

Califon Borough will dedicate 30 percent of any development fee revenues that may be deposited in the Affordable Housing Trust Fund to render units more affordable, including using one-third of this 30 percent amount to render units more affordable to households earning 30 percent or less of median income by region, as follows:

Down-payment assistance to low and very low income households, with one third of all assistance reserved for very low income households.

(c) Administrative Expenses

Califon Borough projects that \$0 will be available in the Affordable Housing Trust Fund to be used for administrative purposes (20% of \$0). If sufficient funds were to become available, they would be used to help reimburse the Borough for its costs in administering the rehabilitation and prior round accessory apartments programs.

4. EXPENDITURE SCHEDULE

Califon Borough intends to use any funds collected in the Affordable Housing Trust Fund to reimburse the Borough for the hard costs of rehabilitating three (3) housing units. To the extent that sufficient funds are available, they will be expended in accordance with the implementation schedule for this program as described in the Appendices to the Fair Share Plan. At this time, it is not anticipated that there will be funds available from development fees to reimburse the Borough. Consequently, the proposed expenditure schedule is summarized as follows.

Program	Number of Units Projected	Funds Already Expended and/or Dedicated	PROJECTED EXPENDITURE SCHEDULE 2009 -2018											
			2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Total	
Rehabilitation	3	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	max. of \$30,000
Total Programs	3													
Affordability Assistance		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	min. of 30%
Administration		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	max. of 20%
Total		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

5. EXCESS OR SHORTFALL OF FUNDS

Pursuant to the Housing Element and Fair Share Plan, the governing body of Califon Borough has adopted a resolution agreeing to fund any shortfall of funds required for implementing its rehabilitation program. Assuming that a shortfall in revenues occurs, Califon Borough will appropriate funds out of general revenues or bond, if necessary, although the Borough is hoping that Hunterdon County will do as other counties throughout the State have been doing and establish a County-wide rehabilitation program that municipalities can access without the need to expend municipal revenues. Nevertheless, a copy of the adopted Resolution of Intent to Fund Shortfall is attached to this Spending Plan.

In the event any unanticipated funds are collected, they will be allocated among the rehabilitation program, except to the extent that funds are required to be used for affordability programs.

6. BARRIER FREE ESCROW

Collection and distribution of barrier free funds shall be consistent with Califon Borough's Affordable Housing Ordinance in accordance with N.J.A.C. 5:97-8.5.

SUMMARY

Califon Borough intends to spend affordable housing trust fund revenues pursuant to N.J.A.C. 5:97-8.7 through 8.9 and consistent with the housing programs outlined in the Third Round Housing Element and Fair Share Plan adopted on June 7, 2010.

Califon Borough has a balance of \$50.00 of its own money in the Affordable Housing Trust Fund as of May 31, 2010, and anticipates no development fee revenues to be collected before the expiration of substantive certification. The municipality plans to dedicate up to \$30,000 of any unanticipated revenues that may be collected to reimburse the Borough for the costs of its rehabilitation program. The Borough will also expend 30 percent of any money collected to render units more affordable (and at least one third of that amount will be expended to assist very low income households). Up to 20 percent of the revenues collected in the account may be expended for administrative costs. A shortfall of funds for the rehabilitation program will be offset by general revenues or bonding. The municipality will dedicate all unanticipated funds toward its rehabilitation program, except to the extent that such funds are required to be allocated to affordability programs.

SPENDING PLAN SUMMARY	
Balance as of May 31, 2010	\$0
PROJECTED REVENUE 2010-2018	
Development fees	+ \$0
Payments in lieu of construction	+ \$
Other funds	+ \$
Interest	+ \$0
TOTAL REVENUE	= \$0
EXPENDITURES	
Funds used for Rehabilitation	- \$30,000 (if available)
	- \$
	- \$
	- \$
	- \$
	- \$
	- \$
	- \$
	- \$
	- \$
	- \$
Affordability Assistance	- Min. of 30% of available funds
Administration	- Max. of 20% of available funds
Excess Funds for Additional Housing Activity	= \$0
Rehabilitation	- All, less required allocations for affordability programs
	- \$
	- \$
TOTAL PROJECTED EXPENDITURES	= \$0
REMAINING BALANCE	= \$0

Business Checking With Interest

PNC Bank

**For the period 04/01/2010 to 04/30/2010**

51794

BOROUGH OF CALIFON
 AFFORDABLE HOUSING TRUST FUND
 39 ACADEMY ST
 PO BOX 368
 CALIFON NJ 07830-0368

Primary account number: 80-3788-9022

Page 1 of 2

Number of enclosures: 0

For 24-hour banking sign on to
 PNC Bank Online Banking on pnc.com
 FREE Online Bill Pay

 For customer service call 1-877-BUS-BNKG
 Monday - Friday: 7 AM - 10 PM ET
 Saturday & Sunday: 8 AM - 5 PM ET

Para servicio en español, 1-877-BUS-BNKG

Moving? Please contact your local branch.

 Write to: Customer Service
 PO Box 609
 Pittsburgh, PA 15230-9738

 Visit us at pnc.com/mybusiness/

 TDD terminal: 1-800-531-1648
 For hearing impaired clients only

Business Checking With Interest Summary

Account number: 80-3788-9022

Borough Of Califon
 Affordable Housing Trust Fund

Overdraft Protection Provided By: **Contact PNC to establish Overdraft Protection****Balance Summary**

Beginning balance	Deposits and other additions	Checks and other deductions	Ending balance
50.00	0.00	0.00	50.00
		Average ledger balance	Average collected balance
		50.00	50.00

Deposits and Other Additions

Total 0

0.00

Checks and Other Deductions

Total 0

0.00

If you haven't already, take a look at the new points Visa Business Credit Card.

Not only can your business get great rates, but you can also accelerate your PNC points(SM) earning power by linking this new Credit Card to your enrolled PNC Business Check Card. See your local business banker today to inquire.



BOROUGH OF CALIFON
COUNTY OF HUNTERDON, STATE OF NEW JERSEY
RESOLUTION OF INTENT TO FUND SPENDING PLAN SHORTFALL FOR
REHABILITATION PROGRAM

Resolution 2010-64

WHEREAS, the Third Round Housing Element and Fair Share Plan of this Borough as adopted by the Califon Borough Planning Board on June 7, 2010, and endorsed by the Mayor and Council on June 7, 2010, provides for a housing rehabilitation program targeted at existing substandard housing units occupied by low and moderate income households; and

WHEREAS, the implementation of a housing rehabilitation program requires a financial commitment for which outside resources are not expected to be available; and

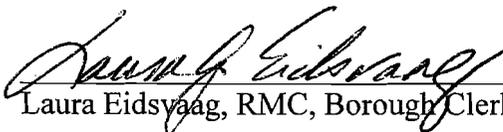
WHEREAS, the New Jersey Council on Affordable Housing (COAH) requires a municipality to state its intent to cover any shortfall in the funding of an affordable housing program covered in the Spending Plan and the Fair Share Plan, including its intention to incur bonded indebtedness, if necessary, to provide the funds required for the timely implementation of such programs;

RESOLVED, by the Mayor and Council of the Borough of Califon, in the County of Hunterdon, New Jersey, as follows:

1. That to the degree that the funds required for the implementation of the Borough's housing rehabilitation program are not available at the time they are needed from funds collected from developers under the Development Fee Ordinance or from any other sources, the Borough will provide the funding needed to cover any shortfall in this program from appropriations in the Borough's annual budget or by incurring indebtedness by authorizing and issuing, pursuant to the Local Bond Law, bonds and/or bond anticipation notes to the extent of the funding deficiency, with the understanding that any payments subsequently collected from developers under the Development Fee Ordinance may be used to reimburse the Borough for the costs of the housing rehabilitation program; and
2. That the Borough currently has the unencumbered capacity to incur such debt under the Local Bond Law.

CERTIFICATION

I, Laura Eidsvaag, RMC, Clerk of the Borough of Califon, County of Hunterdon, hereby certify the foregoing to be a true copy of a resolution adopted by the Mayor and Council of the Borough of Califon at a duly noticed and duly convened regular meeting held on June 7, 2010.



Laura Eidsvaag, RMC, Borough Clerk

SCHEDULE FOR FUNDING THIRD ROUND REHABILITATION PROGRAM

Minimum Program Costs: \$10,000 in hard costs per unit, plus up to \$4,000 per unit in administration costs = Total of \$30,000 in hard costs and \$12,000 in administration costs = ***\$42,000 required to fund program.***

2011 Budget	\$7,000
2012 Budget	\$7,000
2013 Budget	\$7,000
2014 Budget	\$7,000
2015 Budget	\$7,000
2016 Budget	\$7,000
<hr/>	
Total:	\$42,000

Under COAH's Rules, the Borough is required to fund at least half of the program costs within the first five (5) years of the certification period.

Allocated funds should be maintained in a separate escrow account (NOT in the Affordable Housing Trust Fund) until such time as they are needed.

The first rehabilitation project could not begin until the 2012 budget is approved.

APPENDIX G
RESOLUTION OF INTENT TO CONTRACT WITH
ADMINISTRATIVE AGENT

BOROUGH OF CALIFON
COUNTY OF HUNTERDON, STATE OF NEW JERSEY
RESOLUTION OF INTENT TO CONTRACT WITH ADMINISTRATIVE AGENT TO
ADMINISTER AFFORDABILITY CONTROLS AND OVERSEE THE AFFIRMATIVE
MARKETING OF LOW AND MODERATE INCOME UNITS
WITHIN THE BOROUGH OF CALIFON

Resolution 2010-63

WHEREAS, the New Jersey Council on Affordable Housing (COAH) requires a municipality within its jurisdiction to designate the entity that will administer the controls on affordability and oversee the affirmative marketing of all newly created affordable units in a municipality; and

WHEREAS, the Borough of Califon proposes to designate an Administrative Agent for the administration of the affordability controls and to oversee the affirmative marketing of any newly created affordable units in the Borough of Califon; and

WHEREAS, the Third Round Housing Element and Fair Share Plan of the Borough of Califon, adopted by the Planning Board of the Borough of Califon on June 7, 2010, identifies potential opportunities for the provision of affordable housing on several sites, including through an existing (modified) accessory apartments program; and

WHEREAS, for certain types of affordable housing units, such as special needs housing, an administrative entity is already established due to program requirements, but in all other cases it is the responsibility of the Borough of Califon to ensure that the affordable housing units are administered in accordance with all of COAH's Rules and the Uniform Housing Affordability Controls;

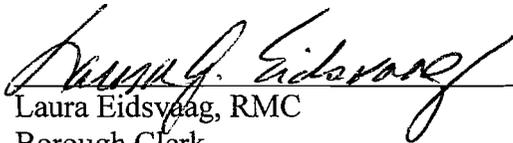
RESOLVED, by the Mayor and Council of the Borough of Califon, in the County of Hunterdon, New Jersey, as follows:

1. That the Borough of Califon intends to contract with a COAH-approved Administrative Agent for the administration of its accessory apartments program and for the administration of any other affordable housing units that may be created in the Borough and that will require the services of an Administrative Agent.
2. That it shall be the responsibility of the designated Administrative Agent to administer the affordability controls and oversee the affirmative marketing of any newly created affordable housing units in the Borough of Califon in accordance with COAH's requirements therefor, the UHAC Rules, and the terms and conditions of the Affordable Housing Ordinance and the Affirmative Marketing Plan of the Borough of Califon:
3. That the initial contract shall be subject to approval by the New Jersey Council on Affordable Housing, and that any decision by the Mayor and Council to subsequently

reassign the administration of affordable units to a different entity shall also be subject to approval by the New Jersey Council on Affordable Housing.

CERTIFICATION

I, Laura Eidsvaag, RMC, Clerk of the Borough of Califon, County of Hunterdon, State of New Jersey, hereby certify the foregoing to be a true copy of a resolution adopted by the Mayor and Council of the Borough of Califon at a duly noticed and duly convened regular meeting held on June 7, 2010.



Laura Eidsvaag, RMC
Borough Clerk

**CHECKLIST FOR THE APPROVAL OF
AN ADMINISTRATIVE AGENT**

When reviewing a private entity to determine whether it should be designated as an Administrative Agent, a municipality shall obtain and review the following and submit it to COAH for approval:

- Documentation which demonstrates that the private entity’s purposes include the provision of housing services and housing counseling and the promotion of the principles underlying the Federal Fair Housing laws and that the private entity has knowledge of and familiarity with the New Jersey Fair Housing Act, P.L. 1985, c. 222 (N.J.S.A. 52:27D-301 et seq.) and its implementing rules;
- Evidence of a history of successful management of restricted affordable housing units, particularly those produced as a result of the New Jersey Fair Housing Act or through a *Mount Laurel* court settlement;
- Representations and warranties from the experienced private entity that, if the entity serves as administrative agent with respect to restricted units in which it has a pecuniary interest, the entity shall not allow the pecuniary interest to compromise in any way its administration of the controls set forth in U.H.A.C.;
- The draft contract between the municipality and the private entity serving as administrative agent;
- A sample operating manual for each type of program and/or unit the Administrative Agent seeks to administer (if applicable);
- Documentation of the private entity’s capacity to undertake the duties of an administrative agent;
- Statement of intent to attend any continuing education opportunities provided by COAH; and
- Such other relevant documents from a specific applicant as required by the municipality to justify approval as an administrative agent.

Approval by COAH is contingent on attendance of necessary continuing education opportunities. Pursuant to N.J.A.C. 5:96-18.3, the Administrative Agent must successfully complete the Education Program for Administrative Agents by June 2, 2010 if serving as an Administrative Agent for a municipality before June 2, 2006. Subsequent to June 2, 2006 the Education Program for Administrative Agents must be successfully complete prior to designation by a municipality. If there is a delay in the availability of one or more sessions required to complete the Education Program for Administrative Agents, the Council may extend the period to complete the education requirements. Up-to-date information regarding the education programs can be found on COAH’s website under Resources for Housing Administrators <http://www.state.nj.us/dca/coah/>

Please indicate the types of units/programs you administer:

<input type="checkbox"/> <i>For-sale units</i>	<input type="checkbox"/> <i>Market to Affordable Program</i>
<input type="checkbox"/> <i>Rental units</i>	<input type="checkbox"/> <i>Supportive and Special Needs Housing</i>
<input type="checkbox"/> <i>Accessory Apartment Program</i>	<input type="checkbox"/> <i>Rehab Program</i>
<input type="checkbox"/> <i>Assisted Living Residence</i>	<input type="checkbox"/> <i>Other (Identify)</i>

APPENDIX H
ORDINANCE CREATING POSITION OF MUNICIPAL AFFORDABLE
HOUSING LIAISON AND RESOLUTION APPOINTING A MUNICIPAL
AFFORDABLE HOUSING LIAISON TO FILL THAT POSITION

ORDINANCE NO. _____ - _____

AN ORDINANCE TO CREATE THE POSITION OF MUNICIPAL HOUSING LIAISON FOR THE PURPOSE OF ADMINISTERING CALIFON BOROUGH'S AFFORDABLE HOUSING PROGRAM PURSUANT TO THE FAIR HOUSING ACT

BE IT ORDAINED by the Borough Council of the Borough of Califon in the County of Hunterdon and State of New Jersey that the Code of the Borough of Califon be amended by the adoption of the following Ordinance which shall hereafter be designated as Article __, Chapter __, Section __.

Section 1. Purpose.

The purpose of this article is to create the administrative mechanisms needed for the execution of Califon Borough's responsibility to assist in the provision of affordable housing pursuant to the Fair Housing Act of 1985.

Section 2. Definitions.

As used in this article, the following terms shall have the meanings indicated:

MUNICIPAL HOUSING LIAISON – The employee charged by the governing body with the responsibility for oversight and administration of the affordable housing program for Califon Borough.

ADMINISTRATIVE AGENT – The entity responsible for administering the affordability controls of some or all units in the affordable housing program for Califon Borough to ensure that the restricted units under administration are affirmatively marketed and sold or rented, as applicable, only to low- and moderate-income households.

Section 3. Establishment of Municipal Housing Liaison position and compensation; powers and duties.

- A. Establishment of position of Municipal Housing Liaison. There is hereby established the position of Municipal Housing Liaison for Califon Borough.
- B. Subject to the approval of the Council on Affordable Housing (COAH), the Municipal Housing Liaison shall be appointed by the Governing Body and may be a full or part time municipal employee.
- C. The Municipal Housing Liaison shall be responsible for oversight and administration of the affordable housing program for Califon Borough, including the following responsibilities which may not be contracted out:

- (1) Serving as Califon Borough's primary point of contact for all inquiries from the State, affordable housing providers, Administrative Agents, and interested households;
 - (2) Monitoring the status of all restricted units in Califon Borough's Fair Share Plan;
 - (3) Compiling, verifying, and submitting annual reports as required by COAH;
 - (4) Coordinating meetings with affordable housing providers and Administrative Agents, as applicable; and
 - (5) Attending continuing education opportunities on affordability controls, compliance monitoring, and affirmative marketing as offered or approved by COAH.
- D. Subject to approval by COAH, Califon Borough may contract with or authorize a consultant, authority, government or any agency charged by the Governing Body, which entity shall have the responsibility of administering the affordable housing program of Califon Borough, except for those responsibilities which may not be contracted out pursuant to subsection C above. The Municipal Housing Liaison shall also supervise the contracting Administrative Agent(s).
- E. Compensation. Compensation shall be fixed by the Governing Body at the time of the appointment of the Municipal Housing Liaison.

Section 4. Severability.

If any section, subsection, paragraph, sentence or other part of this Ordinance is adjudged unconstitutional or invalid, such judgment shall not affect or invalidate the remainder of this Ordinance, but shall be confined in its effect to the section, subsection, paragraph, sentence or other part of this Ordinance directly involved in the controversy in which said judgment shall have been rendered and all other provisions of this Ordinance shall remain in full force and effect.

Section 5. Inconsistent Ordinances Repealed.

All ordinances or parts of ordinances which are inconsistent with the provisions of this ordinance are hereby repealed, but only to the extent of such inconsistencies.

Section 6. Effective Date.

This Ordinance shall take effect immediately upon final adoption and publication in the manner prescribed by law.

Adopted: (Insert date)

ATTEST:

APPROVED:

Laura Eidsvaag, RMC
Municipal Clerk

Charles Daniel
Mayor

RESOLUTION APPOINTING A MUNICIPAL HOUSING LIAISON

WHEREAS, the Governing Body of the Borough of Califon, Hunterdon County has petitioned the Council on Affordable Housing (COAH) for substantive certification of its Housing Element and Fair Share Plan on June 7, 2010; and

WHEREAS, Califon Borough's Fair Share Plan provides for an affordable housing program pursuant to the Fair Housing Act (N.J.S.A. 52:27D-301, et seq.) and COAH's Third Round Substantive Rules (N.J.A.C. 5:97-1, et seq.); and

WHEREAS, pursuant to COAH's Rules (N.J.A.C. 5:97-1, et seq. and N.J.A.C. 5:80-26.1 et seq., Califon Borough is required to appoint a Municipal Housing Liaison for the administration of Califon Borough's affordable housing program to enforce the requirements of N.J.A.C. 5:97-1, et seq. and N.J.A.C. 5:80-26.1 et seq.; and

WHEREAS, the Borough of Califon has adopted an Ordinance creating the position of Municipal Housing Liaison and providing for the appointment of a Municipal Housing Liaison to administer Califon Borough's affordable housing program.

NOW THEREFORE BE IT RESOLVED, by the Governing Body of the Borough of Califon in the County of Hunterdon, and the State of New Jersey that Laura Eidsvaag, RMC, Borough Clerk, is hereby appointed by the Borough Council of the Borough of Califon as the Municipal Housing Liaison for the administration of the Borough's affordable housing program.

Laura Eidsvaag, RMC
Borough Clerk

**CHECKLIST FOR THE APPOINTMENT OF
A MUNICIPAL HOUSING LIAISON**

Appointment of the Municipal Housing Liaison is subject to the approval of COAH and the following documentation must be submitted:

- Ordinance establishing the position of Municipal Housing Liaison; and
- Governing Body resolution appointing the municipal employee to serve as the Municipal Housing Liaison; and
- Evidence of successful completion of COAH Training for Municipal Housing Liaisons, RCA Administrators, and Administrative Agents: Module I.

If the Municipal Housing Liaison is to perform the duties of an Administrative Agent, he or she must submit evidence of a history of successful management of restricted affordable housing units, particularly those produced as a result of the New Jersey Fair Housing Act or through a Mount Laurel court settlement, which shall include:

- Resume;
- Statement of qualifications; and
- Statement of intent to attend any continuing education opportunities provided by COAH.

Approval by COAH is contingent on attendance of necessary continuing education opportunities. Pursuant to N.J.A.C. 5:96-17.4, the Municipal Housing Liaison must successfully complete the Education Program for Municipal Housing Liaisons by 12/2/08 if appointed before 6/2/08 or six months from the date of appointment, or the date of the next education program for Municipal Housing Liaisons, whichever date is later. If the Municipal Housing Liaison is to perform the duties of an Administrative Agent, in order to receive approval, the Municipal Housing Liaison shall also successfully complete the Council's Education Program for Administrative Agents by 6/2/09 if appointed before 6/2/08 or one year from the date of appointment, or the date of the next Education Program for Administrative Agents, whichever date is later. Up-to-date information regarding the education programs can be found on COAH's website under Resources for Housing Administrators <http://www.state.nj.us/dca/coah/>.

Please indicate the types of units/programs you administer:

<input type="checkbox"/> For-sale units	<input type="checkbox"/> Market to Affordable Program
<input type="checkbox"/> Rental units	<input type="checkbox"/> Supportive and Special Needs Housing
<input type="checkbox"/> Accessory Apartment Program	<input type="checkbox"/> Rehab Program
<input type="checkbox"/> Assisted Living Residence	<input type="checkbox"/> Other (Identify)

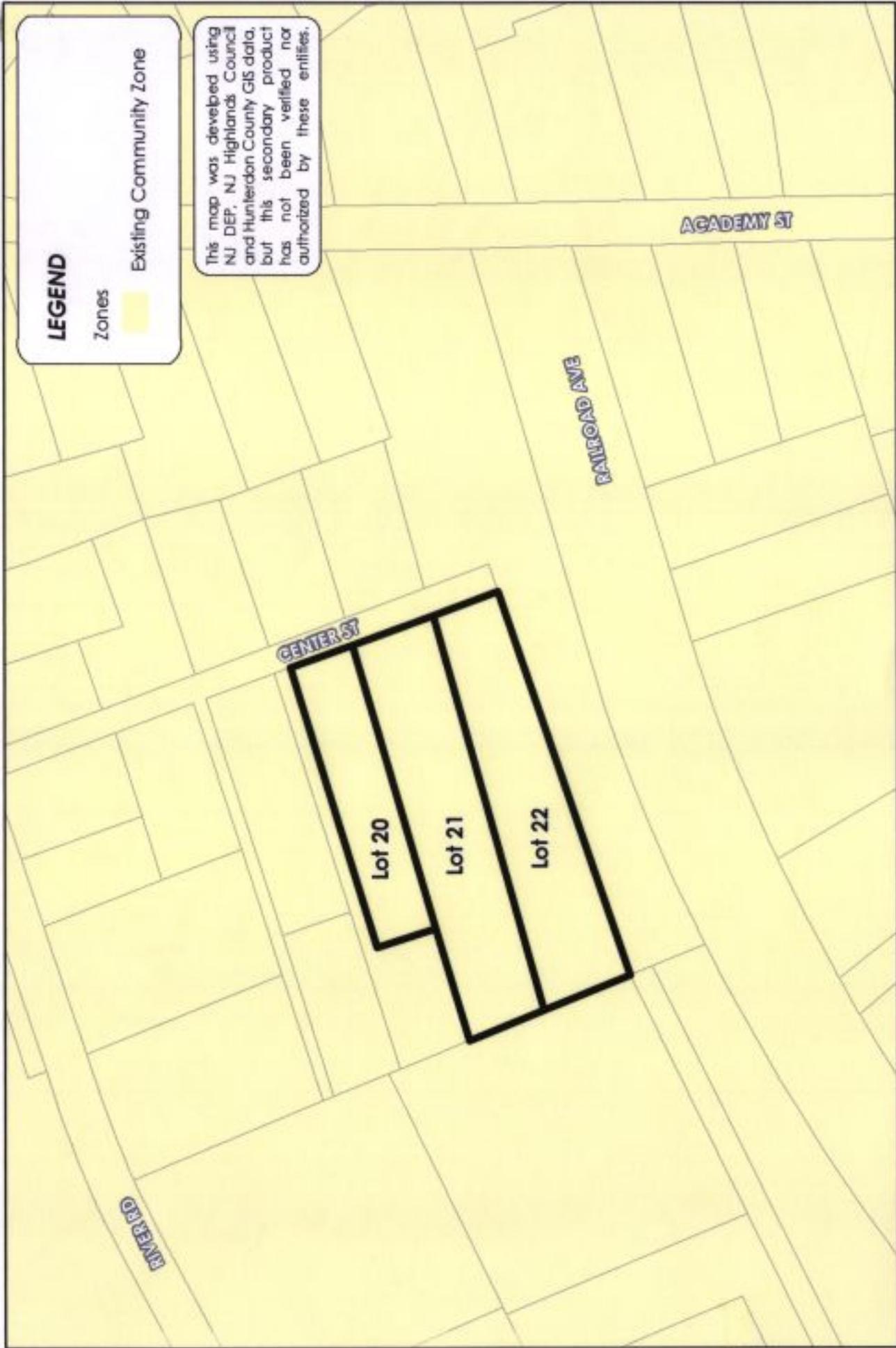
This map was developed using NJ DEP and Hunterdon County GIS data, but this secondary product has not been verified nor authorized by either entity.



Califon Borough
Hunterdon County, New Jersey

BLOCK 6, LOTS 20, 21 & 22 - SITE MAP

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LEGEND

Zones



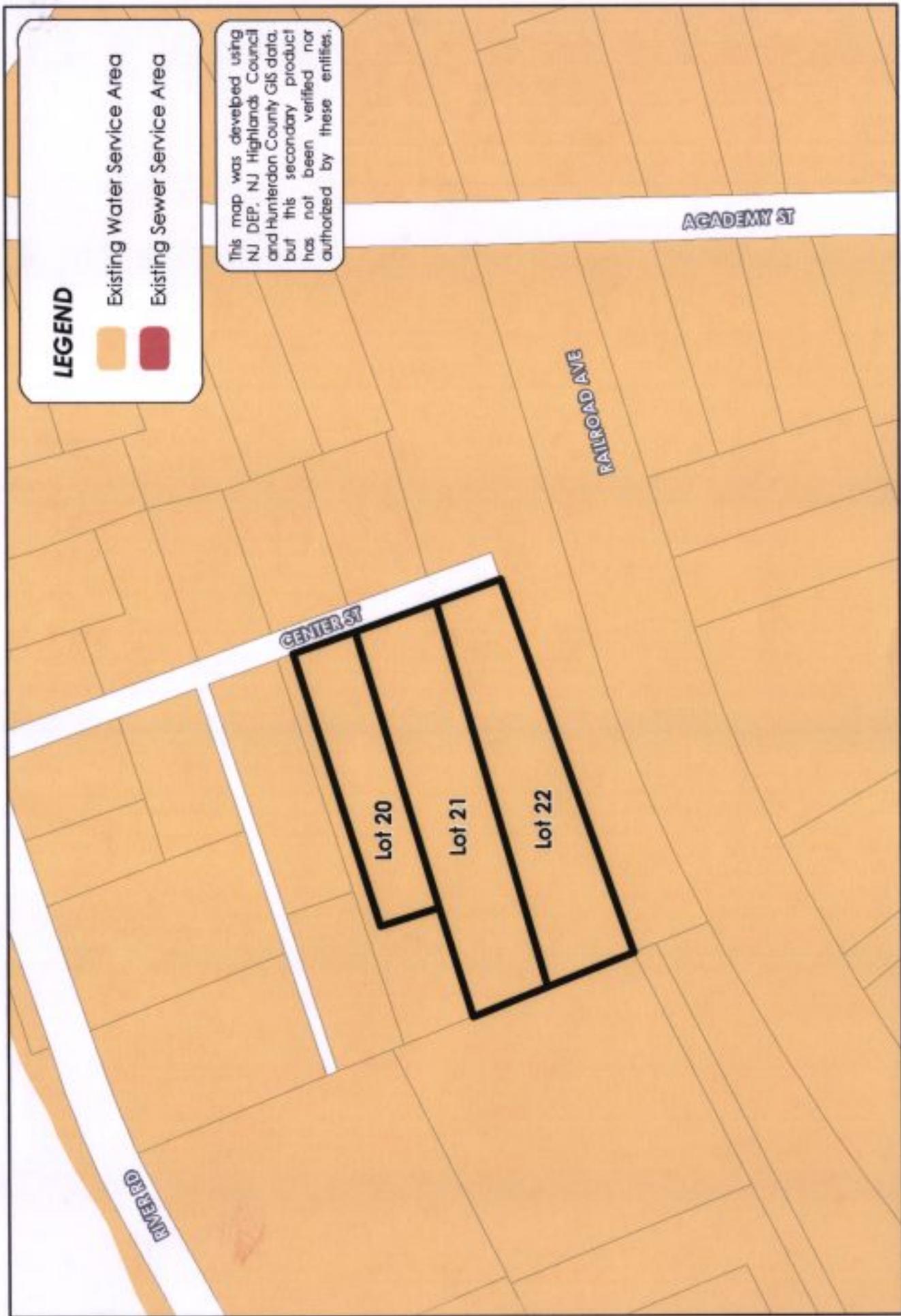
Existing Community Zone

This map was developed using NJ DEP, NJ Highlands Council and Hunterdon County GIS data, but this secondary product has not been verified nor authorized by these entities.

Califon Borough
Hunterdon County, New Jersey



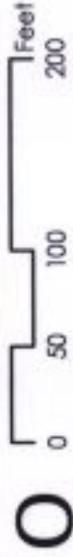
BLOCK 6, LOTS 20, 21 & 22 - LAND USE CAPABILITY ZONES



LEGEND

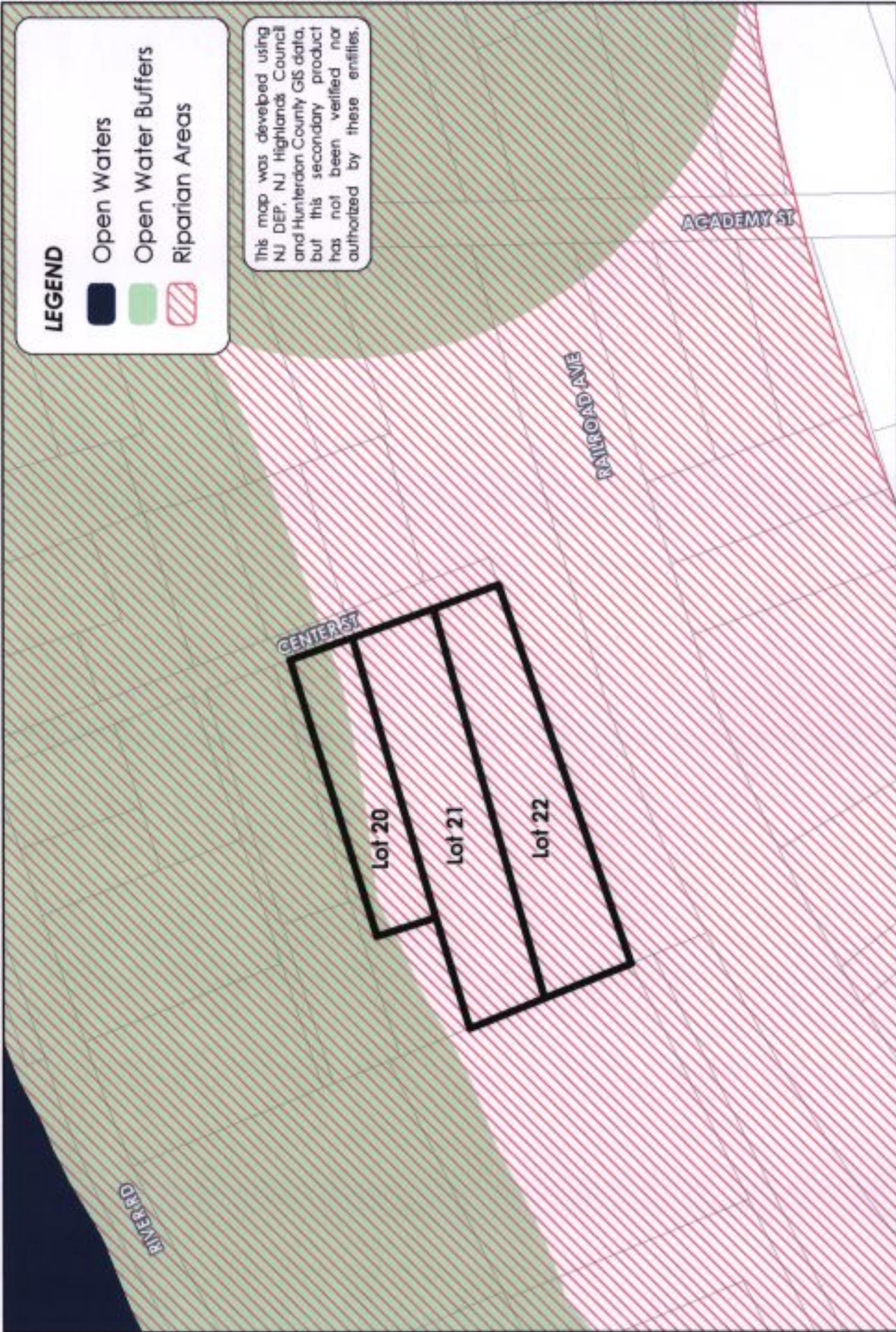
- Existing Water Service Area
- Existing Sewer Service Area

This map was developed using NJ DEP, NJ Highlands Council and Hunterdon County GIS data, but this secondary product has not been verified nor authorized by these entities.



Califon Borough
 Hunterdon County, New Jersey

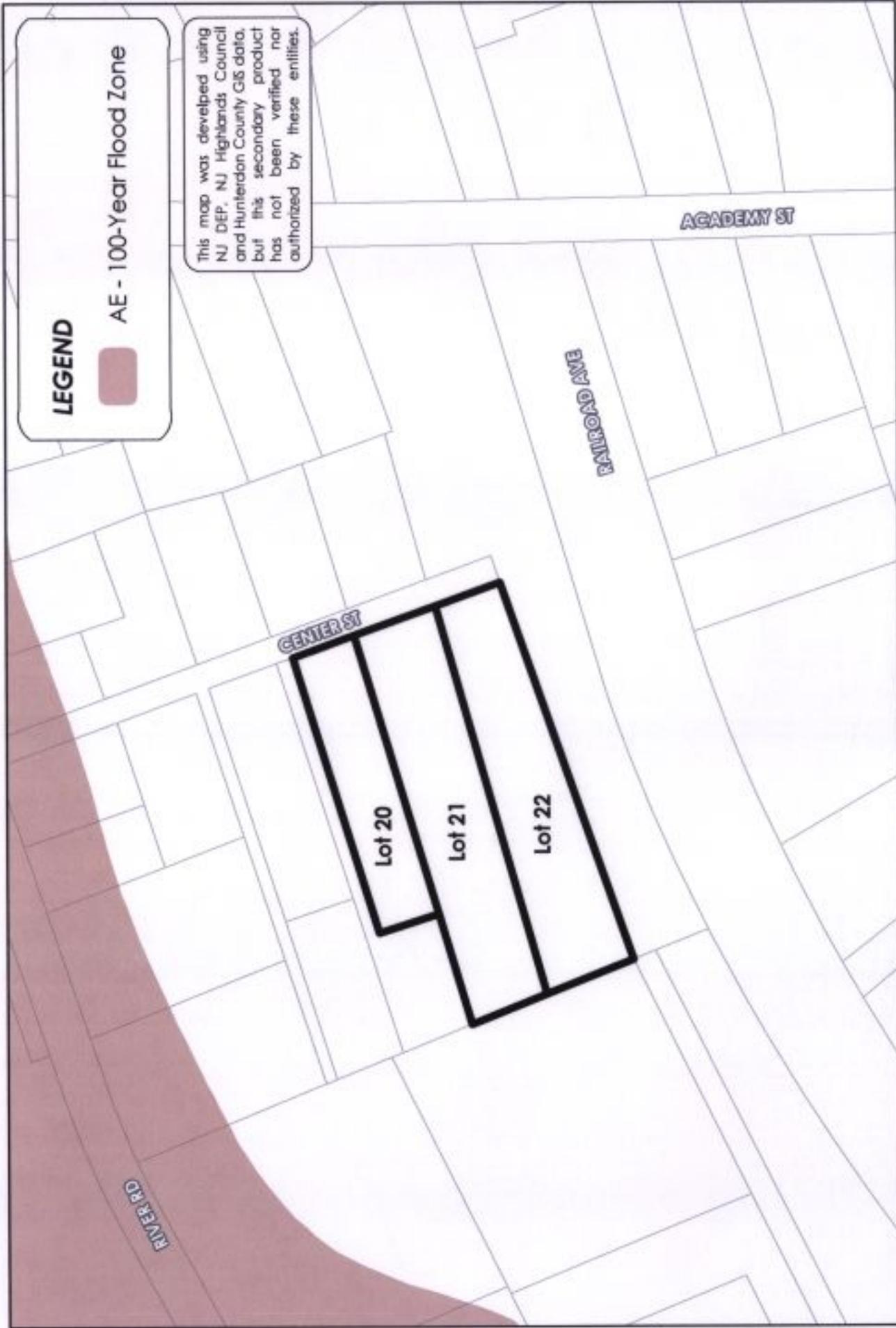
BLOCK 6, LOTS 20, 21 & 22 - WATER & SEWER UTILITY SERVICES



Callifon Borough
 Hunterdon County, New Jersey

BLOCK 6, LOTS 20, 21 & 22 - OPEN WATERS

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LEGEND

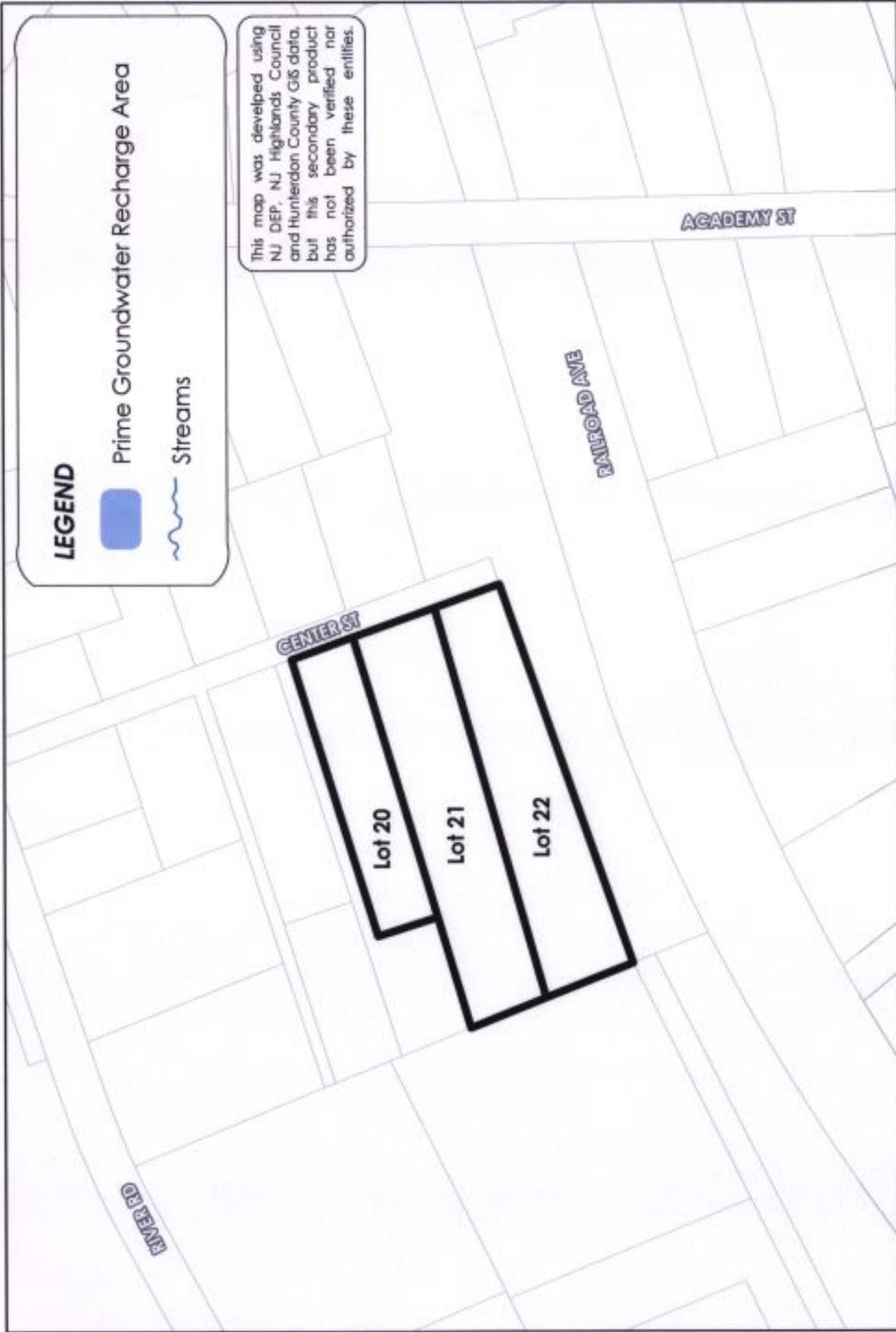
 AE - 100-Year Flood Zone

This map was developed using NJ DEP, NJ Highlands Council and Hunterdon County GIS data, but this secondary product has not been verified nor authorized by these entities.

 Feet
0 50 100 200

Califon Borough
Hunterdon County, New Jersey

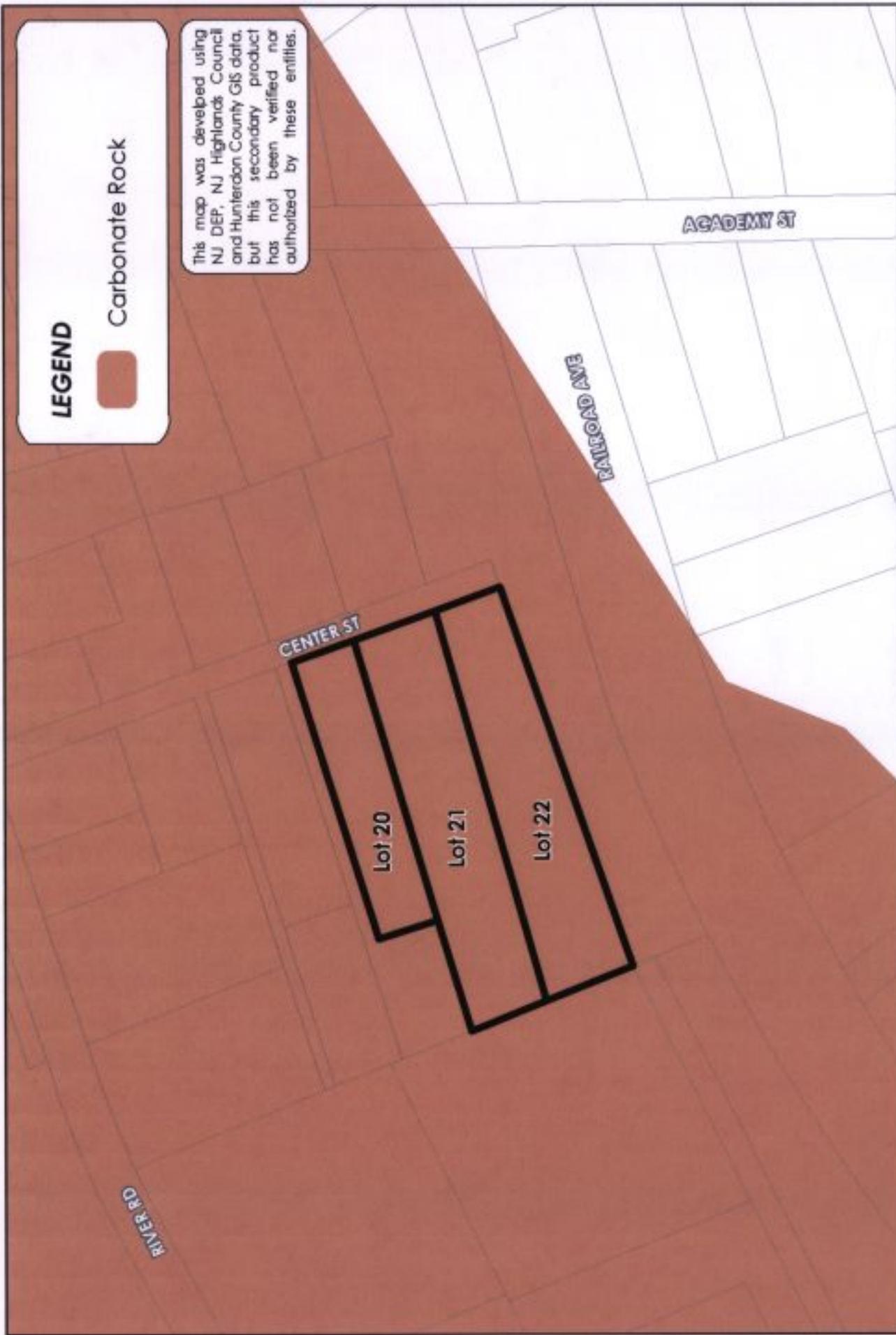
BLOCK 6, LOTS 20, 21 & 22 - FEMA FLOOD ZONES



Califon Borough
 Hunterdon County, New Jersey



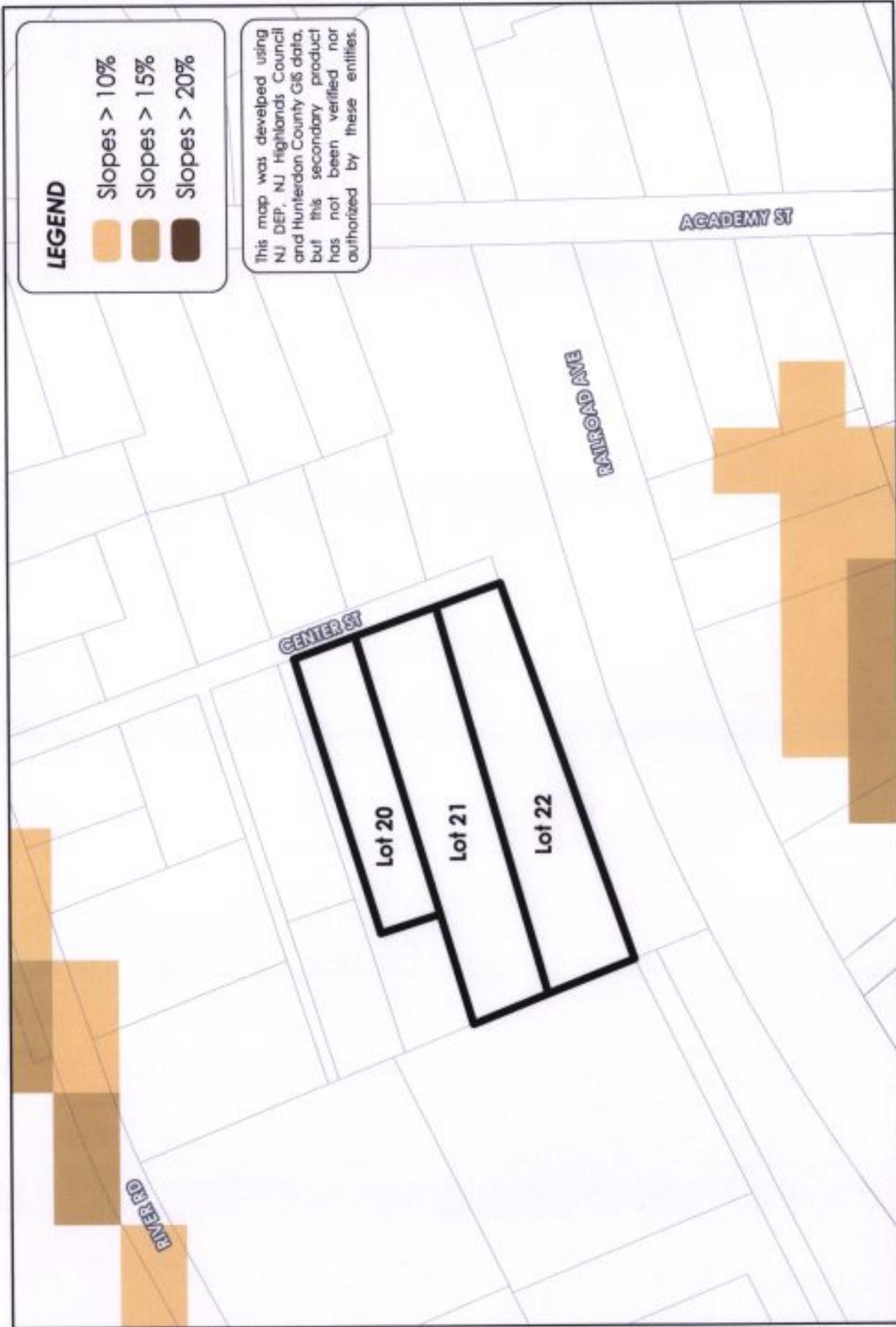
BLOCK 6, LOTS 20, 21 & 22 - PRIME GROUNDWATER RECHARGE AREAS



Callifon Borough
Hunterdon County, New Jersey



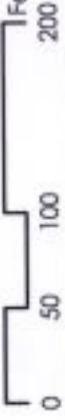
BLOCK 6, LOTS 20, 21 & 22 - CARBONATE ROCK AREAS



LEGEND

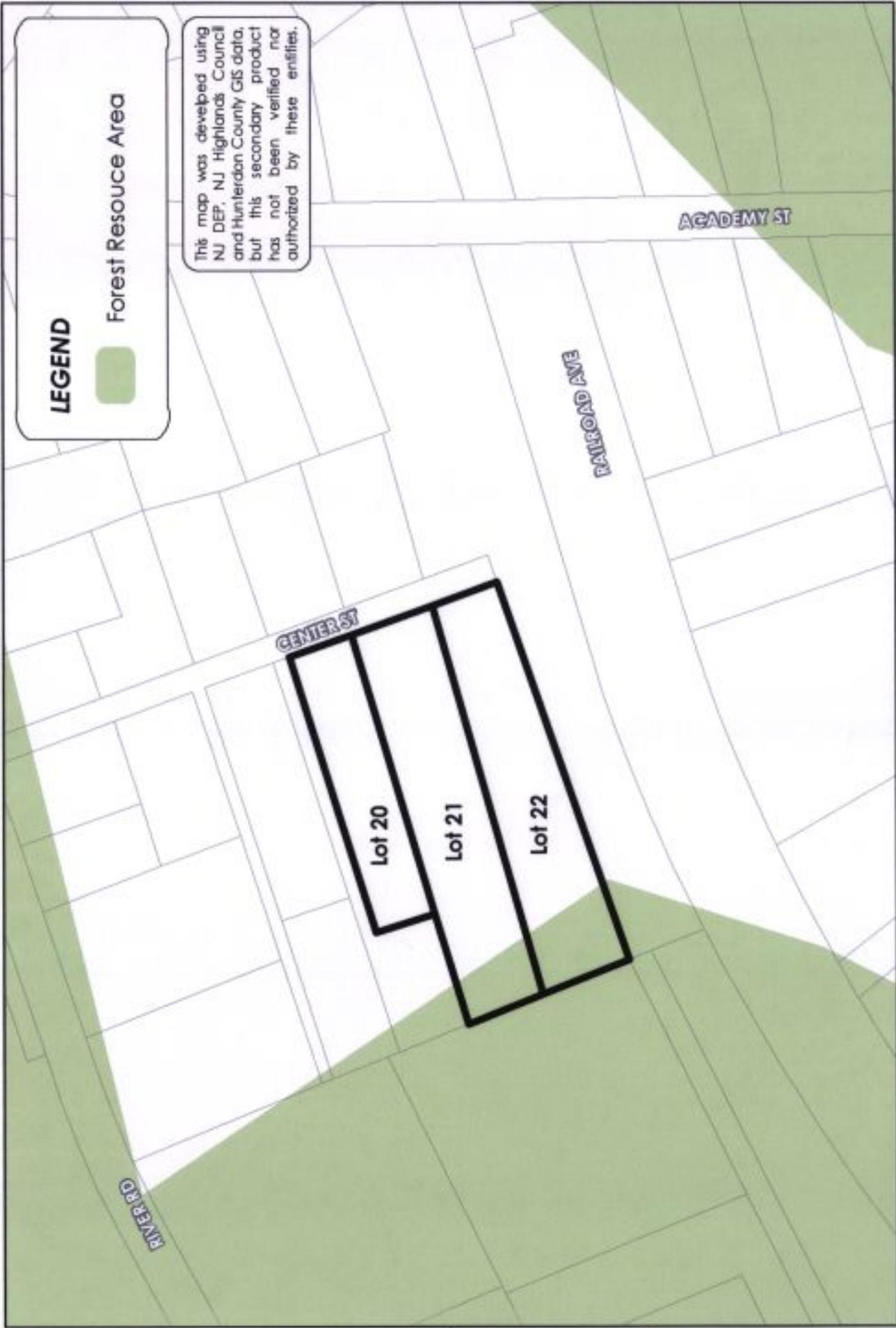
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- Slopes > 15%
- Slopes > 20%

This map was developed using NJ DEP, NJ Highlands Council and Hunterdon County GIS data, but this secondary product has not been verified nor authorized by these entities.

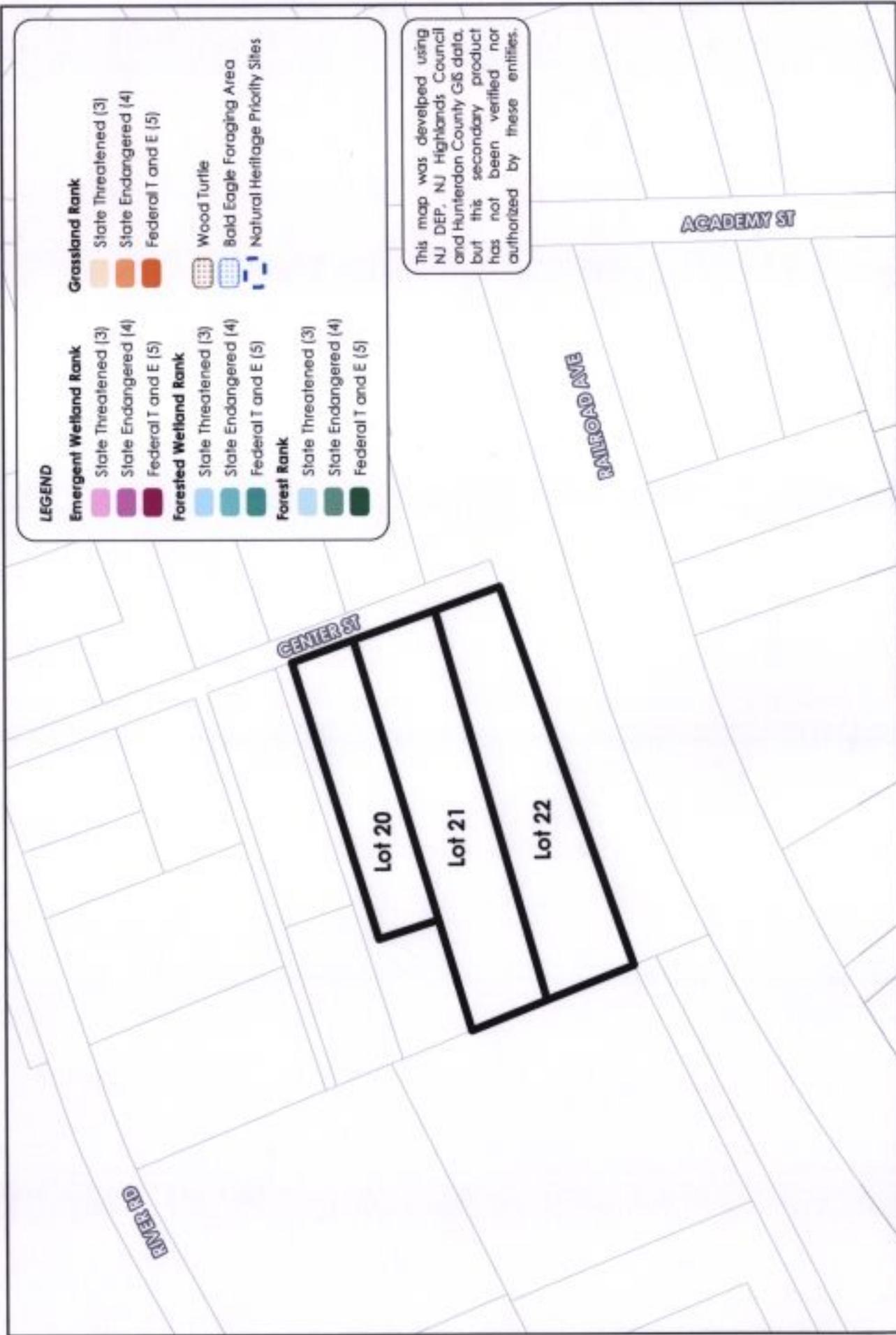
Califon Borough
 Hunterdon County, New Jersey

BLOCK 6, LOTS 20, 21 & 22 - STEEP SLOPES



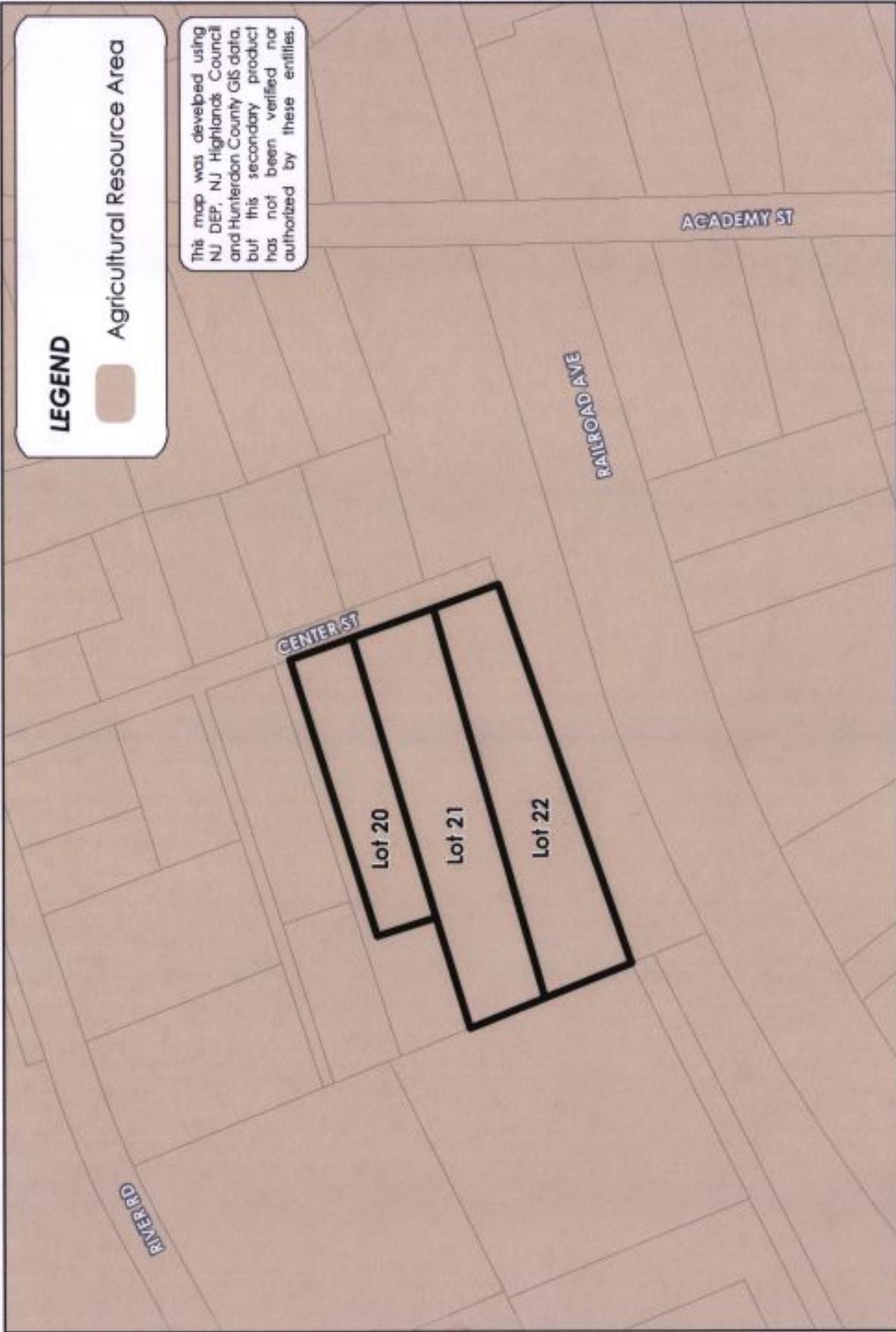
Callfon Borough
 Hunterdon County, New Jersey

BLOCK 6, LOTS 20, 21 & 22 - FOREST RESOURCE AREAS



Callifon Borough
 Hunterdon County, New Jersey

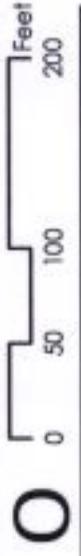
BLOCK 6, LOTS 20, 21 & 22 - RARE, THREATENED & ENDANGERED SPECIES HABITATS



LEGEND

 Agricultural Resource Area

This map was developed using NJ DEP, NJ Highlands Council and Hunterdon County GIS data, but this secondary product has not been verified nor authorized by these entities.



Califon Borough
Hunterdon County, New Jersey

BLOCK 6, LOTS 20, 21 & 22 - AGRICULTURAL RESOURCE AREAS

GROUP melvin DESIGN

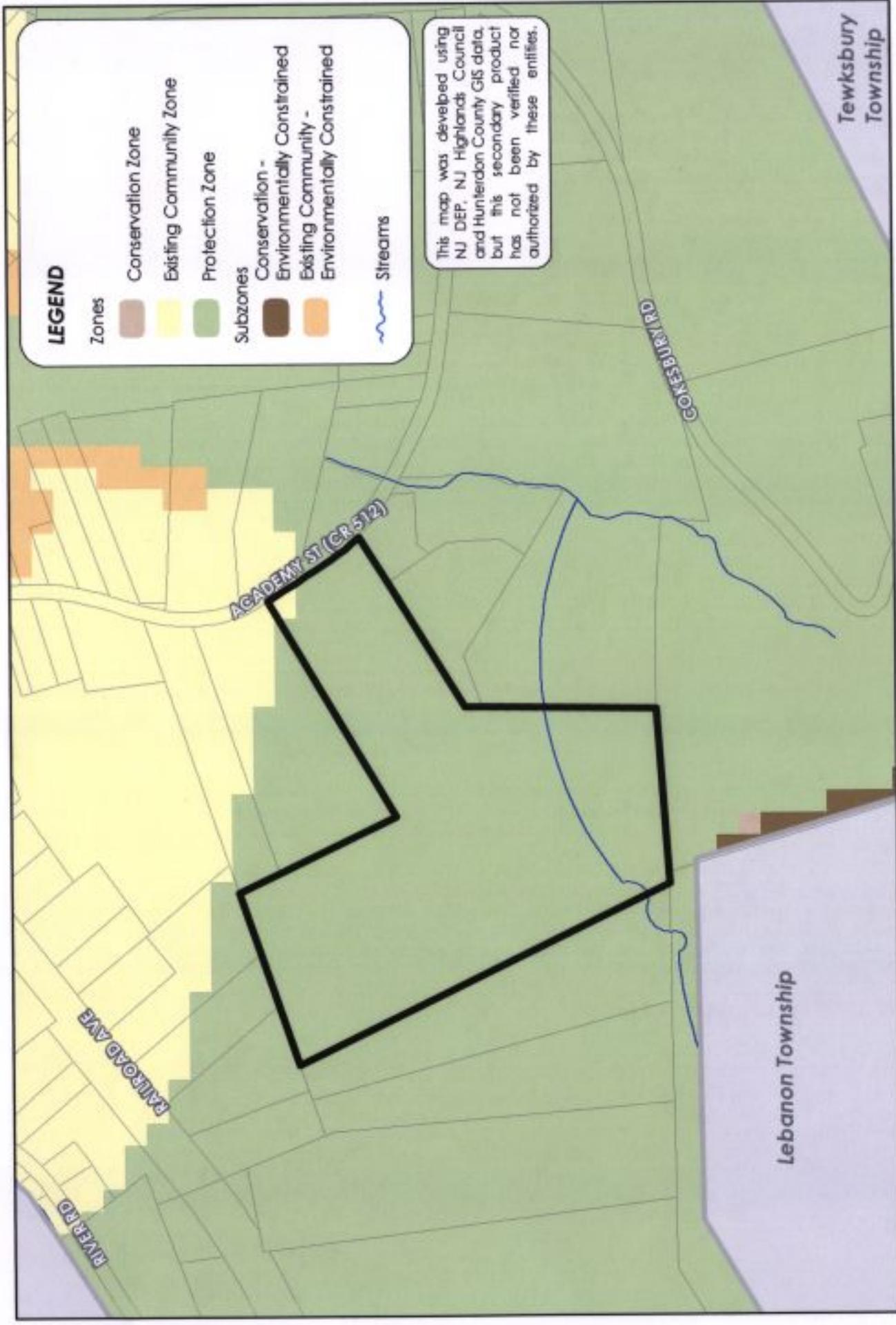
This map was developed using NJ DEP and Hunterdon County GIS data, but this secondary product has not been verified nor authorized by either entity.



GROUP **melvin** DESIGN

Califon Borough
Hunterdon County, New Jersey

BLOCK 18, LOT 25 - SITE MAP



LEGEND

Zones

Conservation Zone

Existing Community Zone

Protection Zone

Subzones

Conservation - Environmentally Constrained

Existing Community - Environmentally Constrained

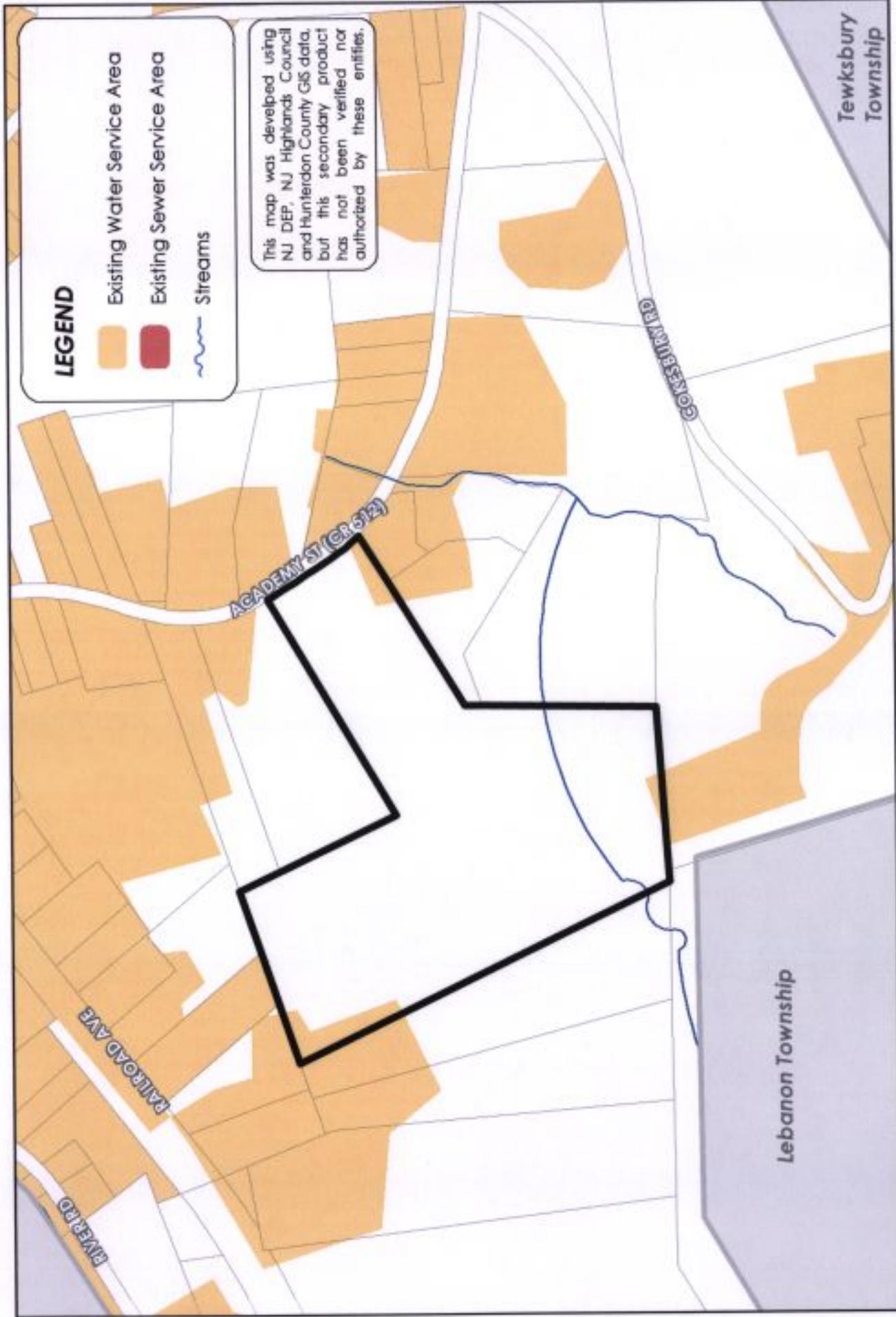
Streams

This map was developed using NJ DEP, NJ Highlands Council and Hunterdon County GIS data, but this secondary product has not been verified nor authorized by these entities.



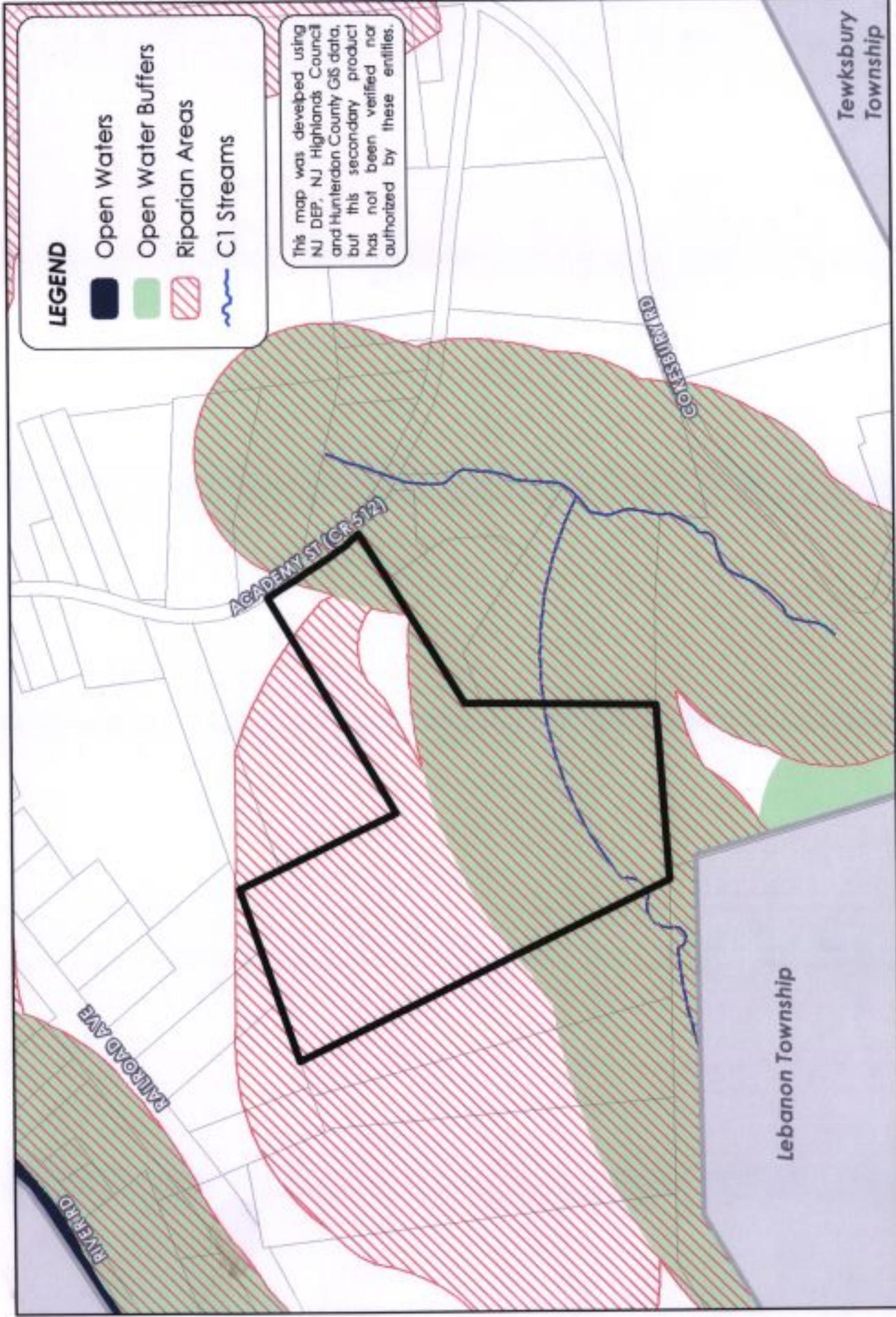
Califon Borough
Hunterdon County, New Jersey

BLOCK 18, LOT 25 - LAND USE CAPABILITY ZONES



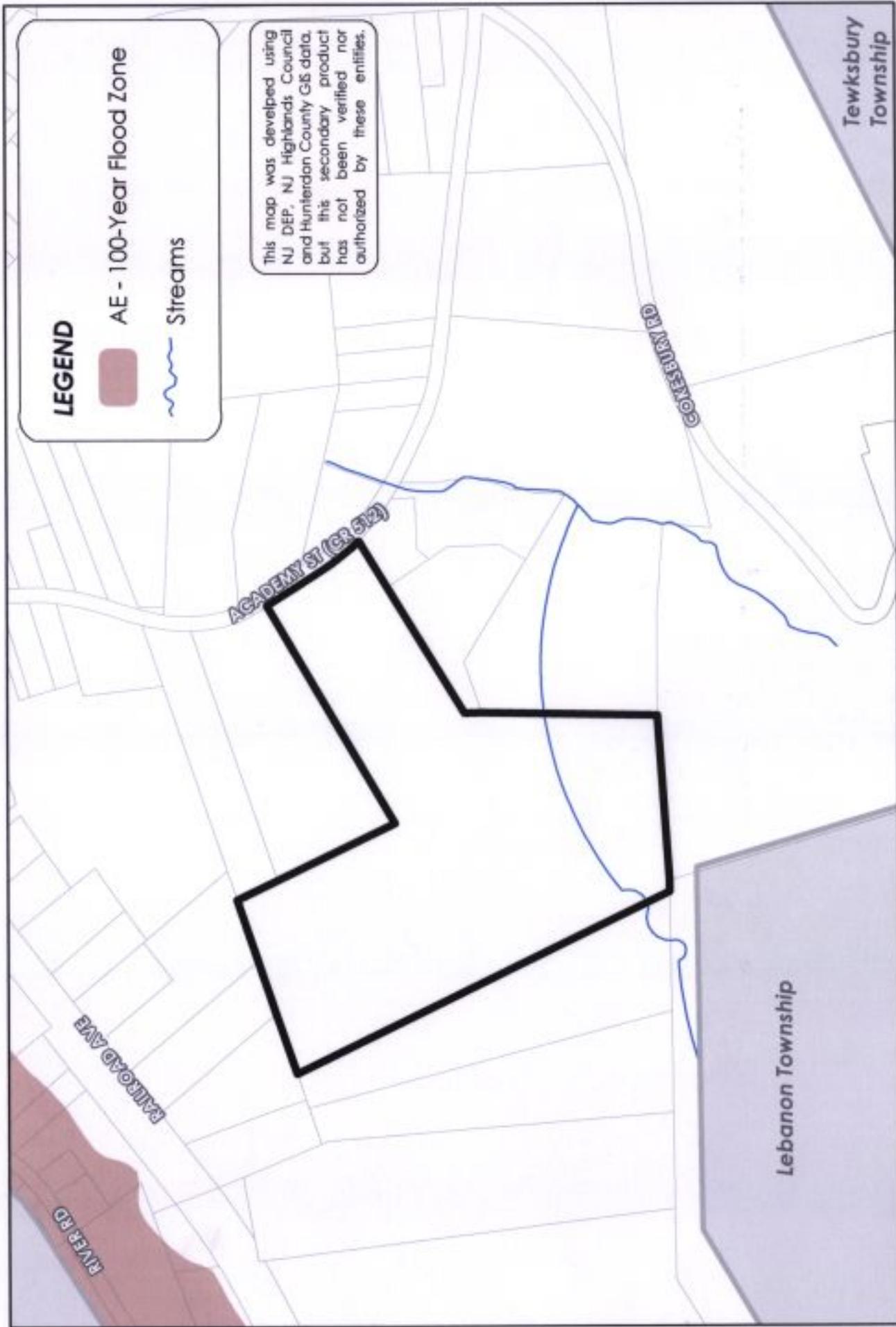
Califon Borough
 Hunterdon County, New Jersey

BLOCK 18, LOT 25 - WATER & SEWER UTILITY SERVICES



Califon Borough
Hunterdon County, New Jersey

BLOCK 18, LOT 25 - OPEN WATERS



LEGEND

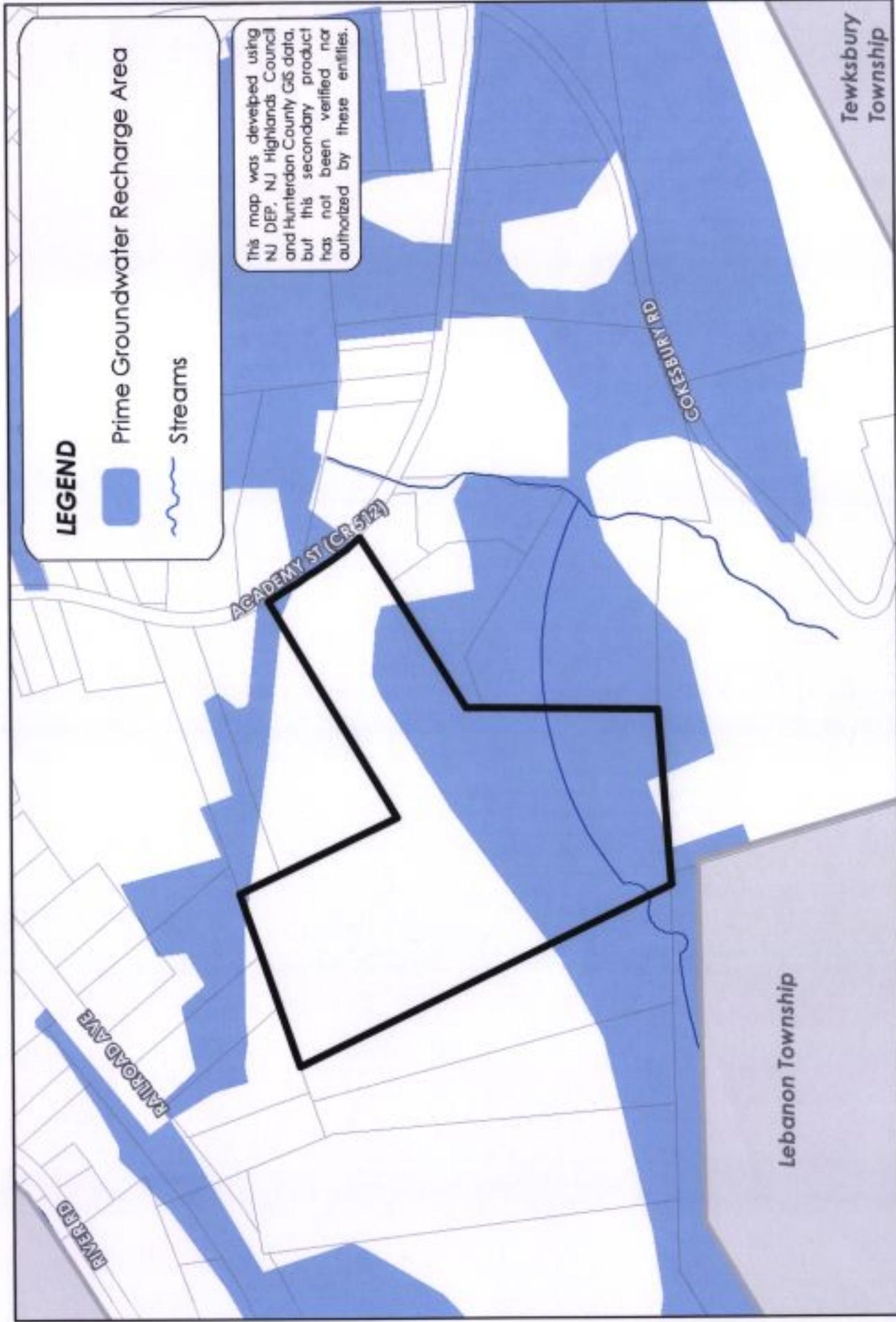
- AE - 100-Year Flood Zone
- Streams

This map was developed using NJ DEP, NJ Highlands Council and Hunterdon County GIS data, but this secondary product has not been verified nor authorized by these entities.



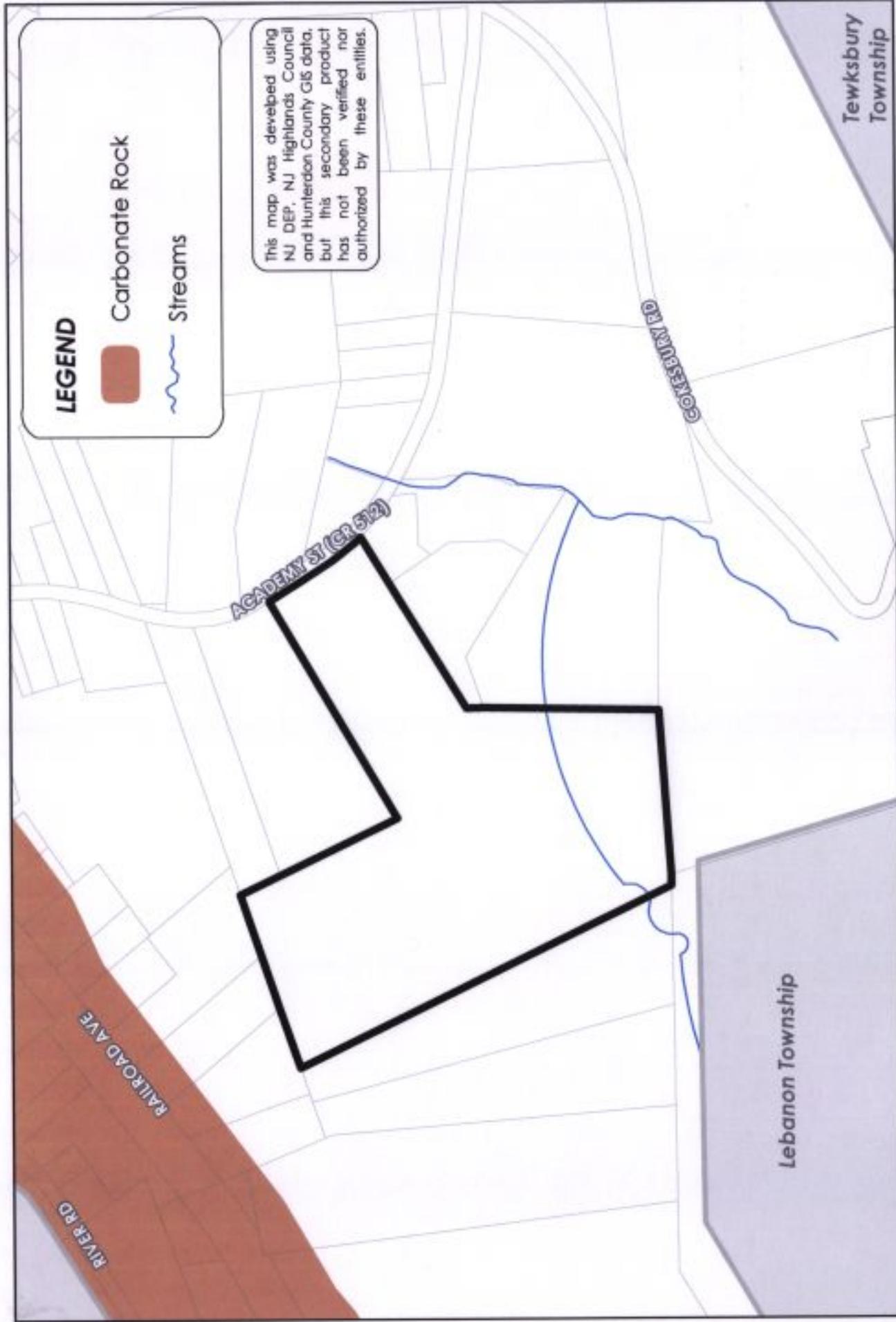
Califon Borough
 Hunterdon County, New Jersey

BLOCK 18, LOT 25 - FEMA FLOOD ZONES



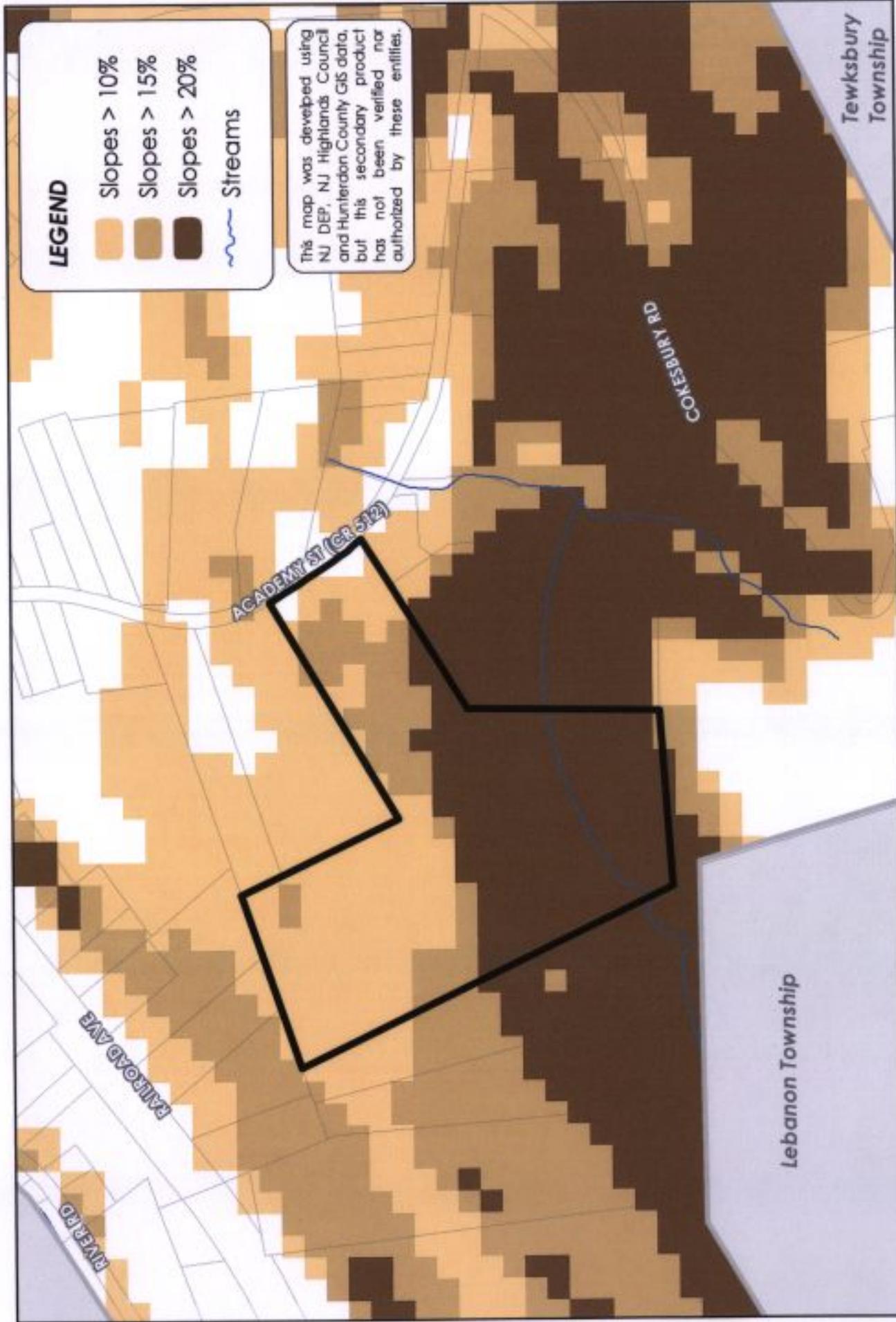
Callifon Borough
 Hunterdon County, New Jersey

BLOCK 18, LOT 25 - PRIME GROUNDWATER RECHARGE AREAS



Califon Borough
 Hunterdon County, New Jersey

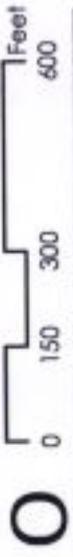
BLOCK 18, LOT 25 - CARBONATE ROCK AREAS



LEGEND

- Slopes > 10%
- Slopes > 15%
- Slopes > 20%
- Streams

This map was developed using NJ DEP, NJ Highlands Council and Hunterdon County GIS data, but this secondary product has not been verified nor authorized by these entities.



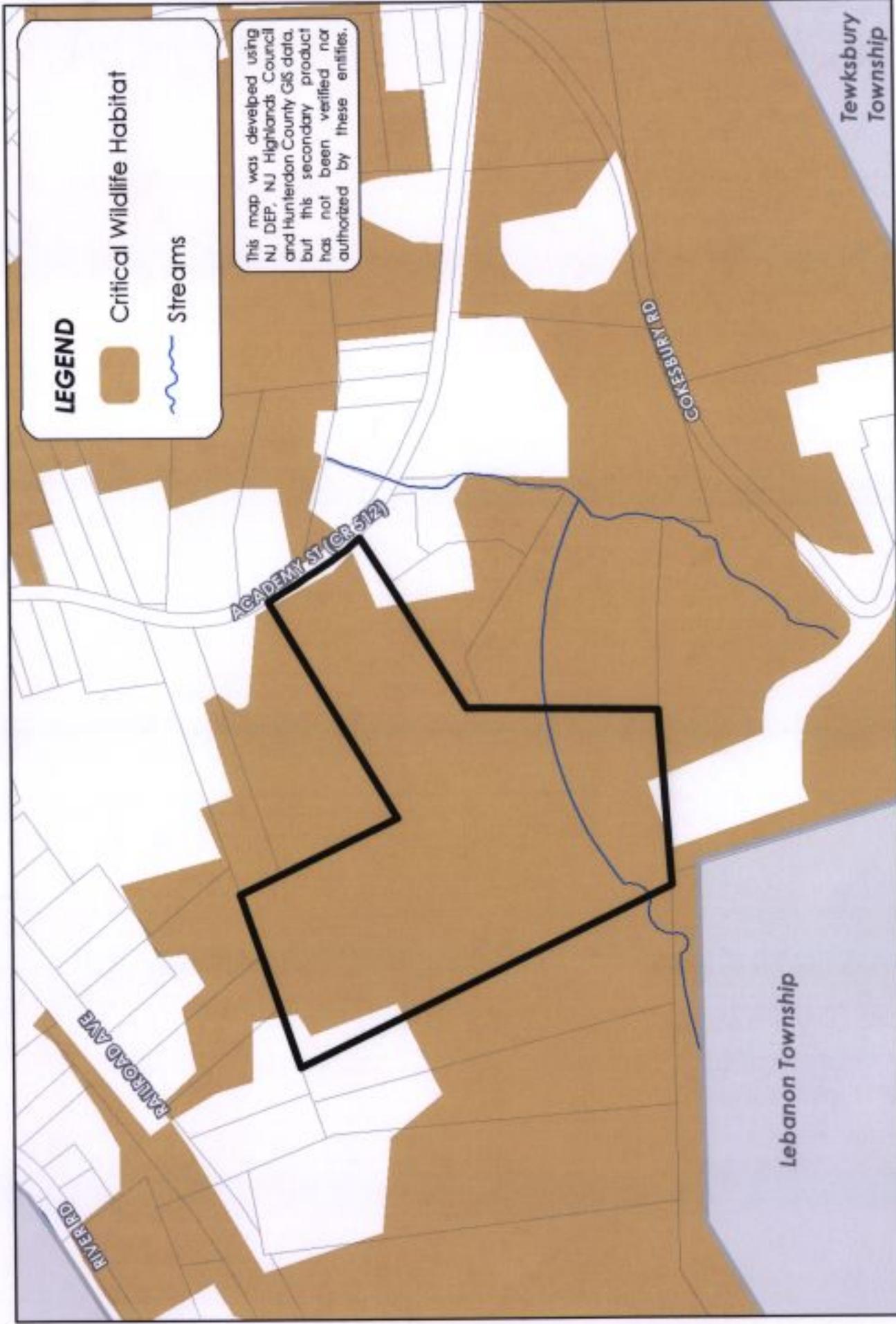
GROUP **melvin** DESIGN

Califon Borough
Hunterdon County, New Jersey

BLOCK 18, LOT 25 - STEEP SLOPES

Lebanon Township

Tewksbury Township



Califon Borough
Hunterdon County, New Jersey

BLOCK 18, LOT 25 - CRITICAL WILDLIFE HABITAT



LEGEND

- Forest Resource Area
- Streams

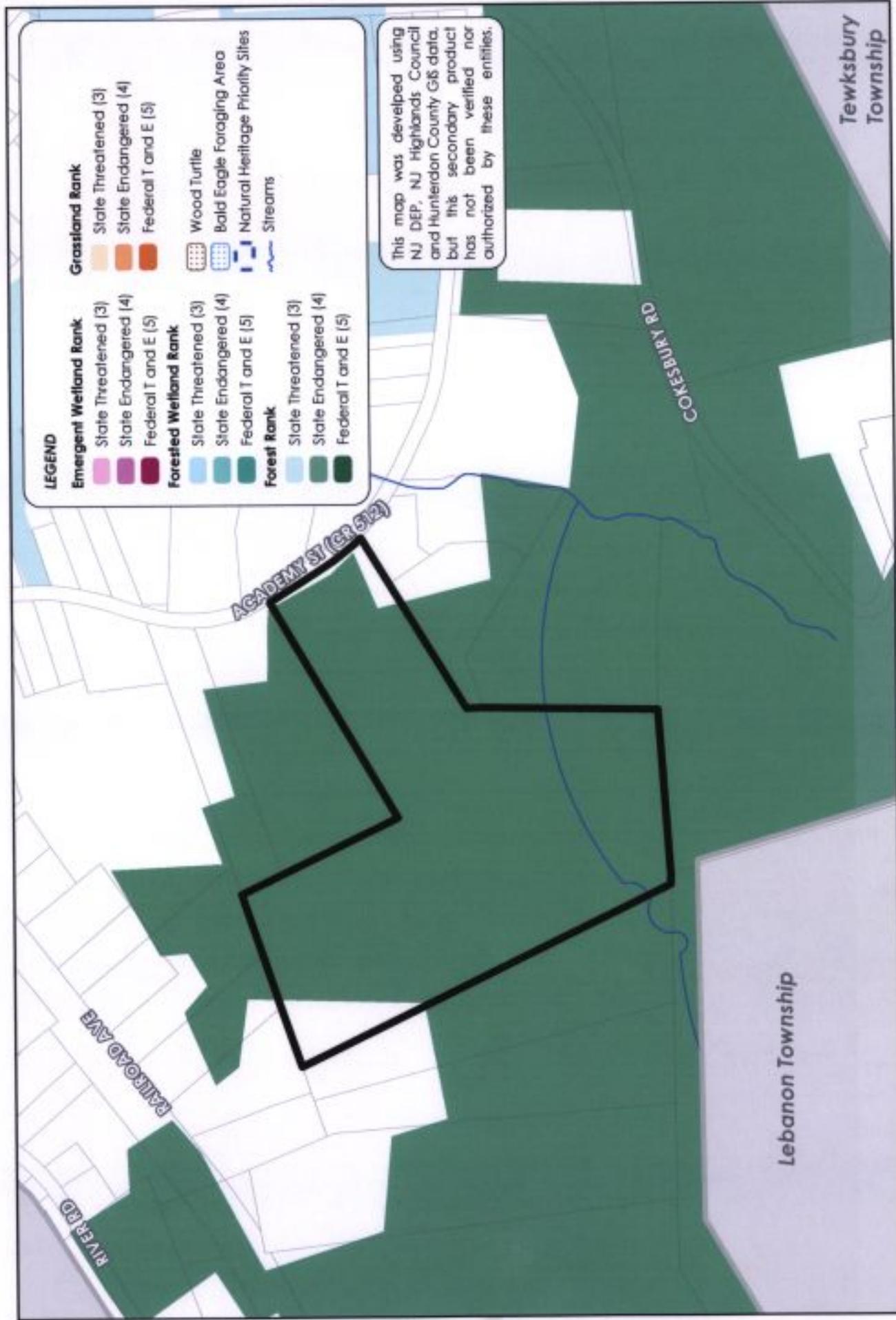
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Califon Borough
 Hunterdon County, New Jersey

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BLOCK 18, LOT 25 - FOREST RESOURCE AREAS



Califon Borough
 Hunterdon County, New Jersey

BLOCK 18, LOT 25 - RARE, THREATENED & ENDANGERED SPECIES HABITATS



Califon Borough
Hunterdon County, New Jersey

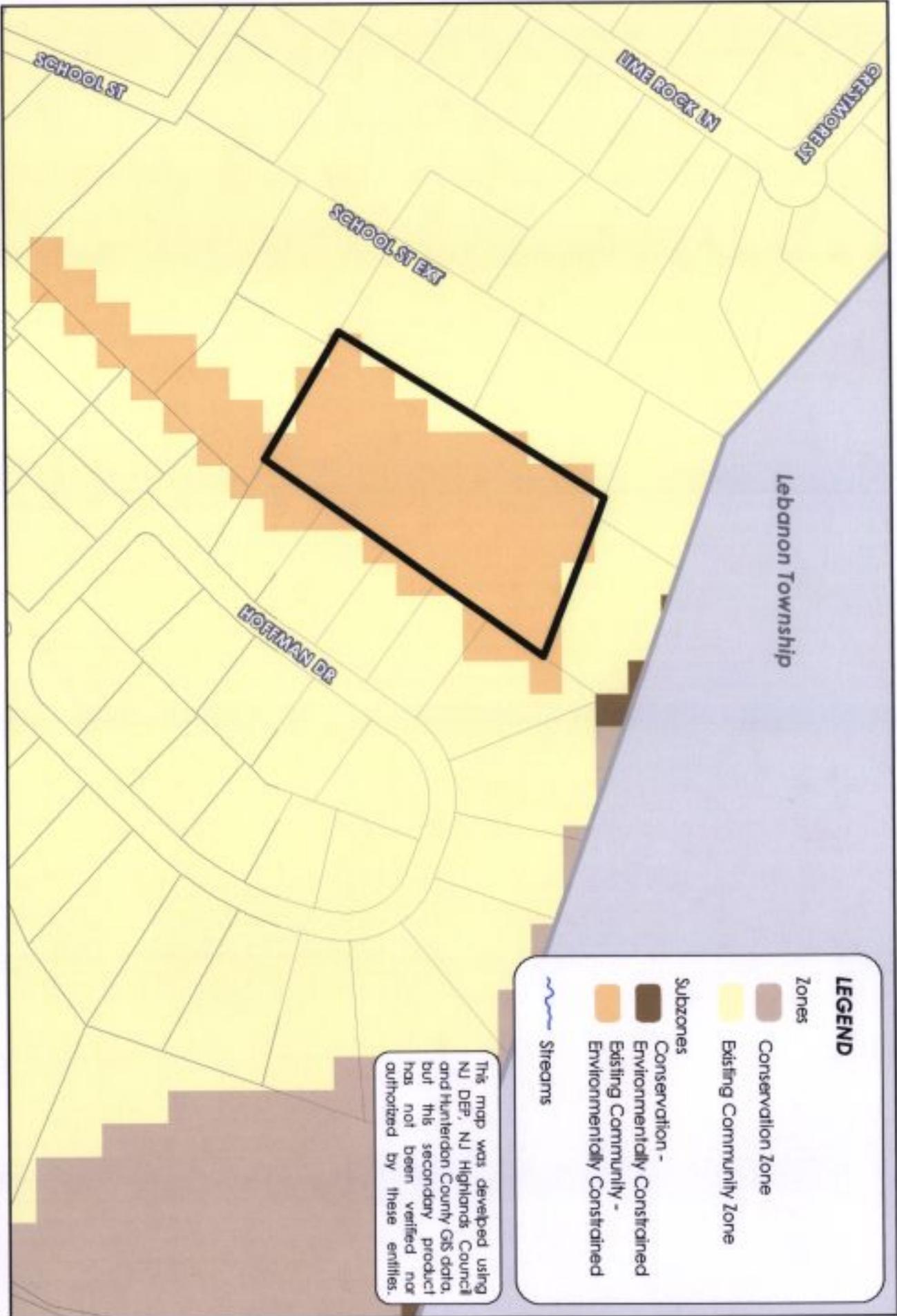
BLOCK 18, LOT 25 - AGRICULTURAL RESOURCE AREAS



This map was developed using NJ DEP and Hunterdon County GIS data, but this secondary product has not been verified nor authorized by either entity.

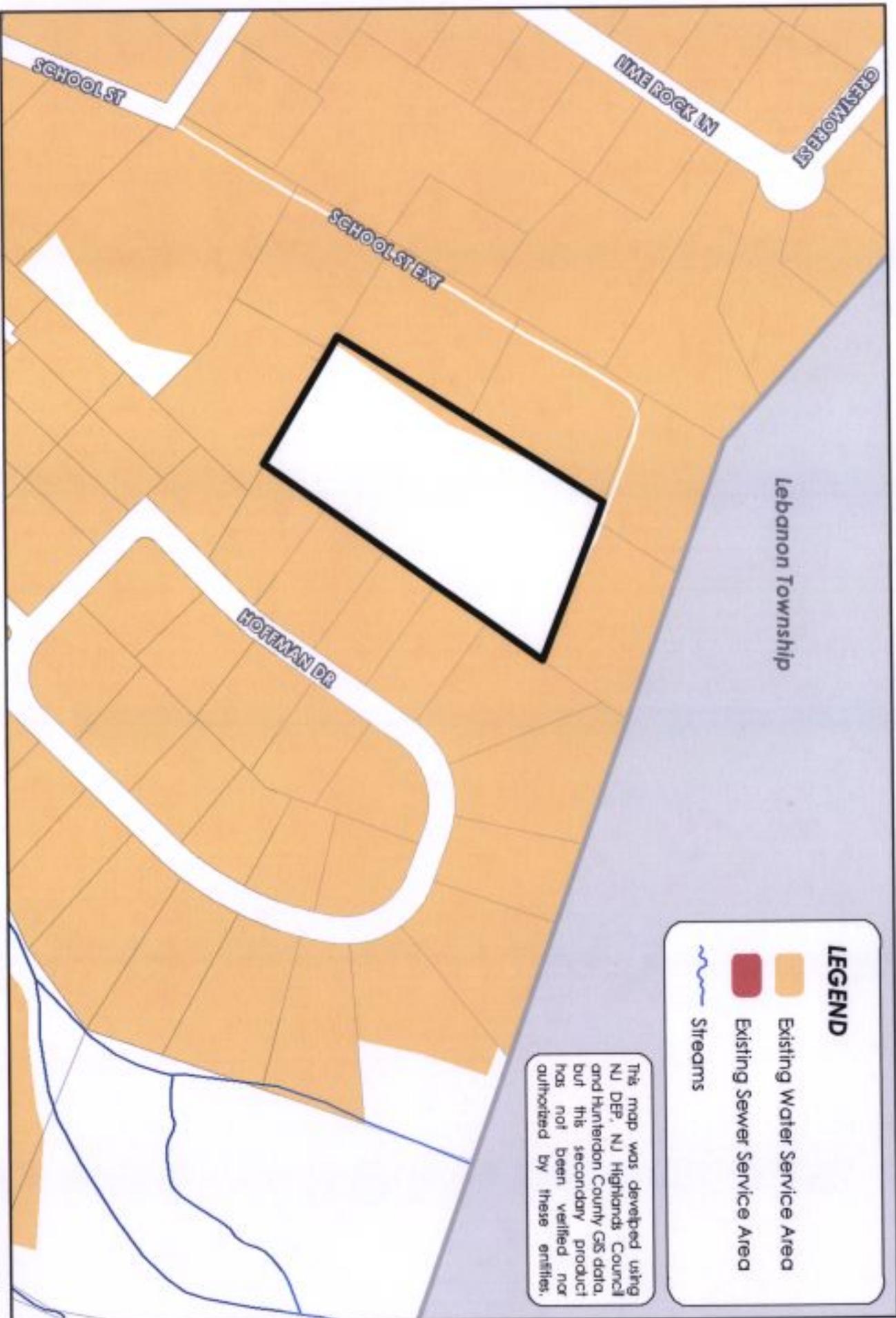
Califon Borough
Hunterdon County, New Jersey

BLOCK 8, LOT 13 - SITE MAP



Calliton Borough
 Hunterdon County, New Jersey

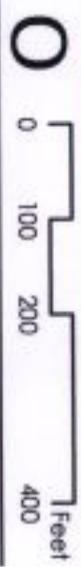
BLOCK 8, LOT 13 - LAND USE CAPABILITY ZONES



LEGEND

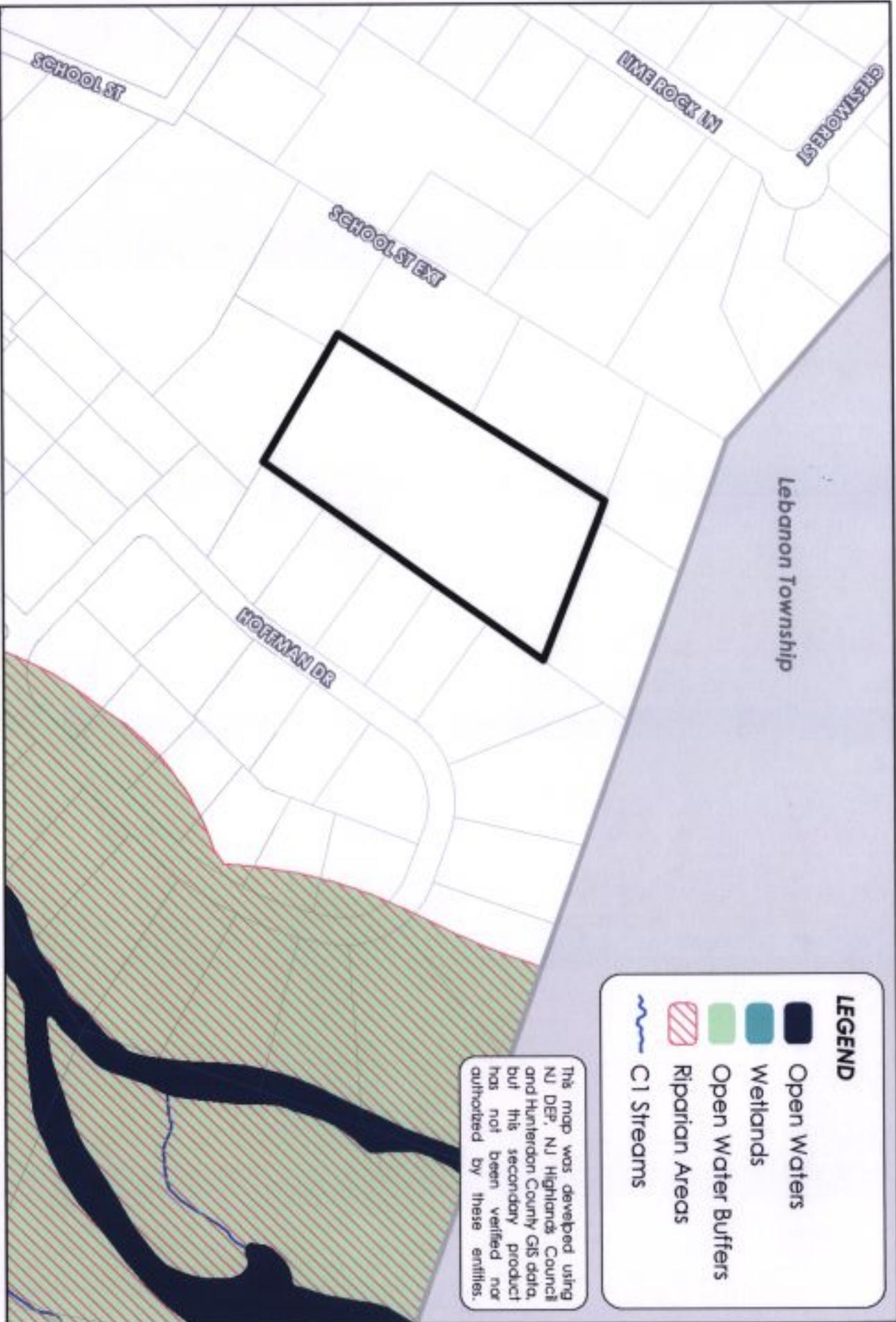
- Existing Water Service Area
- Existing Sewer Service Area
- Streams

This map was developed using NJ DEP, NJ Highlands Council and Hunterdon County GIS data, but this secondary product has not been verified nor authorized by these entities.



Callion Borough
Hunterdon County, New Jersey

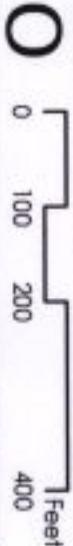
BLOCK 8, LOT 13 - WATER & SEWER UTILITY SERVICES



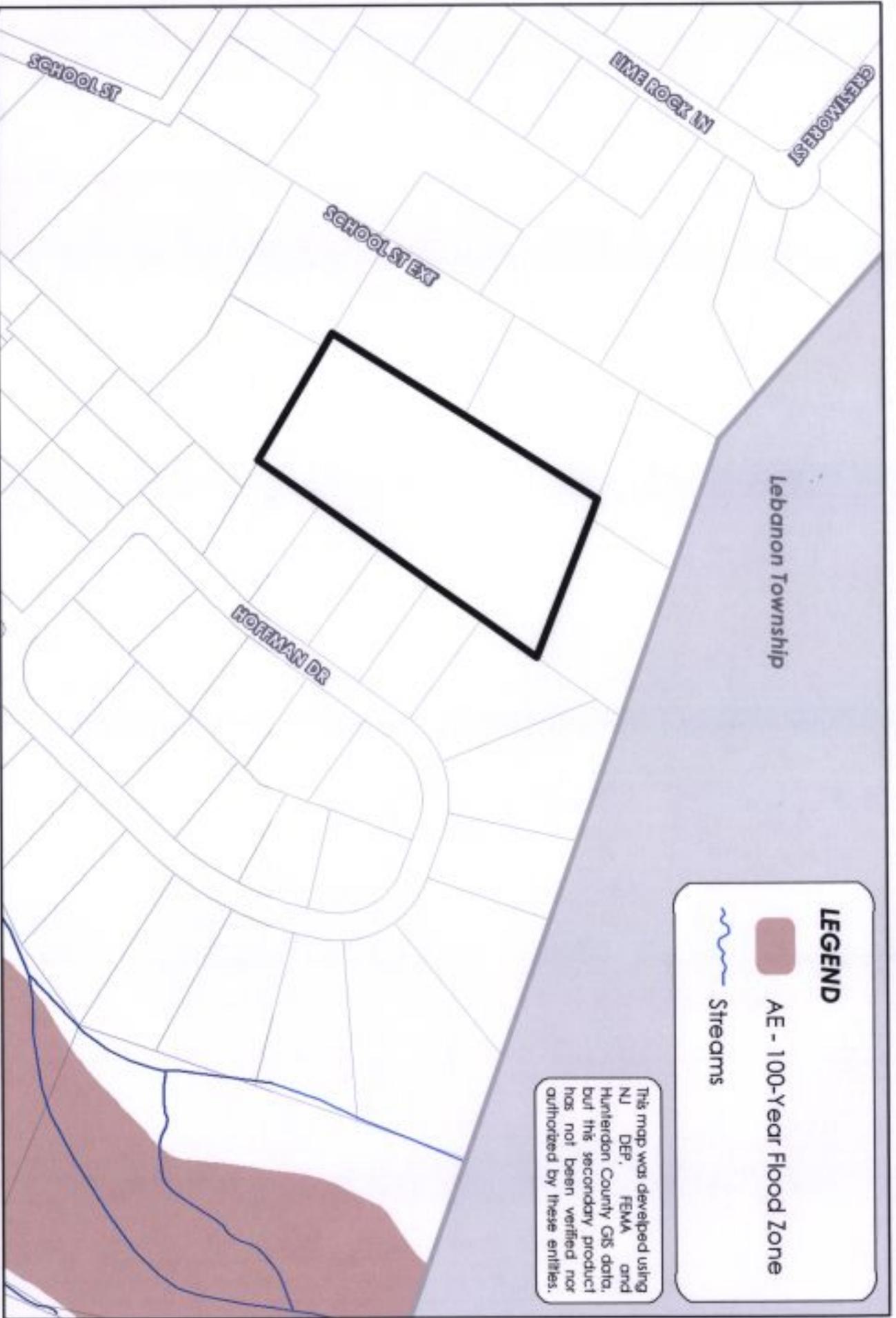
LEGEND

-  Open Waters
-  Wetlands
-  Open Water Buffers
-  Riparian Areas
-  C1 Streams

This map was developed using NJ DEP, NJ Highlands Council and Hunterdon County GIS data, but this secondary product has not been verified nor authorized by these entities.



Califon Borough
 Hunterdon County, New Jersey
BLOCK 8, LOT 13 - OPEN WATERS

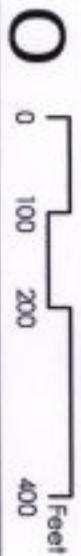


Lebanon Township

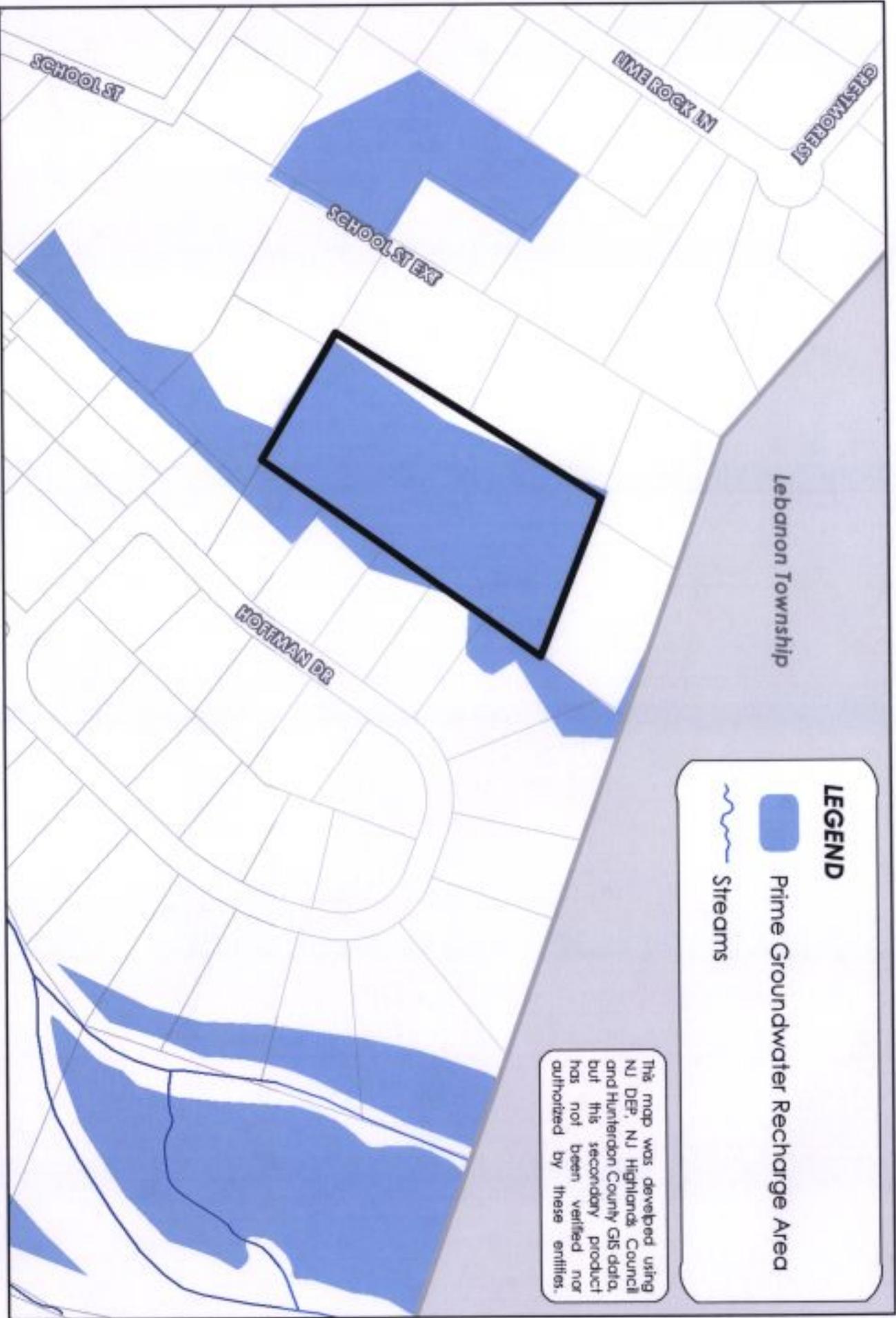
LEGEND

- AE - 100-Year Flood Zone
- Streams

This map was developed using NJ DEP, FEMA and Hunterdon County GIS data, but this secondary product has not been verified nor authorized by these entities.



Califon Borough
 Hunterdon County, New Jersey
BLOCK 8, LOT 13 - FEMA FLOOD ZONES



Lebanon Township

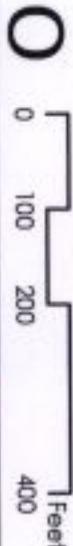
LEGEND

Prime Groundwater Recharge Area

Streams

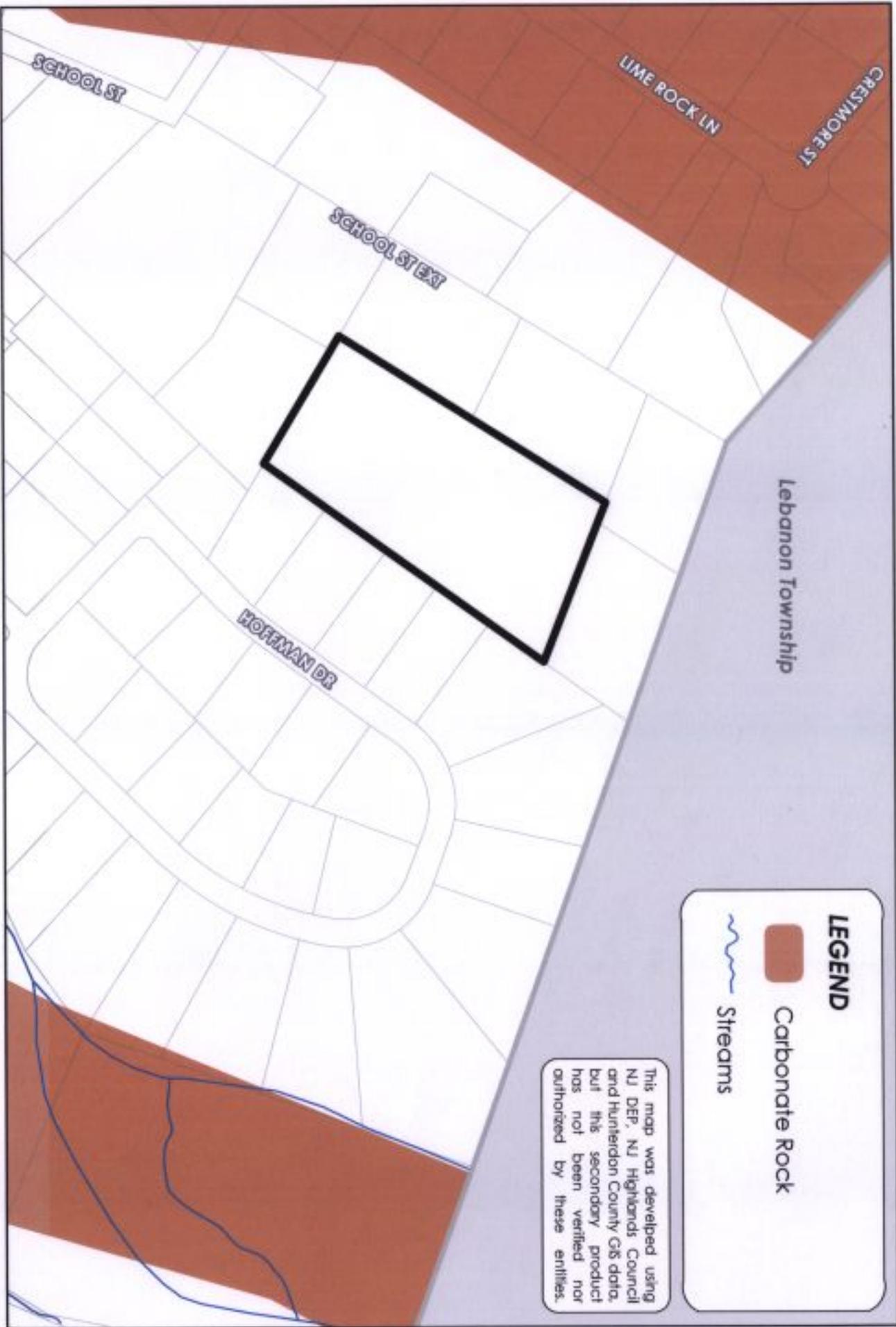
This map was developed using NJ DEP, NJ Highlands Council and Hunterdon County GIS data, but this secondary product has not been verified nor authorized by these entities.

Califon Borough
 Hunterdon County, New Jersey



BLOCK 8, LOT 13 - PRIME GROUNDWATER RECHARGE AREAS

GROUPme|INNOVATION

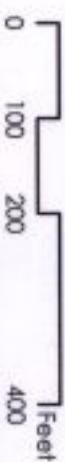


LEGEND

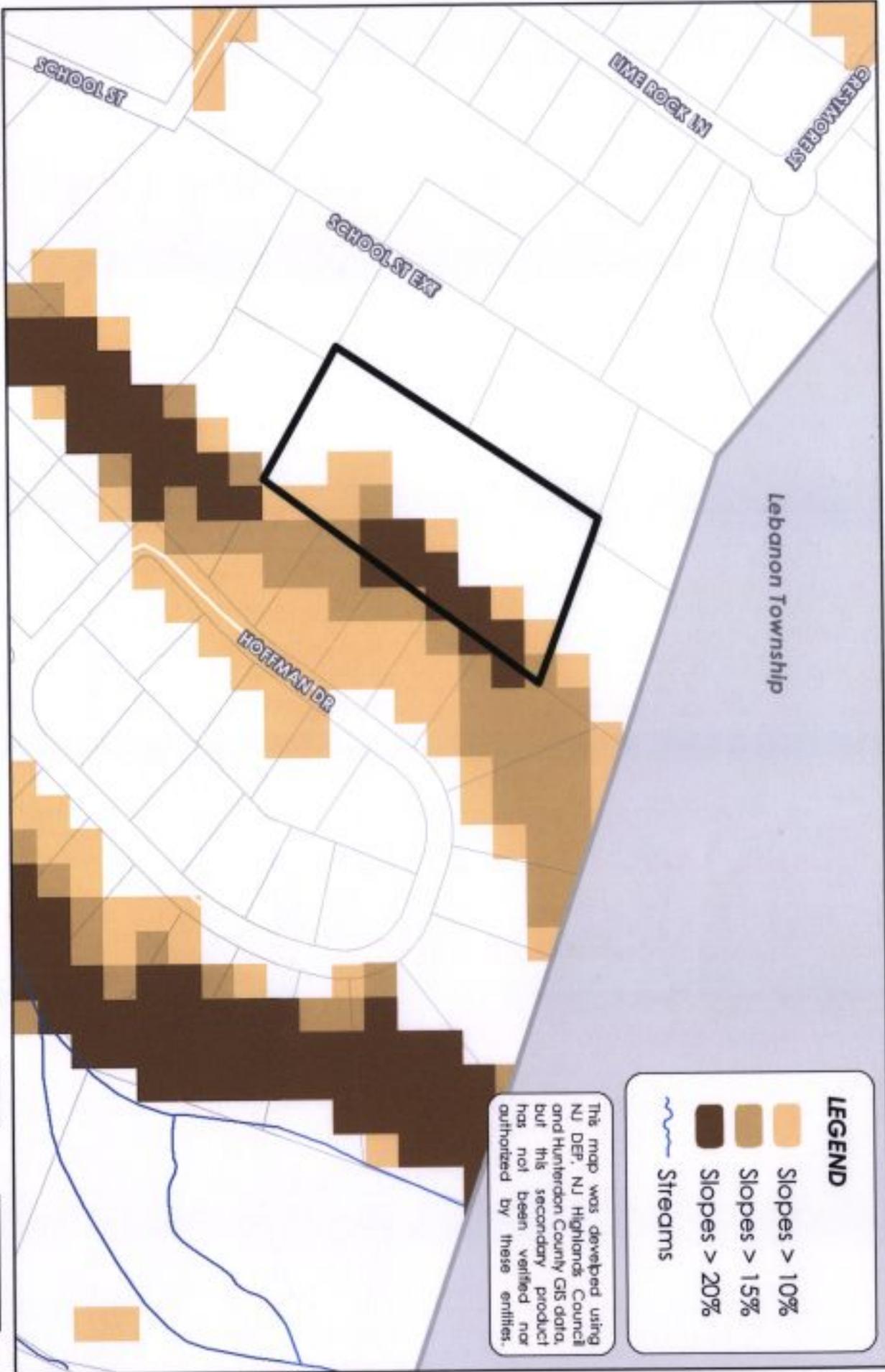
 Carbonate Rock

 Streams

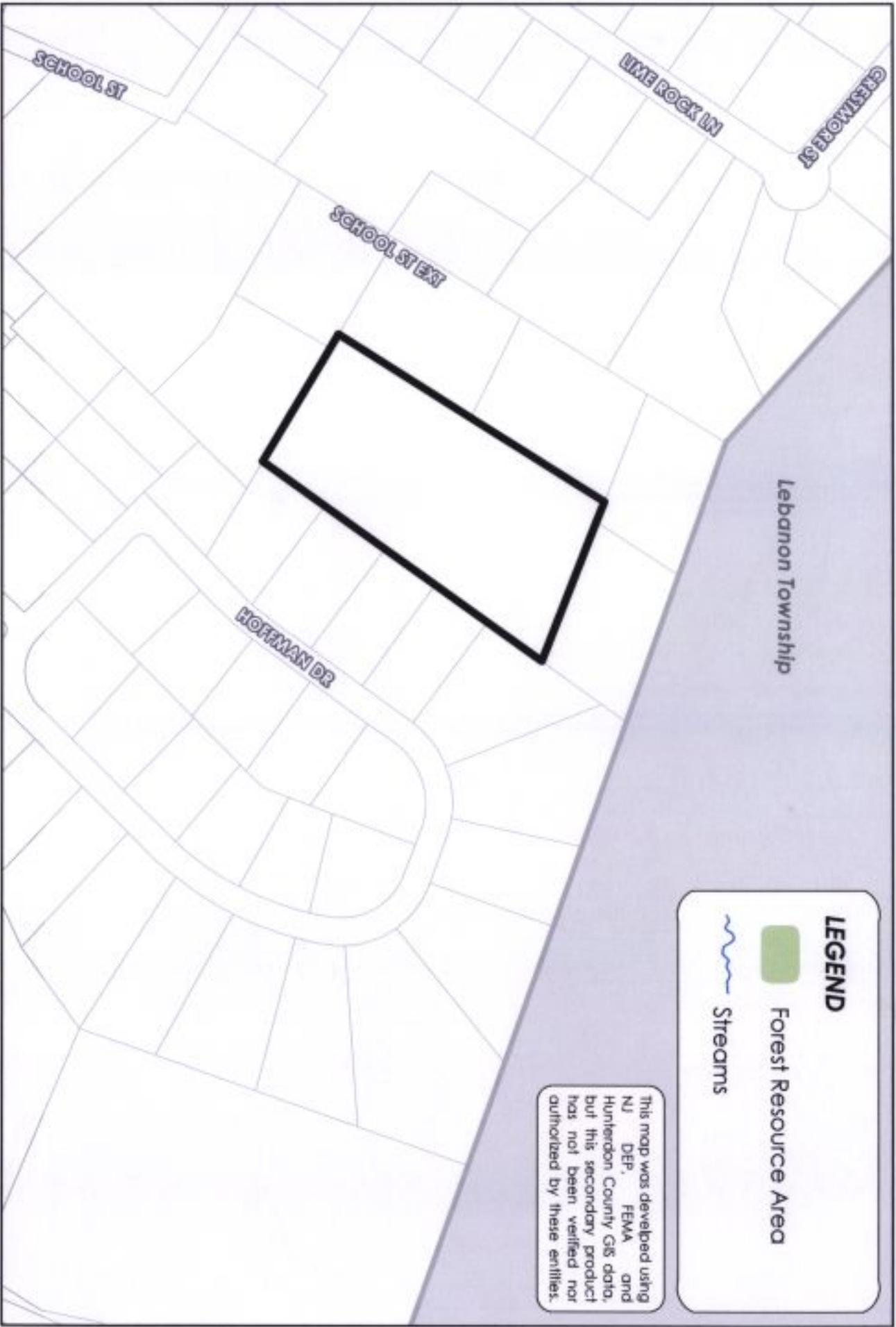
This map was developed using NJ DEP, NJ Highlands Council and Hunterdon County GIS data, but this secondary product has not been verified nor authorized by these entities.



Califon Borough
 Hunterdon County, New Jersey
BLOCK 8, LOT 13 - CARBONATE ROCK AREAS



Califon Borough
 Hunterdon County, New Jersey
BLOCK 8, LOT 13 - STEEP SLOPES



Lebanon Township

LEGEND

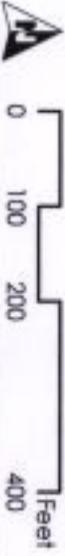
Forest Resource Area

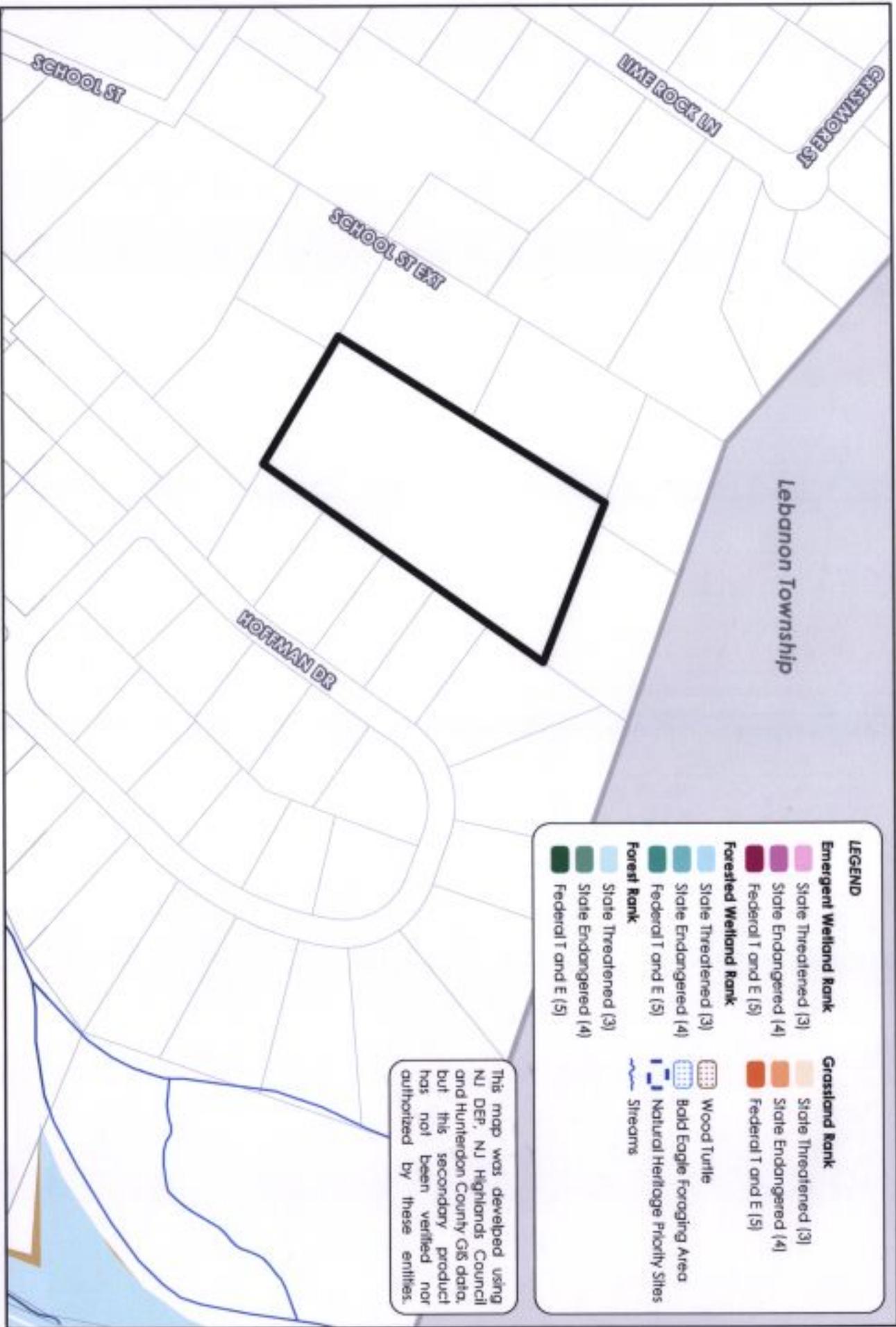
Streams

This map was developed using NJ DEP, FEMA and Hunterdon County GIS data, but this secondary product has not been verified nor authorized by these entities.

Califon Borough
Hunterdon County, New Jersey

BLOCK 8, LOT 13 - FOREST RESOURCE AREAS

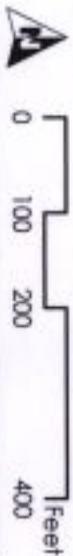




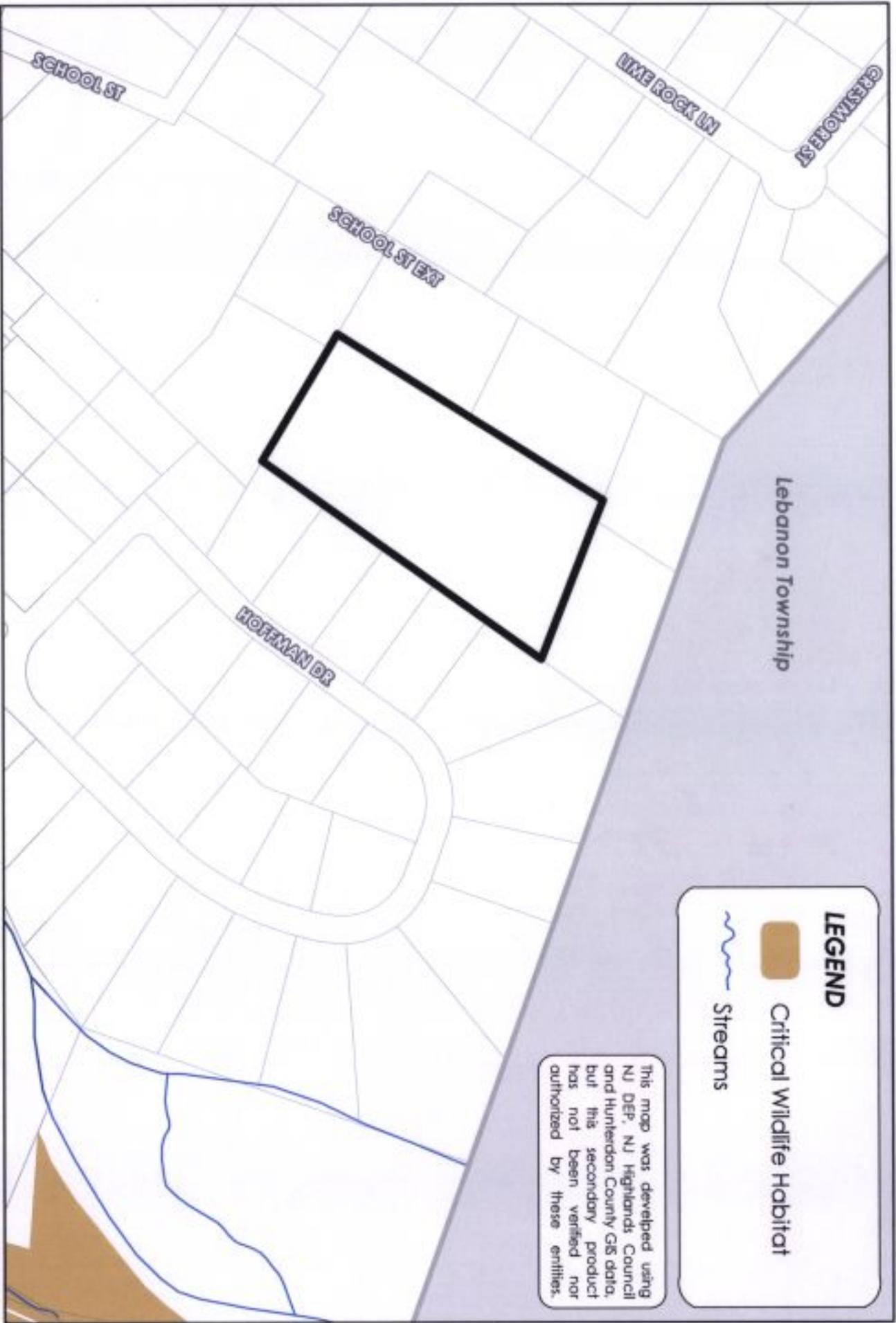
LEGEND

Emergent Wetland Rank	Grassland Rank
State Threatened (3)	State Threatened (3)
State Endangered (4)	State Endangered (4)
Federal T and E (5)	Federal T and E (5)
Forested Wetland Rank	Wood Turtle
State Threatened (3)	Bald Eagle Foraging Area
State Endangered (4)	Natural Heritage Priority Sites
Federal T and E (5)	Streams
Forest Rank	
State Threatened (3)	
State Endangered (4)	
Federal T and E (5)	

This map was developed using NJ DEP, NJ Highlands Council and Hunterdon County GIS data, but this secondary product has not been verified nor authorized by these entities.



Califon Borough
 Hunterdon County, New Jersey
BLOCK 8, LOT 13 - RARE, THREATENED & ENDANGERED SPECIES HABITATS



This map was developed using NJ DEP, NJ Highlands Council and Hunterdon County GIS data, but this secondary product has not been verified nor authorized by these entities.

Lebanon Township

LEGEND

 Critical Wildlife Habitat

 Streams

Calton Borough
Hunterdon County, New Jersey

BLOCK 8, LOT 13 - CRITICAL WILDLIFE HABITAT





LEGEND

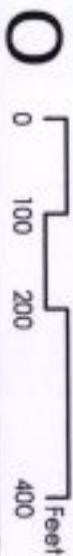


Agricultural Resource Area



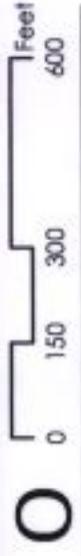
Streams

This map was developed using NJ DEP, NJ Highlands Council and Hunterdon County GIS data, but the secondary product has not been verified nor authorized by these entities.



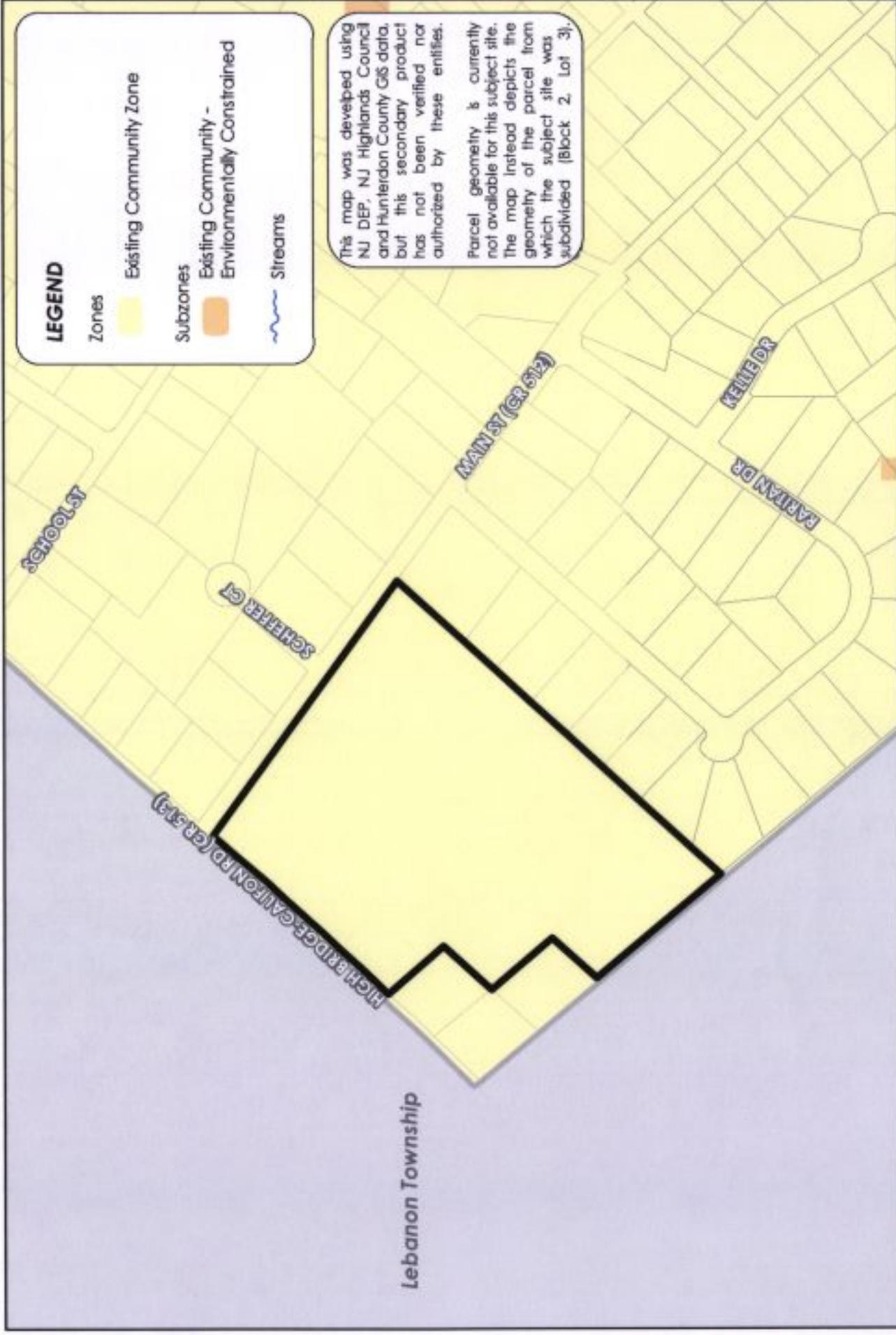
Calliton Borough
 Hunterdon County, New Jersey
BLOCK 8, LOT 13 - AGRICULTURAL RESOURCE AREAS

This map was developed using NJ DEP and Hunterdon County GIS data, but this secondary product has not been verified nor authorized by either entity. Parcel geometry is currently not available for this subject site. The map instead depicts the geometry of the parcel from which the subject site was subdivided (Block 2, Lot 3).



GROUP **melvin** DESIGN

Califon Borough
Hunterdon County, New Jersey
BLOCK 2, LOT 3.01 - SITE MAP



LEGEND

Zones

- Existing Community Zone

Subzones

- Existing Community - Environmentally Constrained

Streams

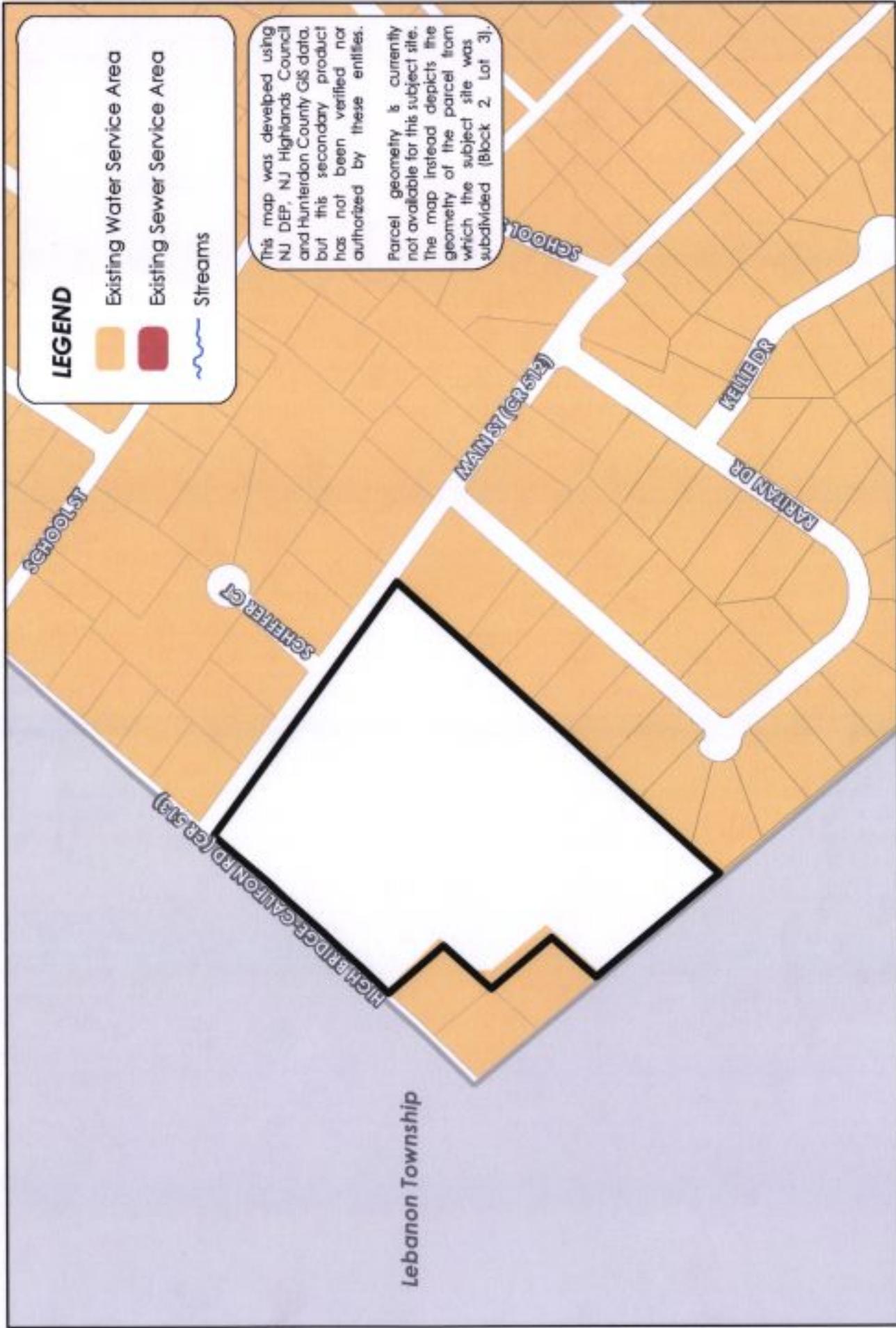
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Parcel geometry is currently not available for this subject site. The map instead depicts the geometry of the parcel from which the subject site was subdivided (Block 2, Lot 3).



Callifon Borough
 Hunterdon County, New Jersey

BLOCK 2, LOT 3.01 - LAND USE CAPABILITY ZONES



LEGEND

- Existing Water Service Area
- Existing Sewer Service Area
- Streams

This map was developed using NJ DEP, NJ Highlands Council and Hunterdon County GIS data, but this secondary product has not been verified nor authorized by these entities.

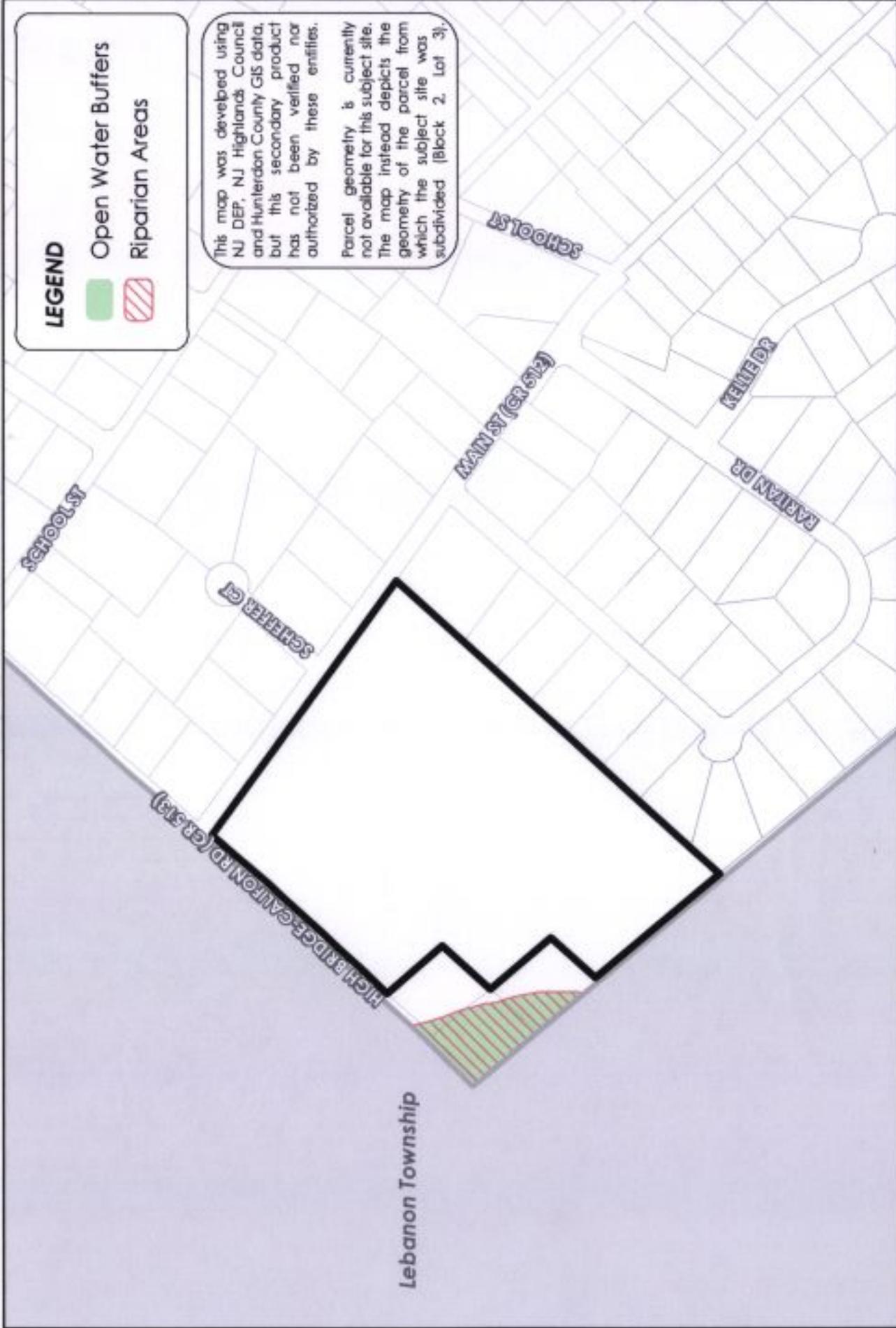
Parcel geometry is currently not available for this subject site. The map instead depicts the geometry of the parcel from which the subject site was subdivided (Block 2, Lot 3).

Lebanon Township

Califon Borough
Hunterdon County, New Jersey



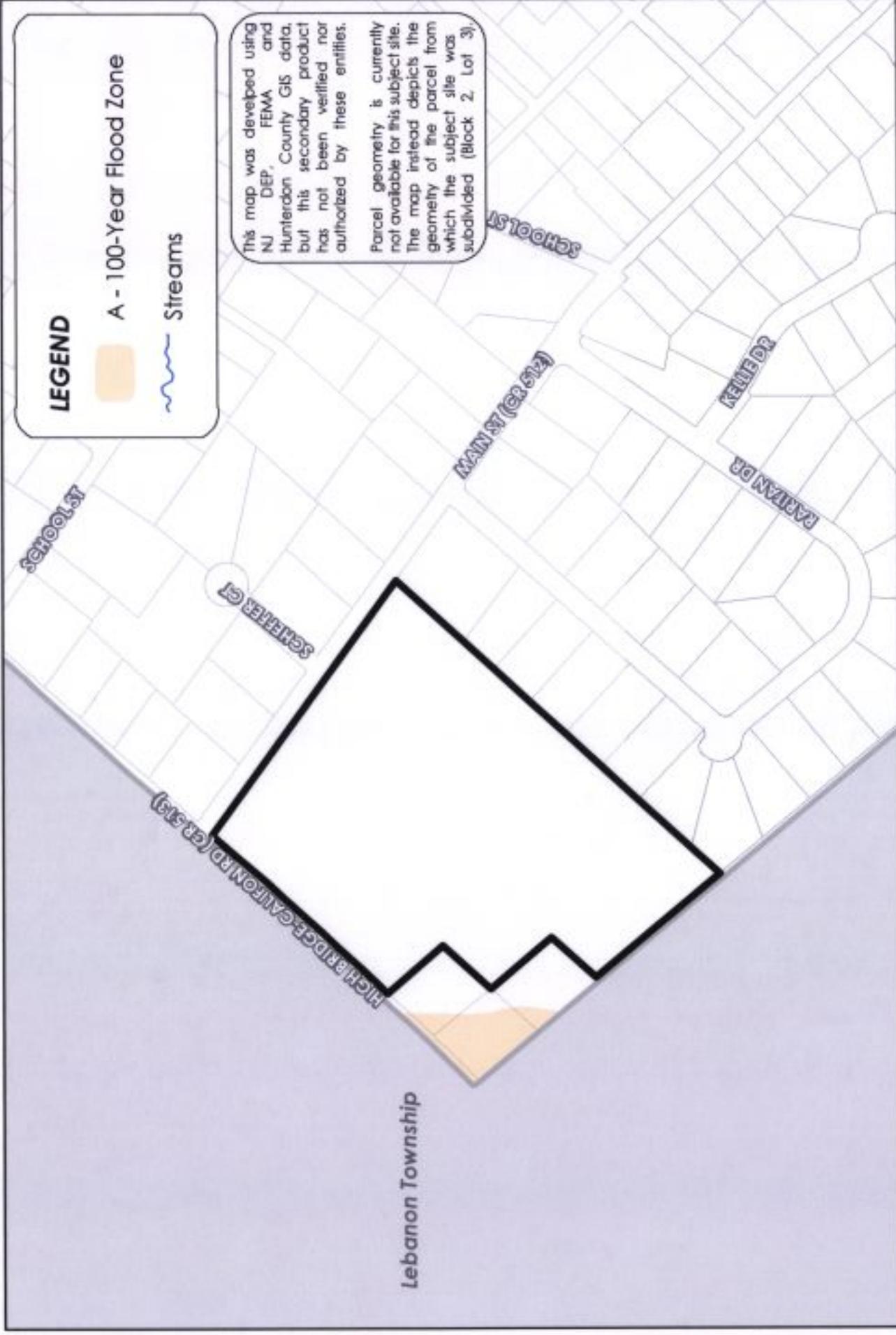
BLOCK 2, LOT 3.01 - WATER & SEWER UTILITY SERVICES



Lebanon Township

Califon Borough
 Hunterdon County, New Jersey

BLOCK 2, LOT 3.01 - OPEN WATERS



LEGEND

 A - 100-Year Flood Zone

 Streams

This map was developed using NJ DEP, FEMA and Hunterdon County GIS data, but this secondary product has not been verified nor authorized by these entities.

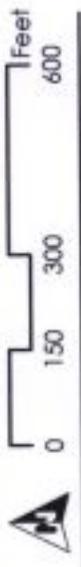
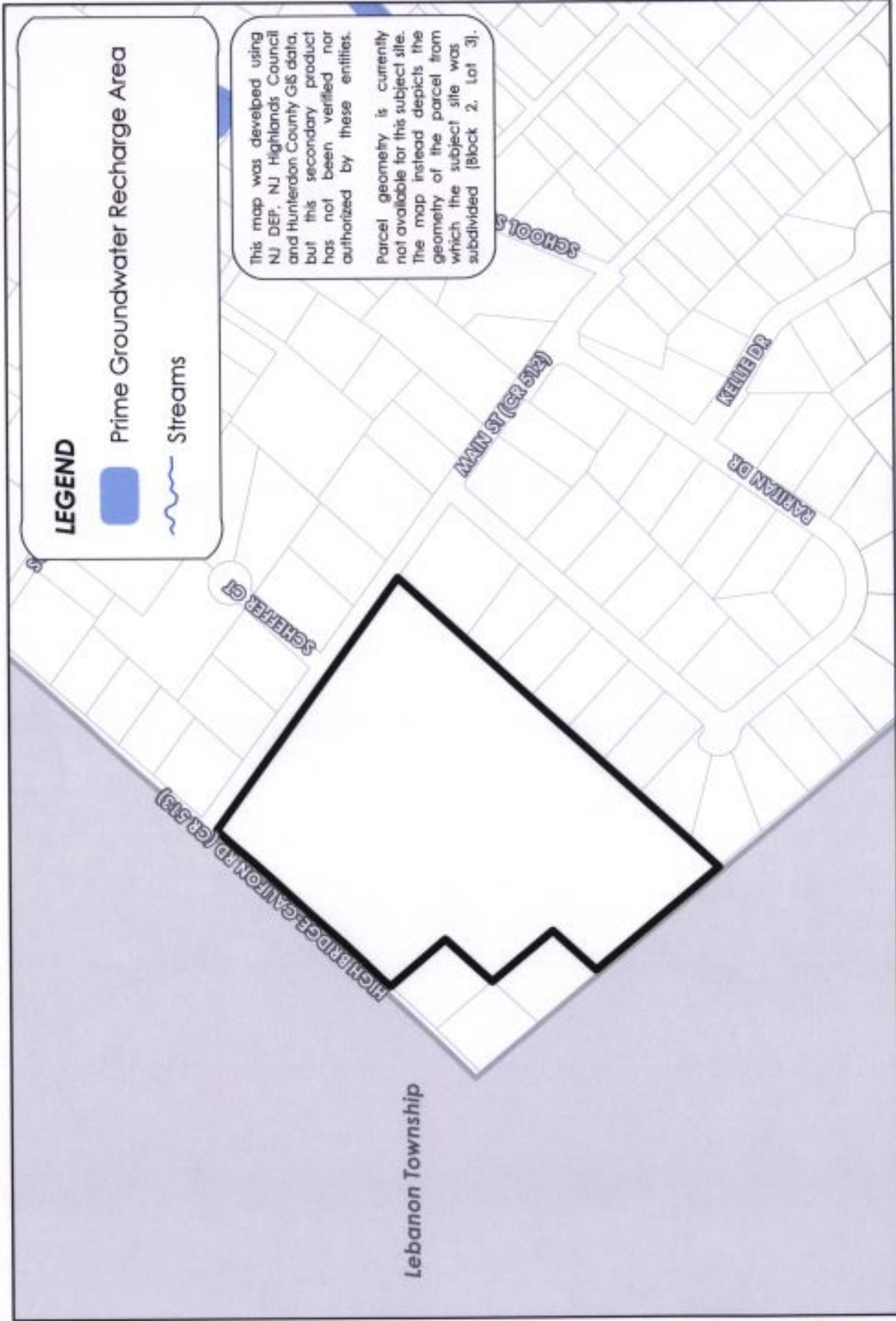
Parcel geometry is currently not available for this subject site. The map instead depicts the geometry of the parcel from which the subject site was subdivided (Block 2, Lot 3).



GROUPmelvinDESIGN

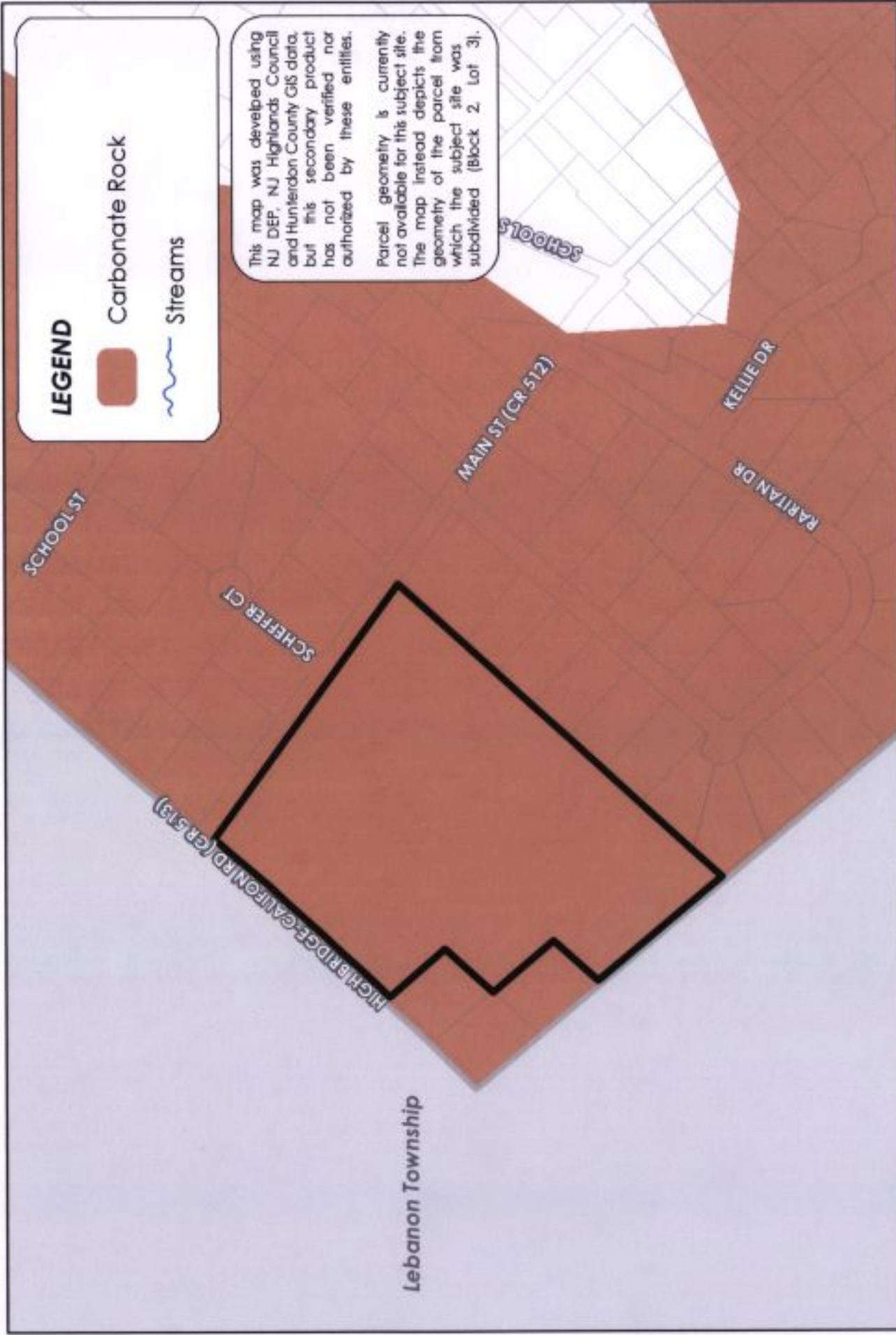
Califon Borough
Hunterdon County, New Jersey

BLOCK 2, LOT 3.01 - FEMA FLOOD ZONES



Califon Borough
Hunterdon County, New Jersey

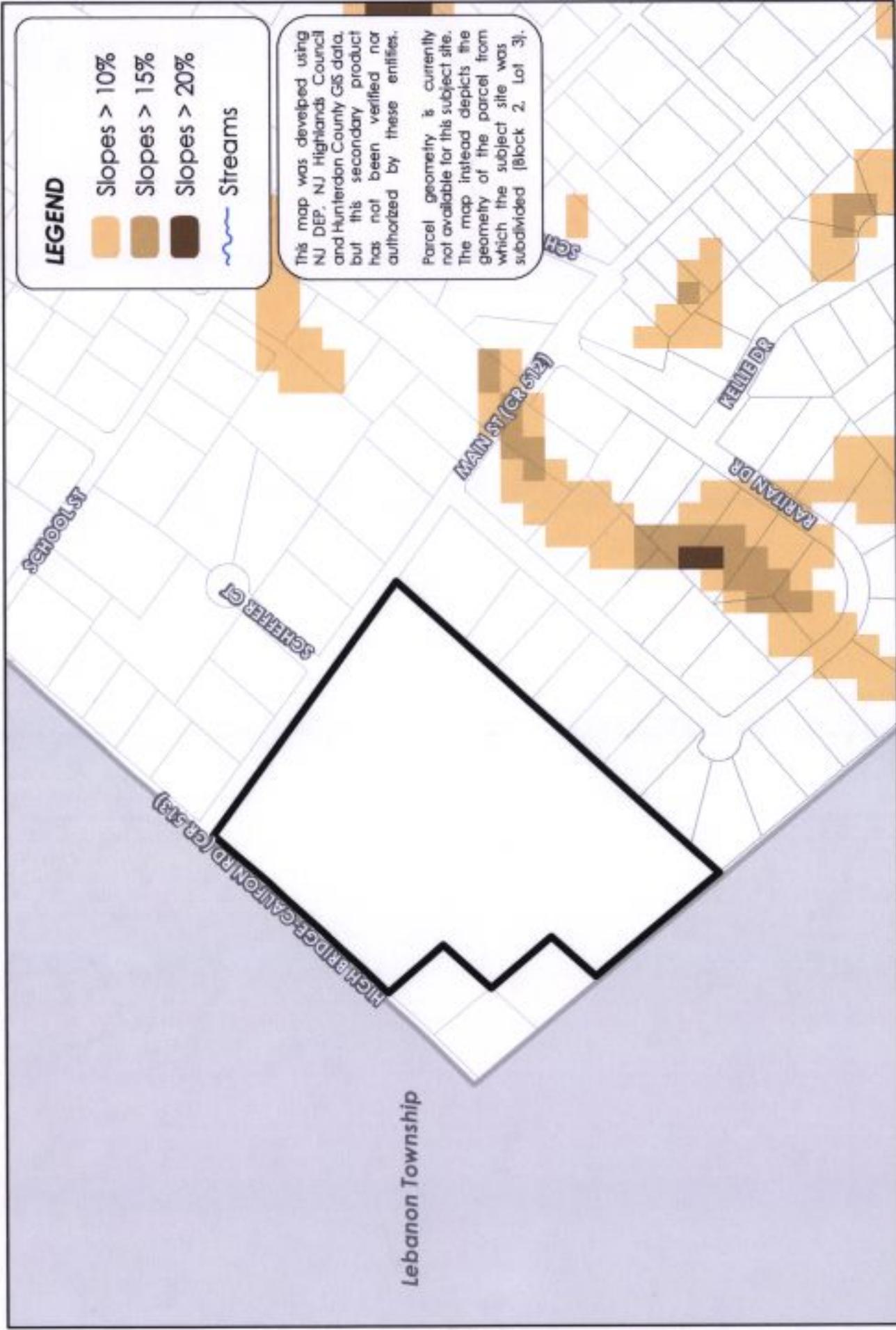
BLOCK 2, LOT 3.01 - PRIME GROUNDWATER RECHARGE AREAS



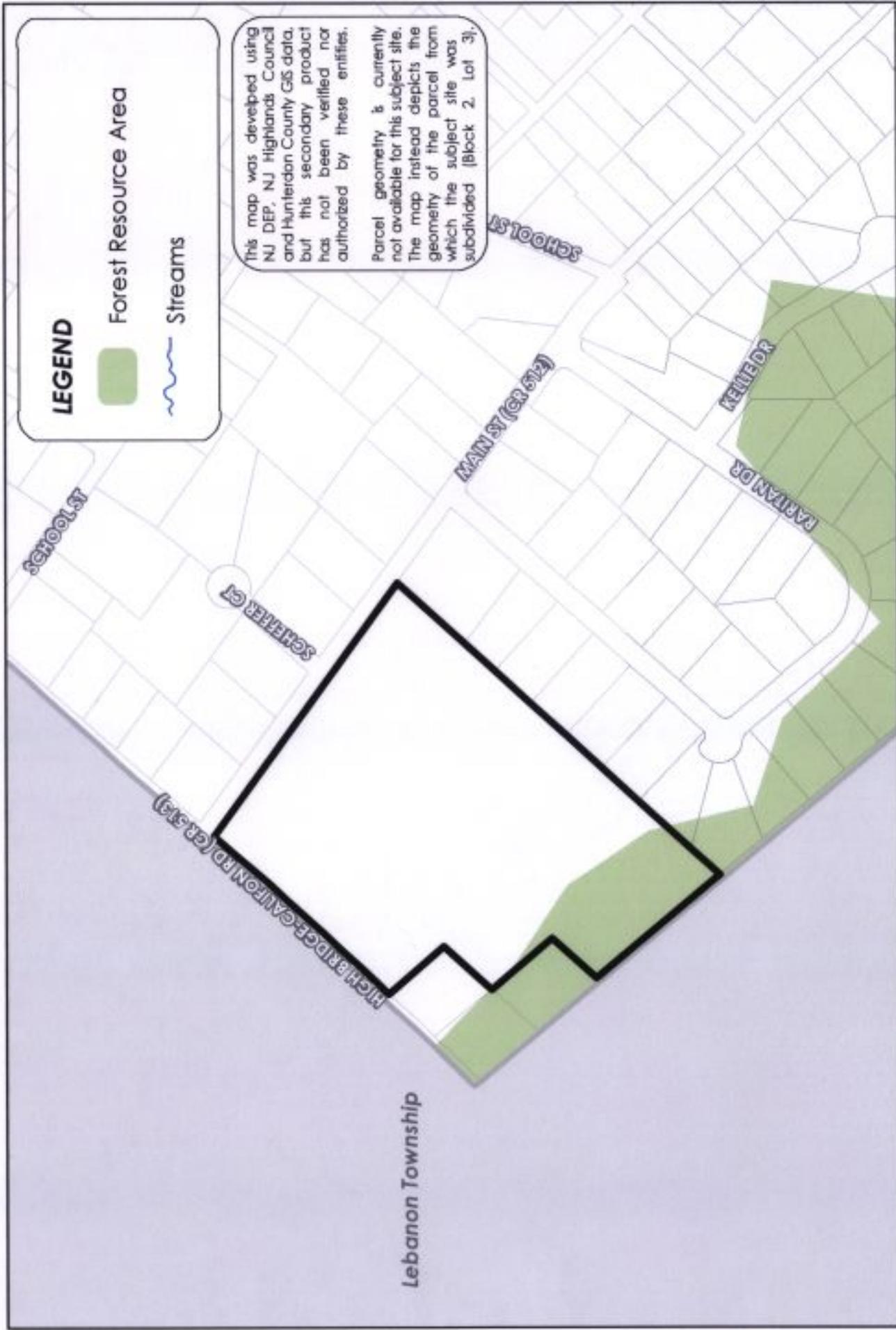
Califon Borough
 Hunterdon County, New Jersey



BLOCK 2, LOT 3.01 - CARBONATE ROCK AREAS

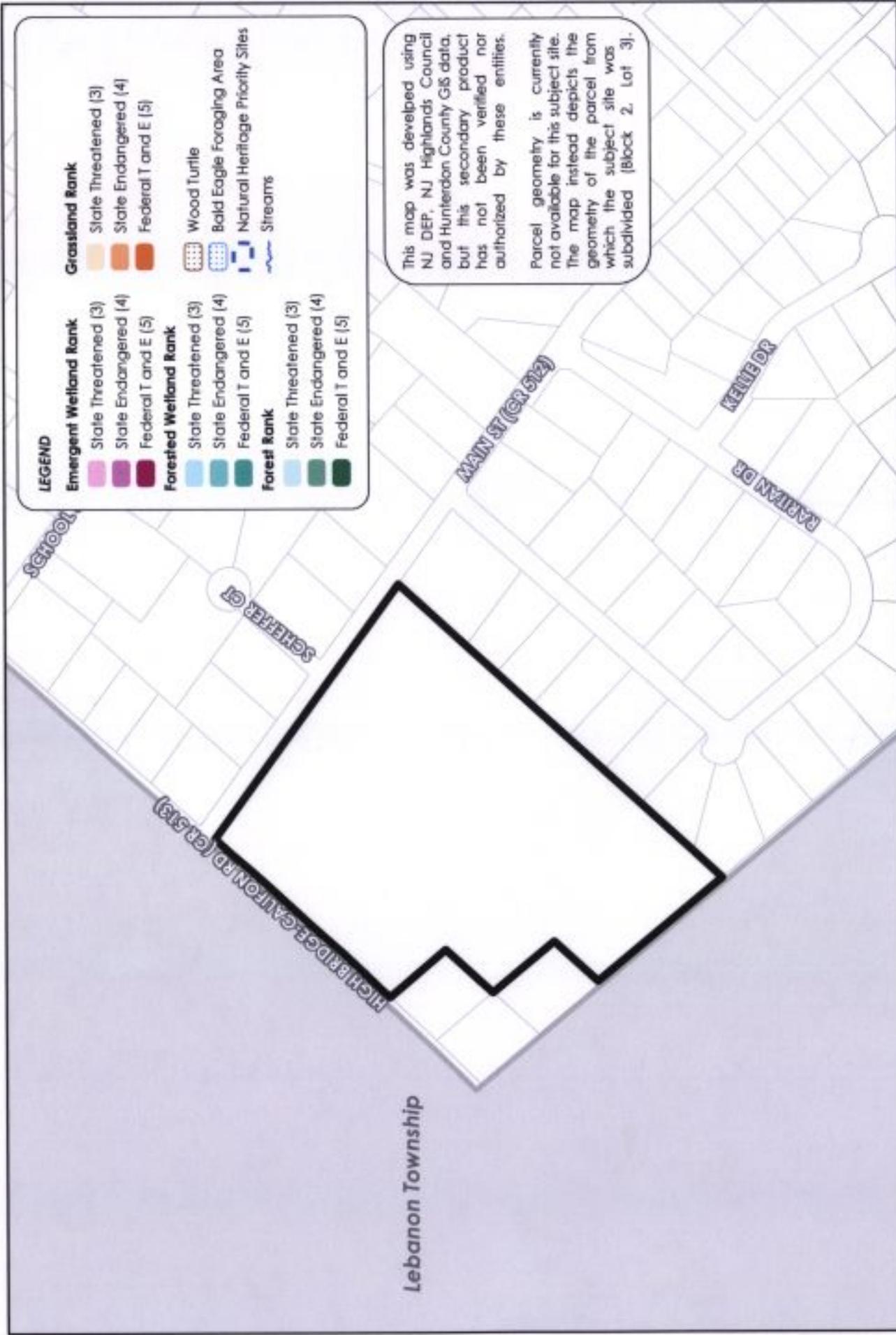


BLOCK 2, LOT 3.01 - STEEP SLOPES

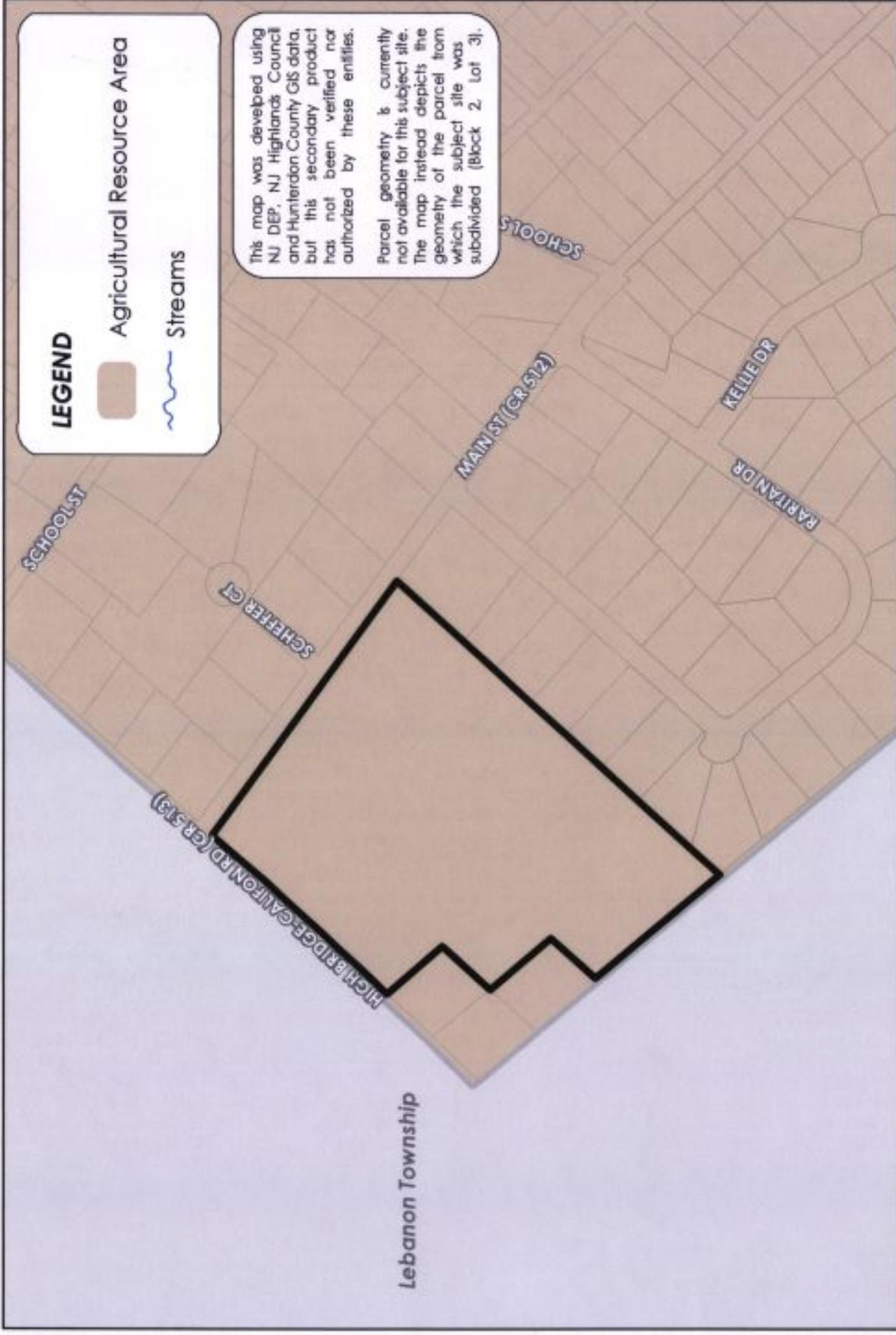


Callifon Borough
Hunterdon County, New Jersey

BLOCK 2, LOT 3.01 - FOREST RESOURCE AREAS



Callion Borough
 Hunterdon County, New Jersey
BLOCK 2, LOT 3.01 - RARE, THREATENED & ENDANGERED SPECIES HABITATS

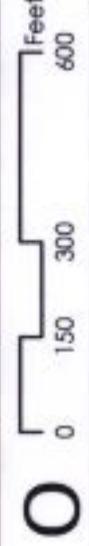


LEGEND

- Agricultural Resource Area
- Streams

This map was developed using NJ DEP, NJ Highlands Council and Hunterdon County GIS data, but this secondary product has not been verified nor authorized by these entities.

Parcel geometry is currently not available for this subject site. The map instead depicts the geometry of the parcel from which the subject site was subdivided (Block 2, Lot 3).



Califon Borough
 Hunterdon County, New Jersey

BLOCK 2, LOT 3.01 - AGRICULTURAL RESOURCE AREAS

CALIFON BOROUGH - VACANT LAND INVENTORY - RDP

BLOCK	LOT(S)	TAX CLASS	TAX MAP	OWNER	LOCATION	ZONE	PLANNING AREA	SEWER SERVICE AREA (V/M)	AREA		STATUS	CONDITION(S)	DEVELOP. AREA (AC)	NO. OF AFF. UNITS
									ACRES	SQ FT				
14	5.01	1	5	UNKNOWN (c/o Calton)	River Road	FP/R-1	5	N	1,307	0.03	VACANT	FLOOD PLAIN/PART. WOODED	0.00	0
14	5.02	1	5	Degan, Robert & Lorenzo, Carl	River Road	FP/R-1	5	N	871	0.02	VACANT	FLOOD PLAIN/PART. WOODED	0.00	0
15	3	38	5	Wimmer, Roy & Emily	River Road	R-2 (CARB)	5	N	113,691	2.61	VACANT	WOODED / 200 RP	0.00	0
15	4.04	38	5	Wimmer, Roy & Emily	91 River Road	R-2 (CARB)	5	N	127,195	2.92	VACANT	WOODED / 200 RP	0.00	0
15	6	1	5	Hoppaugh, Russell & Brenda	71 River Road	R-3 (CARB)	5	N	14,910	0.34	VACANT	PARTIALLY WOODED / 200 RP	0.00	0
17	1	38	5	Wimmer, Roy & Emily	101 River Road	R-2	5	N	217,364	4.99	VACANT	WOODED	4.99	0
17	2	38	5	Wimmer, Roy & Emily	95 River Road	R-2	5	N	228,690	5.25	VACANT	WOODED/MODERATE SLOPE/STON	5.25	0
17	3	1	5	Palmer, John	81 River Road	R-2	5	N	98,427	2.03	VACANT	WOODED/MODERATE SLOPE/STON	2.03	0
17	8	38	5	Wimmer, Roy & Emily	99 River Road	R-2	5	N	87,566	2.01	VACANT	WOODED/MODERATE SLOPE/STON	2.01	0
17	9	38	5	Diana Estates Inc.	97 River Road	R-2	5	N	351,927	7.62	VACANT	WOODED/MODERATE SLOPE/STON	7.62	0
17	6	38	5	Brandner, Peter	59 Railroad Avenue	R-2	5	N	217,364	4.99	DEVELOPED	WOODED+10% SLOPE/RESIDENCE	0.00	0
18	4	1	6	Hoover, John & Cindy	38 Railroad Avenue	R-3	5	N	21,344	0.49	VACANT	WOODED	0.49	0
18	25	38	6	Spiano Wood Products, Inc	81 Academy Street	R-1/R-2	5	N	649,044	14.90	VACANT	WOODED/MOD-STEEP SLOPES / SEE RP	0.00	0
18	25.03	1	6	Pfeifferoth, Sara	69 Academy Street	R-1	5	N	19,994	0.46	VACANT	WOODED / 200 RP	0.00	0
25	1	38	6	Walter, Paul & Gloria	1043 Califton-Cokesbury Road	R-1	5	N	708,721	16.27	DEVELOPED	WOODED/RESIDENCE/MOD STEEP SLOP	0.00	0
18	13.01	15C	6	Borough of Calton	39 Academy Street	R-3	5	N	13,068	0.30	DEVELOPED	BOROUGH HALL	0.00	0
19	3	1	6	Belle Crest Association	4 Academy Street	GB (CARB)	5	N	4,792	0.11	VACANT	CLEARED	0.00	0
19	4	1	6	Burd, Carl & Sylvia	2 Academy Street	GB (CARB)	5	N	8,276	0.19	VACANT	CLEARED	0.00	0
19	6	1	6	Belle Crest Association	81 Main Street	GB (CARB)	5	N	3,485	0.08	VACANT	CLEARED	0.00	0
19	7	1	6	Burd, Carl & Sylvia	49 Main Street	GB (CARB)	5	N	5,227	0.12	VACANT	CLEARED	0.00	0
20	4	38	6	Winters, Gary & Lovella	Academy St & Main St	R-2	5	N	734,857	16.87	PART. DEV	WOODED/RESIDENCE	0.00	0
20	19	1	6	Maguire, Vincent	Academy Street	R-2	5	N	13,068	0.30	VACANT	WOODED / 200 RP	0.00	0
20	21	1	6	Nesius, Robert & Mary	44 Academy Street	R-2	5	N	14,379	0.33	VACANT	PARTIALLY WOODED / 200 RP	0.00	0
21	4	15c	7	Borough of Calton	Bank Street (REAR)	FP/R-1	5	N	562,795	12.92	DEVELOPED	RECREATIONAL/FLOOD PLAIN	0.00	0
21	5.01	1	7	UNKNOWN (c/o Calton)	134 Bank Street	FP/R-1	5	N	28,964	0.62	VACANT	PARTIALLY WOODED/FLOOD PLAN	0.00	0
21	6	15C	7	Borough of Calton	130 Bank Street	FP/R-1	5	N	1,742	0.04	VACANT	PARTIALLY WOODED/FLOOD PLAN	0.00	0
22	6.01	1	77	UNKNOWN (c/o Calton)	Bank Street	GB (CARB)	5	N	3,920	0.09	VACANT?	unknown (TOO SMALL)??	0.00	0
22	18	1	77	UNKNOWN (c/o Calton)	M8 Street	GB (CARB)	5	N	7,405	0.17	VACANT?	unknown (TOO SMALL)??	0.00	0
23	5.01	15C	7	Borough of Calton	113 Bank Street	R-3	5	N	15,346	0.35	VACANT	WOODED / 200 RP	0.00	0
23	7	1	7	Mullen, John & Laura	117 Bank Street	R-3	5	N	19,994	0.46	VACANT	WOODED / 200 RP	0.00	0
24	4	1	7	D&B Holding LLC	80 Main Street	GB	5	N	12,197	0.28	VACANT	DRAINAGE WAY	0.00	0
24	5	38	7	Nicolassen, Donald & Sandra	134 Piffhower Avenue	R-1	5	N	1,114,265	25.08	PART. DEV	PART WOODED(STABLE+20%2000 RP	0.00	0
25	3	1	9	Consumers NJ Water Company	77 Academy Street	R-1	5	N	71,874	1.65	VACANT	WOODED/MOD SLOPES	1.65	0
27	3	38	9	Chang, Ming To	202 Cokesbury Road	R-1	5	N	535,768	12.30	VACANT	WOODED/MOD-STEEP SLOPES	8.00	0
27	4	1	9	Consumers NJ Water Company	79 Academy Street	R-1	5	N	131,156	3.01	VACANT	WOODED/MOD-STEEP SLOPES	2.00	0
28	6	38	10	Frostrock, Alexander & Nick	106 Guilmer Hollow Road	R-1	5	N	287,060	6.59	DEVELOPED	PARTIALLY WOODED/RESIDENCE	0.00	0
30	1.01	38	10	Candella, Frank & Patricia	107 Guilmer Hollow Road	R-1	5	N	171,191	3.93	DEVELOPED	CLEAR/POLE BARN STRUCTURE	3.93	0
30	4	38	10	Taylor, Donald & Veronica	93 Academy Street	R-1	5	N	41,815	0.96	VACANT	ACCESS#WOODED/FOR. TEWKSBURY	0.96	0
31	2	1	8	Abisid, Learence & Martina	105 Piffhower Avenue	R-2/GB	5	N	176,854	4.06	VACANT	WOODED/MOD-STEEP SLOPES	2.00	0
31	6	1	8	Johnson, Carl Noelle	117 Piffhower Avenue	R-3	5	N	24,699	0.57	VACANT	PARTIALLY WOODED/MOD SLOPES	0.57	0
31	13	1	8	UNKNOWN (c/o Calton)	BACK LAND	R-1	5	N	5,683	0.13	VACANT	WOODED/STEEP SLOPES (TOO SMALL)	0.00	0
31	14	1	8	Kelvin, Adam	Big Oak Way	R-1	5	N	182,914	3.74	VACANT	PART. WOODED/MOD-STEEP SLOPES	3.00	0

CALIFON BOROUGH - VACANT LAND INVENTORY - RDP

BLOCKS	LOTS	TAX CLASS	TAX MAP	OWNER	LOCATION	ZONE	PLANNING AREA	SEWER SERVICE AREA	AREA	SE	ACRES	STATUS	CONDITION(S)	DEVEL. AREA (A.C.)	ADJAC. DEVEL. AREA (A.C.)	NO. OF AFF. UNITS
31	14.01	1	87	Solemon, Rodwick & Andrea	Big Oak Way	R-1	5	N	130,660	3.00	3.00	VACANT 1	unknown**	3.00	3.00	0
31	18	1	8	Maguire, Vincent & Nerida	60 Academy Street	R-1	5	N	113,256	2.90	2.90	VACANT	WOODENWOOD SLOPES/NOV RSP	0.00	0.00	0

* Vacant lot, not listed

1 Did not exist prior to August, 2004

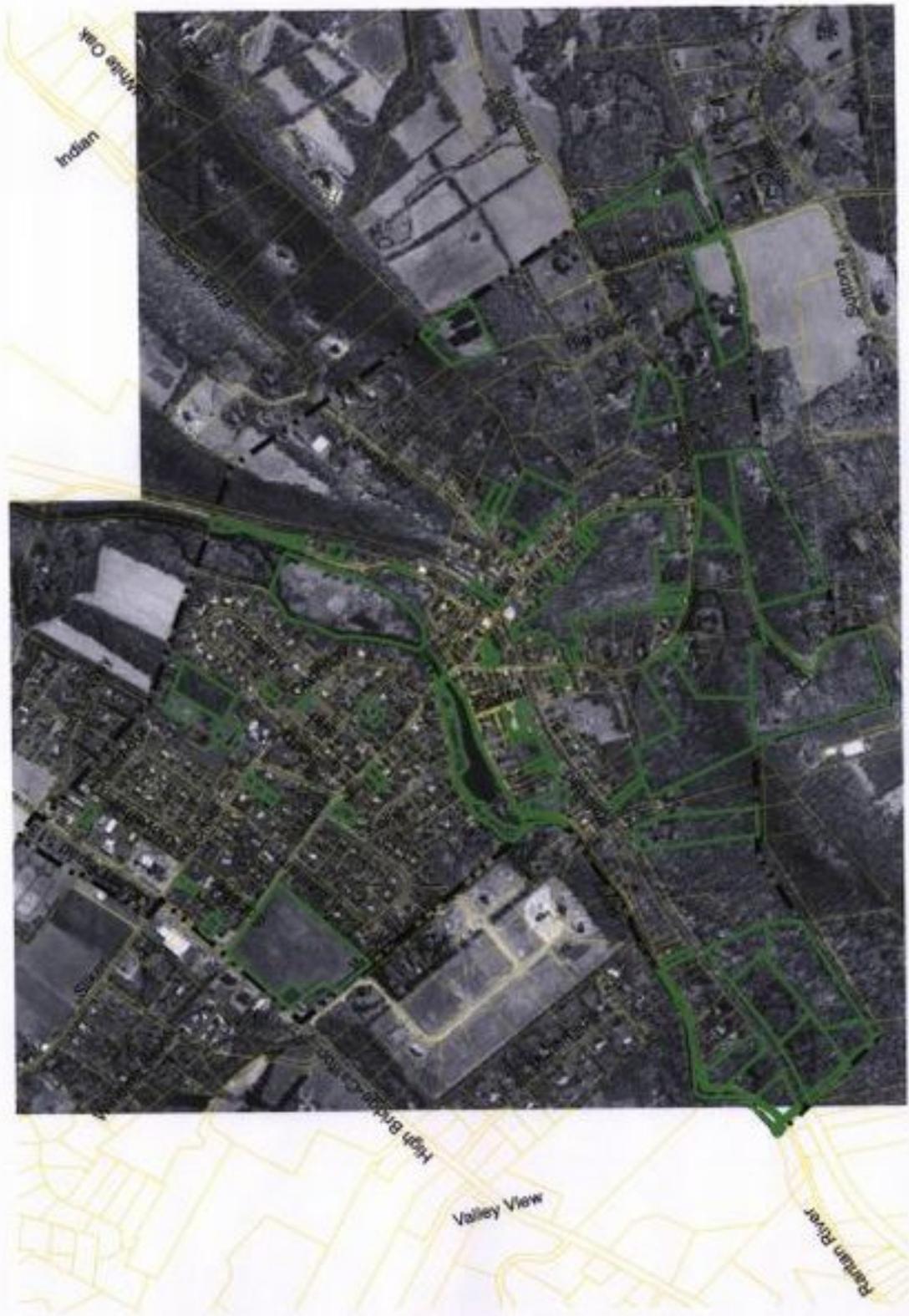
* - UNKNOWN LOCATION (EXIST?)

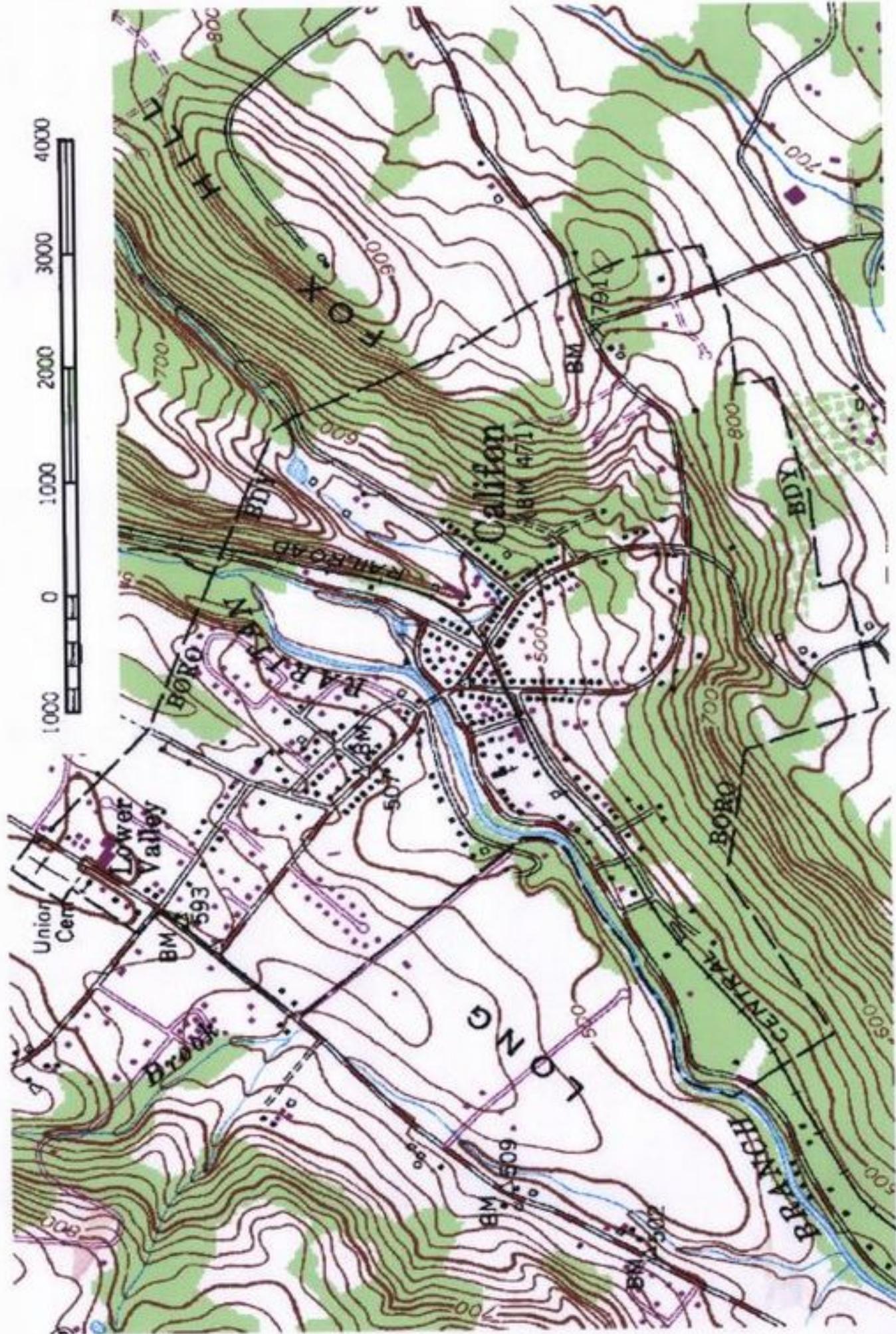
** existed prior to August, 2004?



INDICATES ADJACENT LAND PARCELS

*** Based upon Highlands Preservation Area Standards (NJAC 7:28-3 et seq.)
 One septic system for 25 acres for land less than 50% forested;
 One septic system for 66 acres for land 50% or more forested.





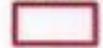


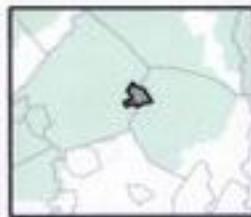
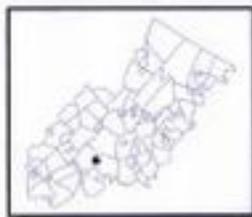
HEBANON TOWNSHIP

CALIFON BOROUGH

TEWKSURY TOWNSHIP

CALIFON BOROUGH

-  Preservation Area
-  Municipal Boundaries



1 inch = 0.193 miles


Highlands Council
New Jersey





LEBANON TOWNSHIP

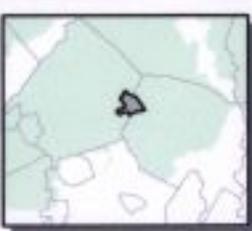
CALIFON BOROUGH

TEWKSBURY TOWNSHIP

Regional Master Plan Overlay Zone Designation

- Zone**
- Protection
 - Conservation
 - Existing Community
 - Lakes Greater Than 10 acres
 - Preservation Area
 - Municipal Boundaries
- Sub-Zone**
- Existing Community Environmentally Constrained
 - Conservation Environmentally Constrained
 - Lake Community
 - Wildlife Management

CALIFON BOROUGH



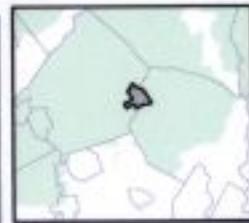
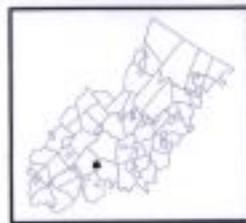
1 inch = 0.189 miles





CALIFON BOROUGH

-  Subwatersheds: Hydrologic Unit Code 14 (HUC14)
-  Stream Centerlines
-  Preservation Area
-  Municipal Boundaries



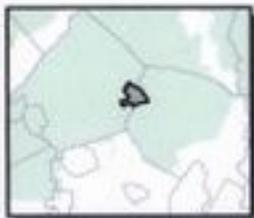
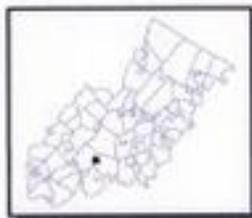
1 inch = 0.193 miles





-  Forest Resource Area
-  Preservation Area
-  Municipal Boundaries

CALIFON BOROUGH



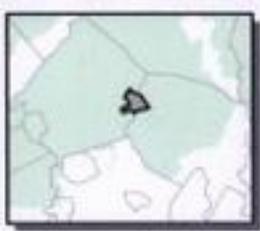
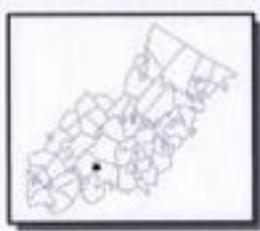
1 inch = 0.193 miles





-  Forested Areas
-  Preservation Area
-  Municipal Boundaries

CALIFON BOROUGH



1 inch = 0.193 miles

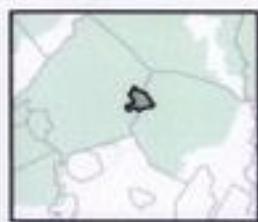
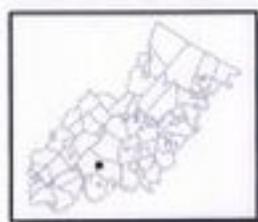




Forest Integrity by HUC14 Subwatershed

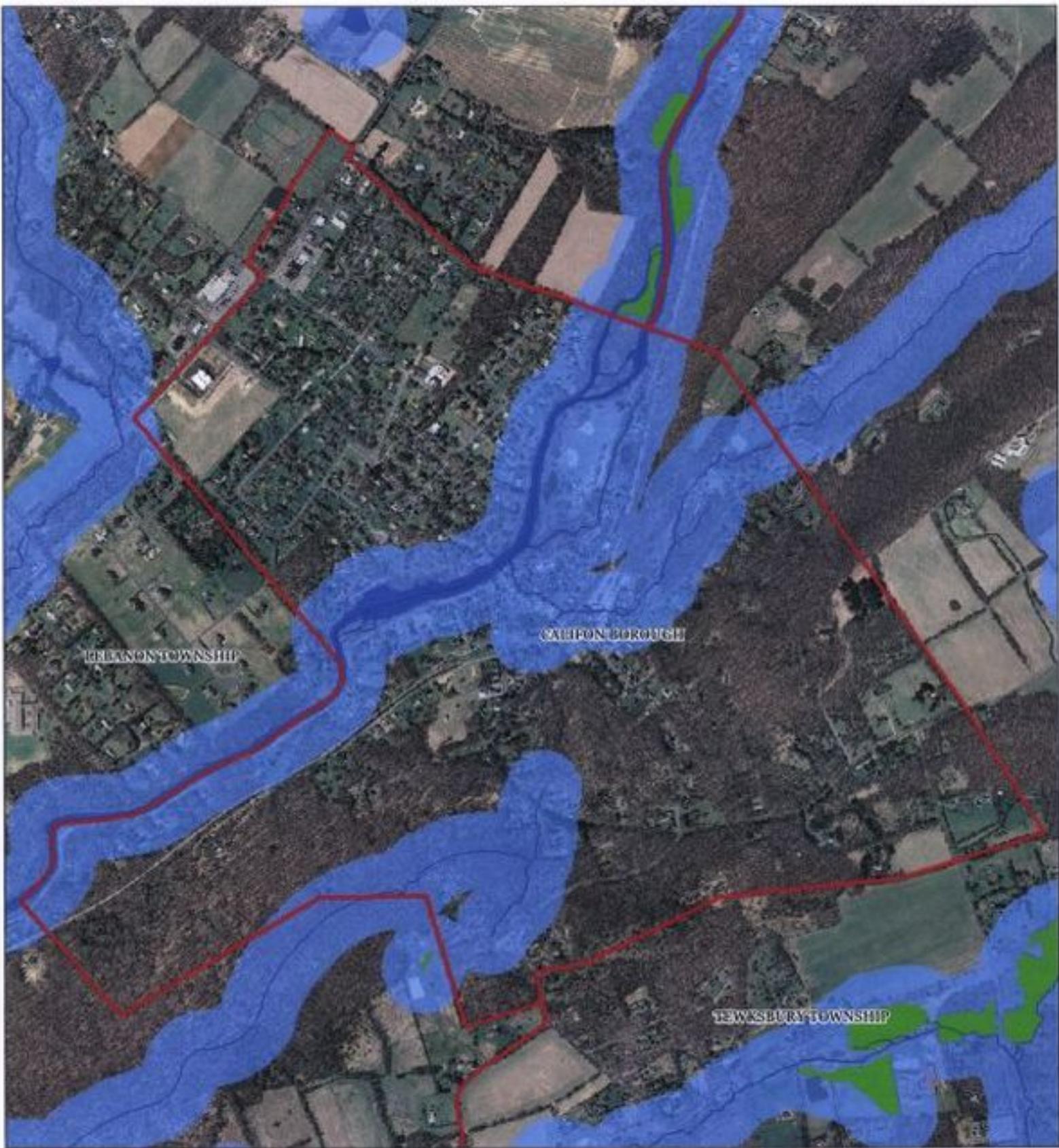
CALIFON BOROUGH

-  *Low*
-  *Moderate*
-  *High*
-  Preservation Area
-  Municipal Boundaries



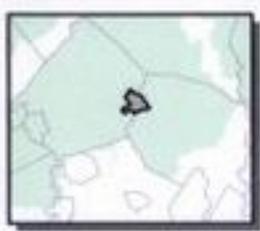
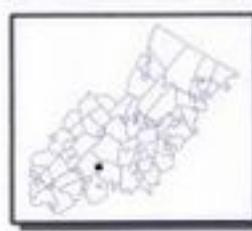
1 inch = 0.193 miles





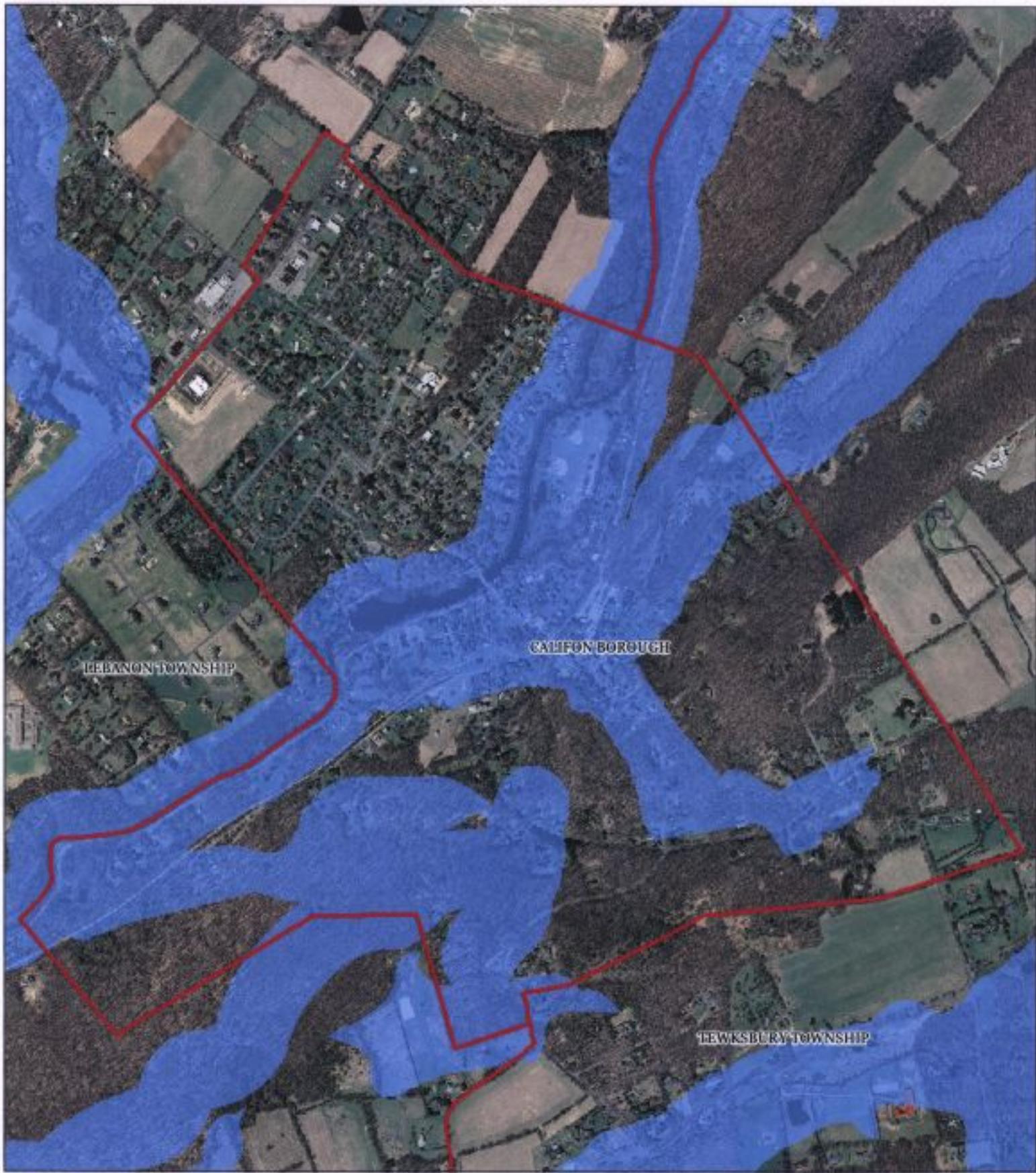
CALIFON BOROUGH

- Highlands Open Water Buffers (300ft)
- Streams
- Wetlands
- Lakes & Ponds
- Preservation Area
- Municipal Boundaries



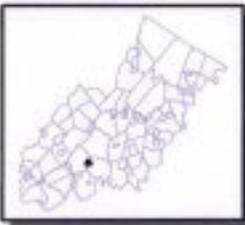
1 inch = 0.193 miles





-  Riparian Area
-  Preservation Area
-  Municipal Boundaries

CALIFON BOROUGH



1 inch = 0.193 miles

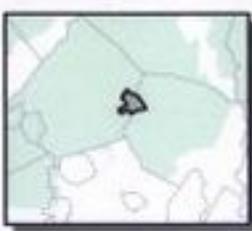
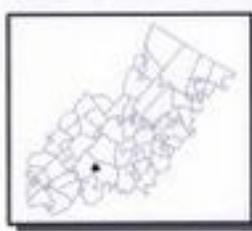




Watershed Values by HUC14 Subwatershed

CALIFON BOROUGH

- Low*
- Moderate*
- High*
- Preservation Area
- Municipal Boundaries



1 inch = 0.193 miles

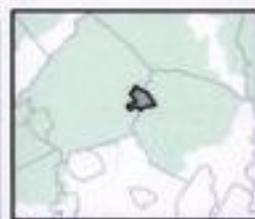
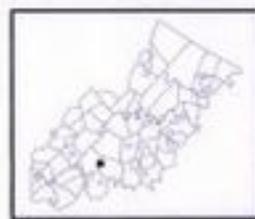




Riparian Integrity by HUC14 Subwatershed

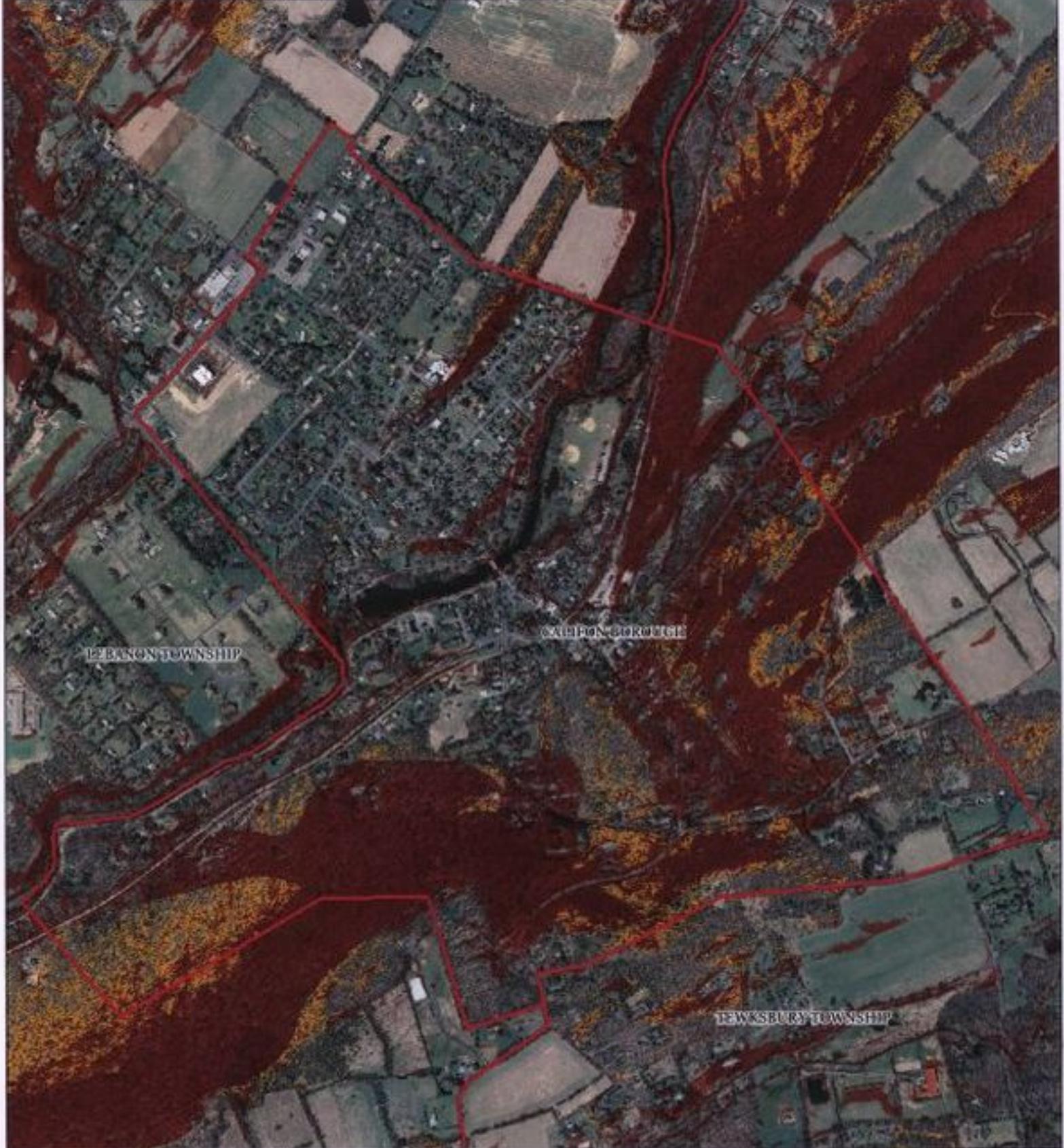
- Low*
- Moderate*
- High*
- Preservation Area
- Municipal Boundaries

CALIFON BOROUGH



1 inch = 0.193 miles





CALIFON BOROUGH

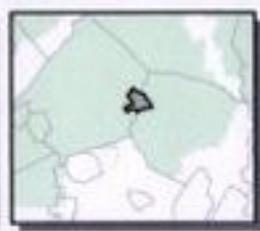
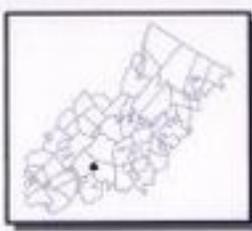
Steep Slopes

 Moderate

 Severe

 Preservation Area

 Municipal Boundaries



1 inch = 0.193 miles



N



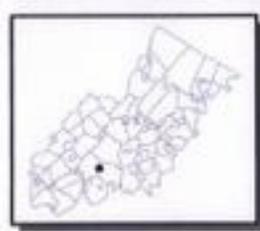
LEVENSON TOWNSHIP

CALIFON BOROUGH

TEWKSBUARY TOWNSHIP

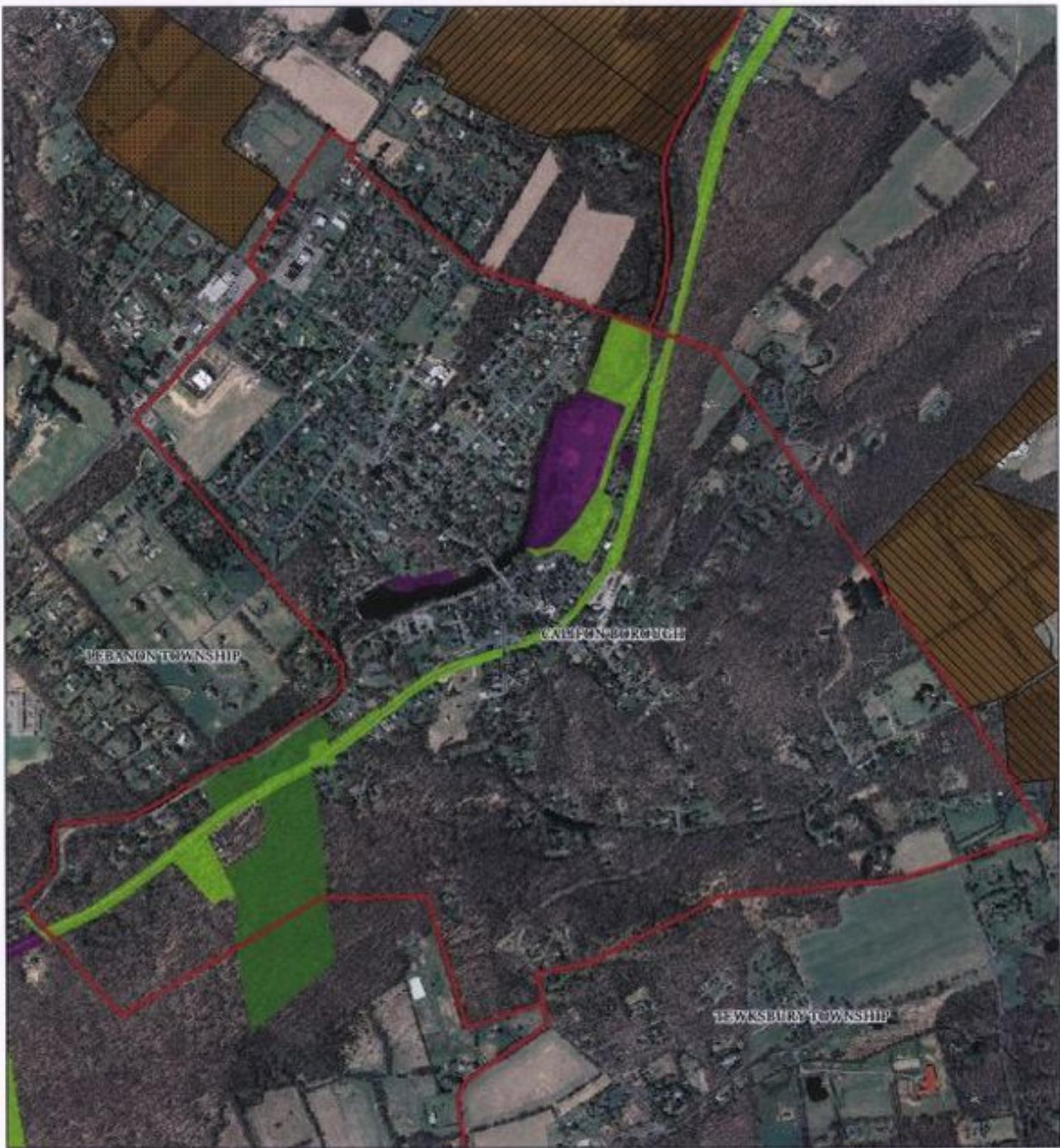
CALIFON BOROUGH

-  Critical Wildlife Habitat
-  Preservation Area
-  Municipal Boundaries



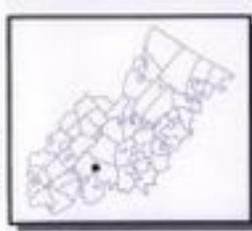
1 inch = 0.193 miles





- | Conservation Easements | Preserved Lands |
|------------------------|-------------------------------|
| Green Acres | Federal Open Space |
| SADC Easements | State Open Space |
| SADC Final | County Open Space |
| SADC 8 Year | Municipal Open Space |
| SADC Preserved | Non-Profit/Private Open Space |
| Municipal Boundaries | Water Supply Watershed Lands |
| Preservation Area | Preserved Farmland |

CALIFON BOROUGH



1 inch = 0.193 miles

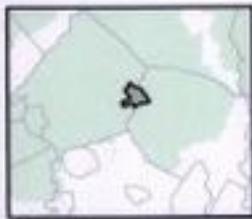
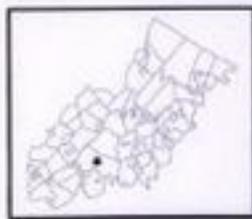




Conservation Priority Area

- Moderate*
- High*
- Preservation Area
- Municipal Boundaries

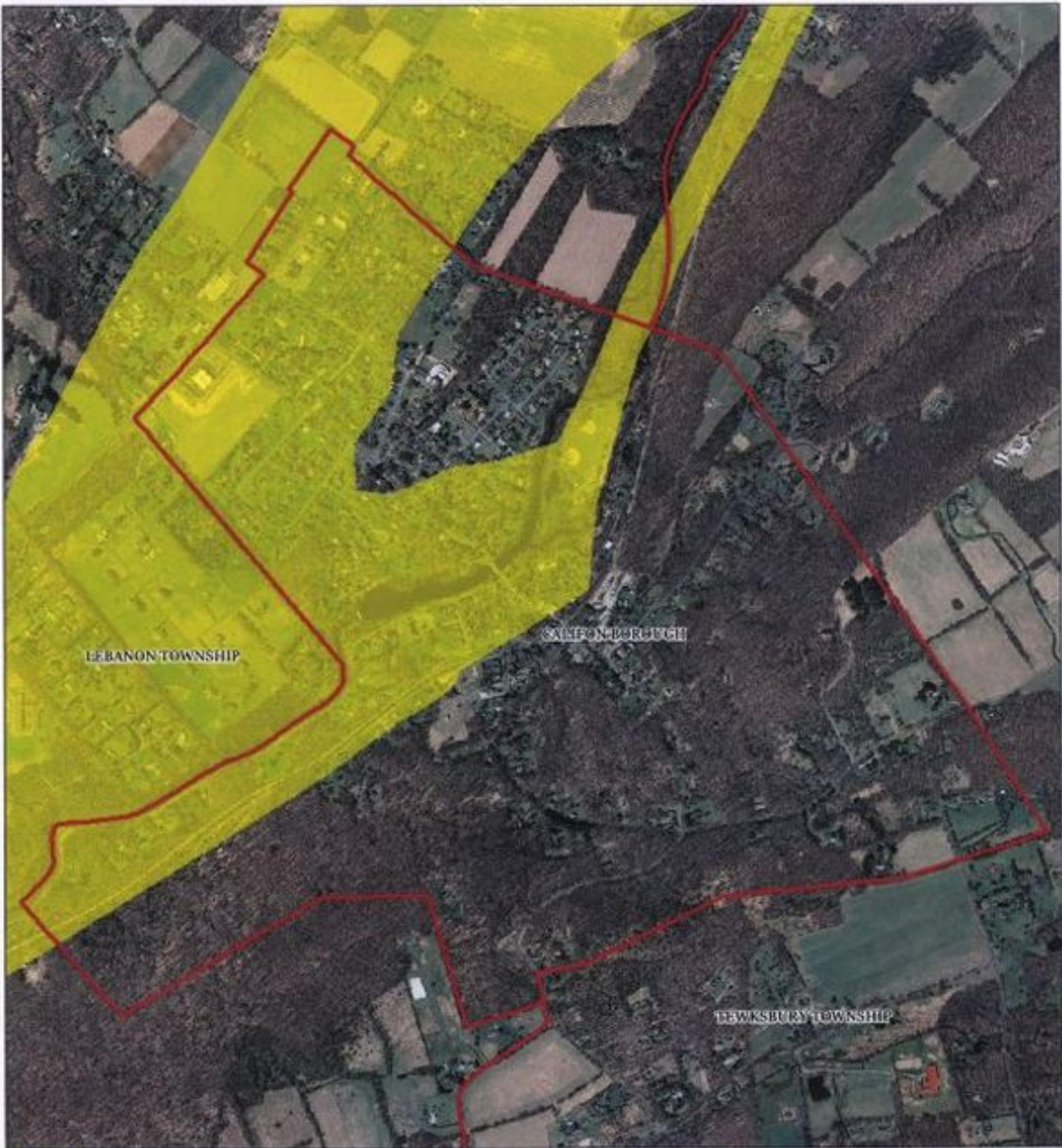
CALIFON BOROUGH



1 inch = 0.193 miles

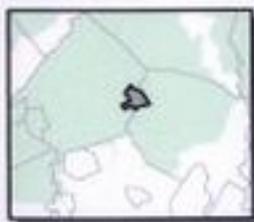
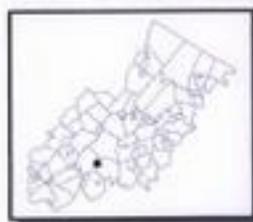


N



-  Carbonate Rock Area
-  Preservation Area
-  Municipal Boundaries

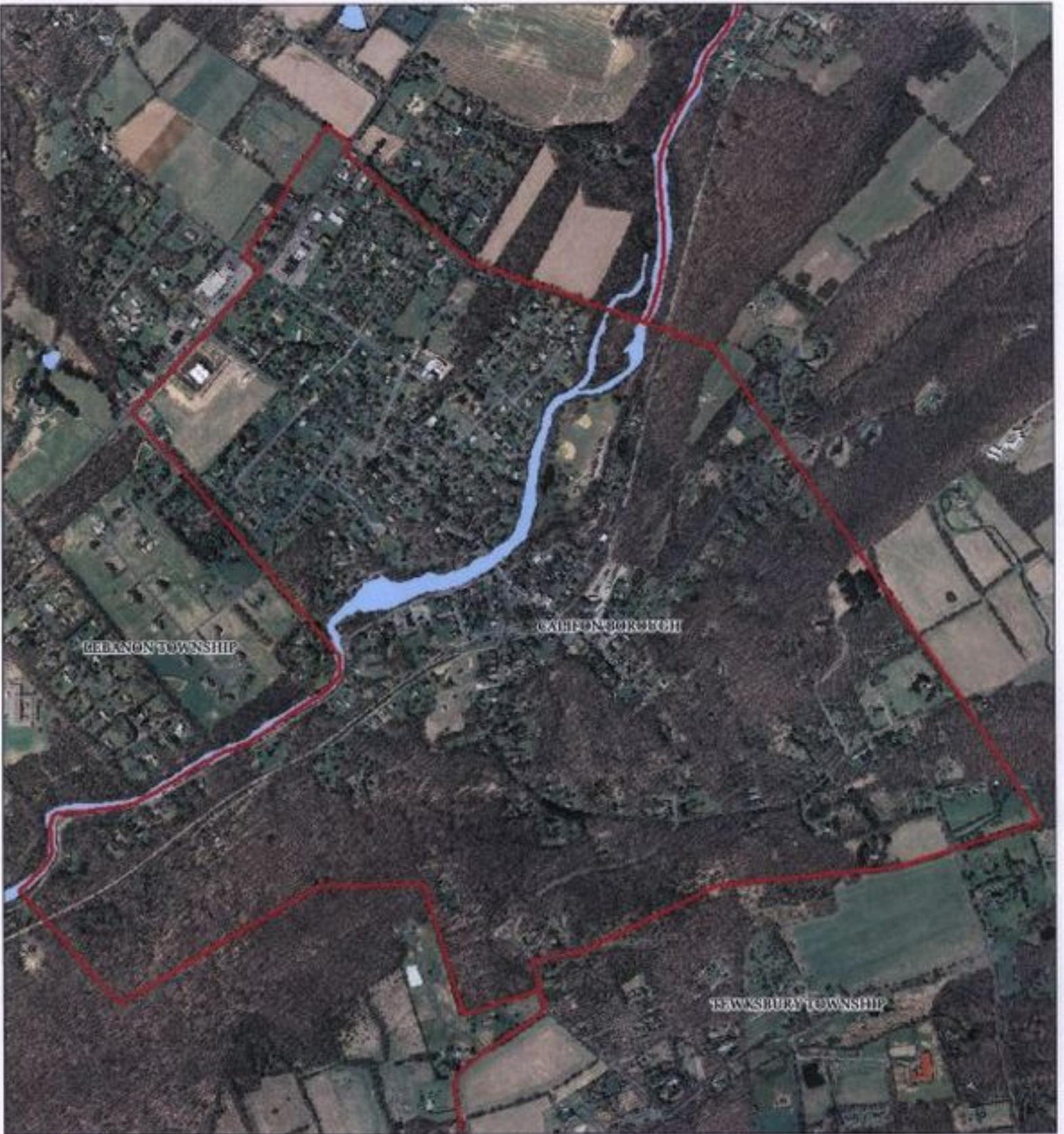
CALIFON BOROUGH



1 inch = 0.193 miles

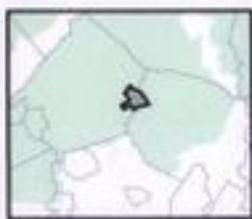
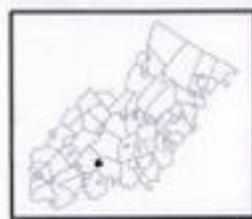

Highlands Council
New Jersey





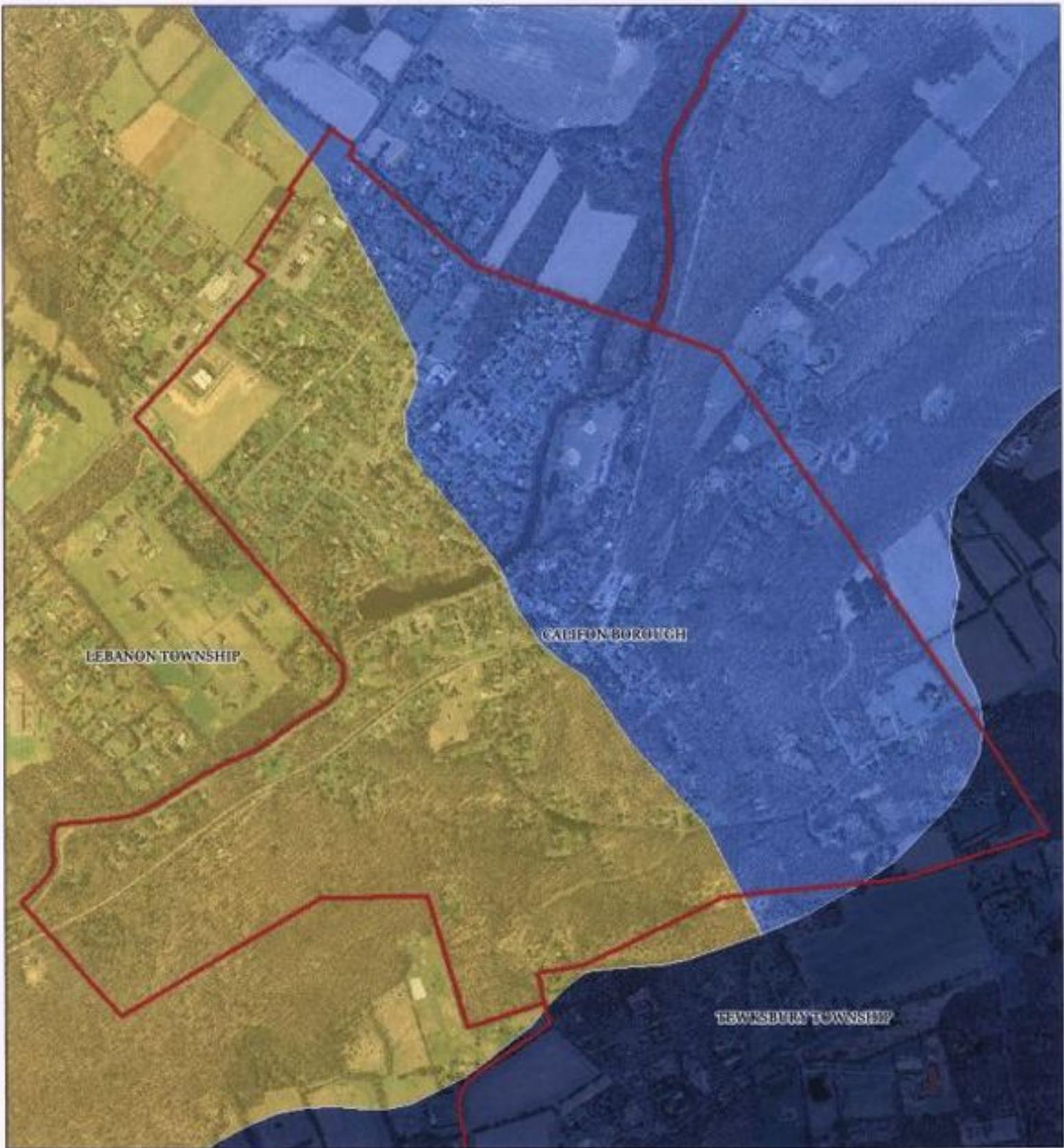
CALIFON BOROUGH

-  Lakes & Ponds
-  Lake Management Areas
-  Preservation Area
-  Municipal Boundaries

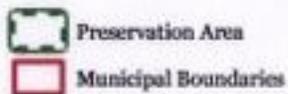
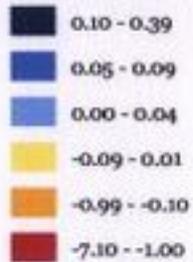


1 inch = 0.193 miles

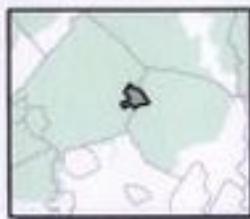
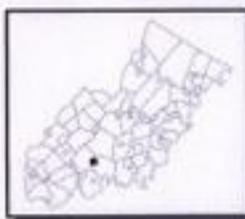




Net Water Availability by HUC14 Subwatershed
 Million Gallons Per Day (MGD)

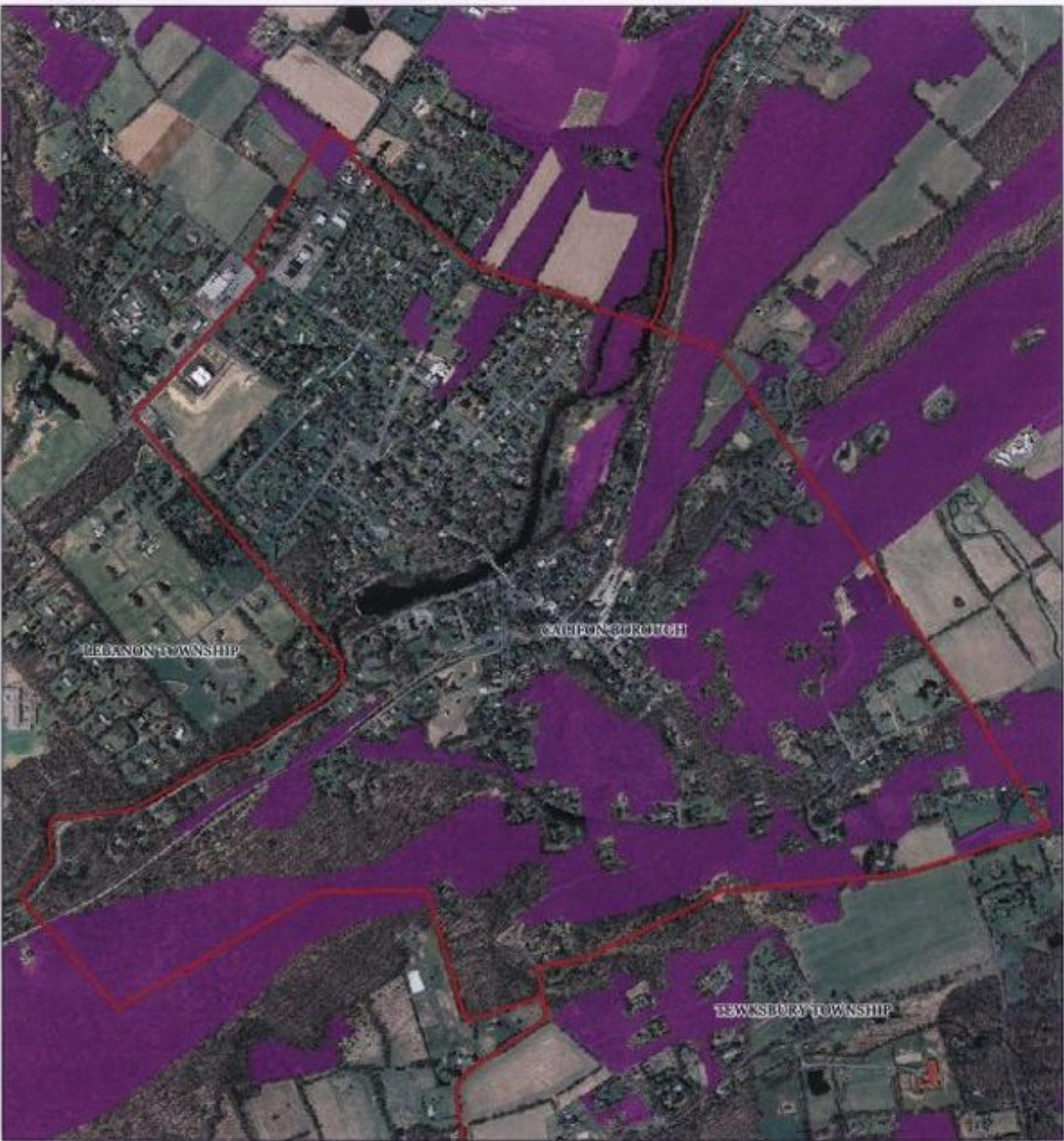


CALIFON BOROUGH



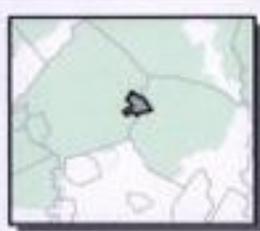
1 inch = 0.193 miles





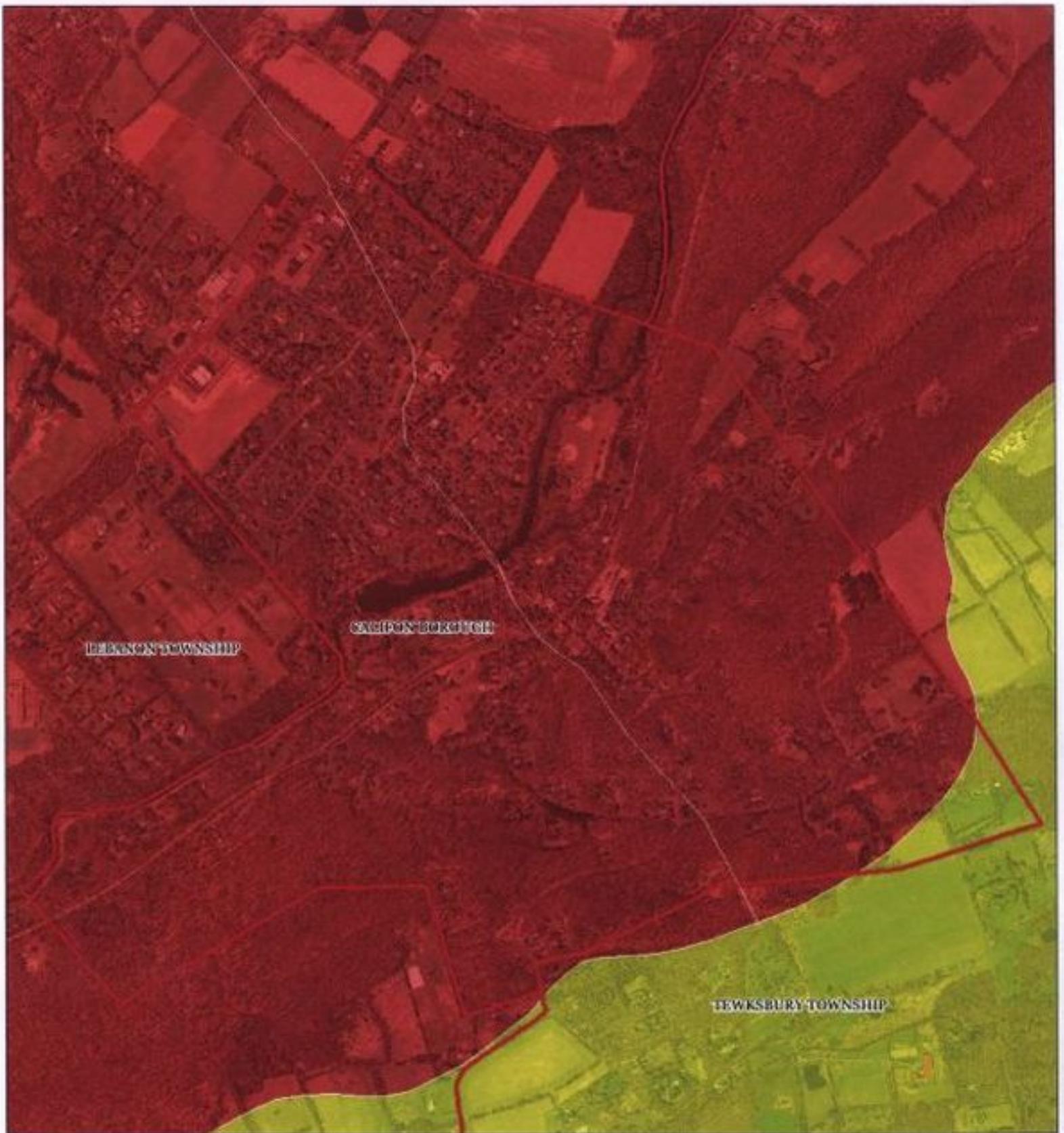
-  Prime Ground Water Recharge Areas
-  Preservation Area
-  Municipal Boundaries

CALIFON BOROUGH



1 inch = 0.193 miles

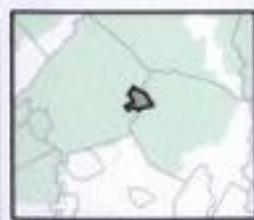
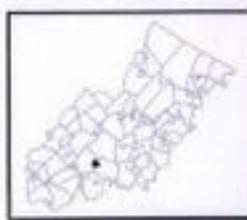




Impaired Waters Overall Assessment by HUC14 Subwatershed

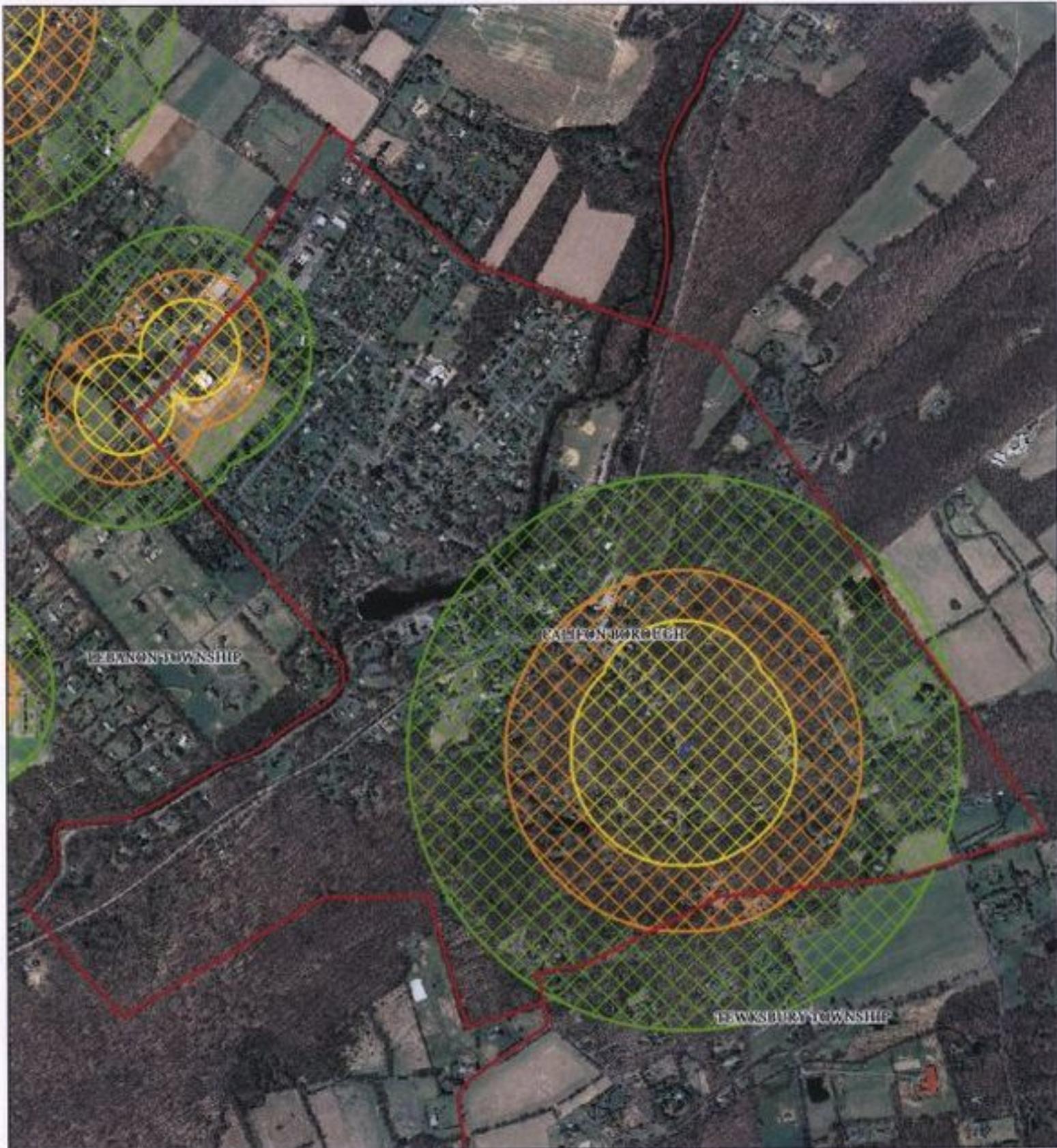
CALIFON BOROUGH

- Non Impacted*
- Insufficient Data Available*
- Moderate*
- Water Quality Impaired*
- Preservation Area*
- Municipal Boundaries*



1 inch = 0.193 miles





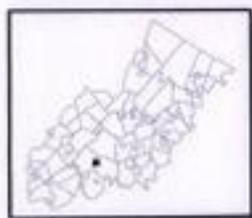
- Public Community Wells
- Non-Public Community Wells

CALIFON BOROUGH

Wellhead Protection Areas

-  2-Year Tier
-  5-Year Tier
-  12-Year Tier

-  Preservation Area
-  Municipal Boundaries



1 inch = 0.193 miles

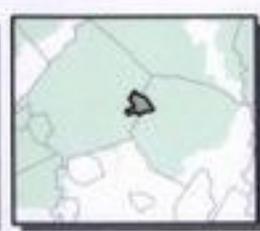
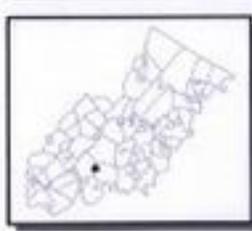
Highlands Council
New Jersey

N



-  Agricultural Resource Area
-  Preservation Area
-  Municipal Boundaries

CALIFON BOROUGH



1 inch = 0.193 miles

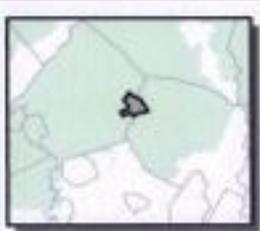
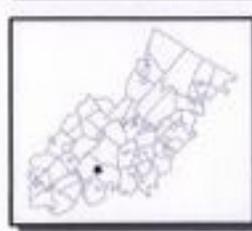




Agricultural Priority Area

-  *Low*
-  *Moderate*
-  *High*
-  **Preservation Area**
-  **Municipal Boundaries**

CALIFON BOROUGH



1 inch = 0.193 miles



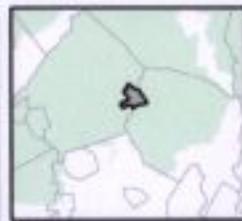


CALIFON BOROUGH

SADC Easements

-  *SADC Final*
-  *SADC 8 Year*
-  *SADC Preserved*
-  Preserved Farmland
-  Agriculture Uses

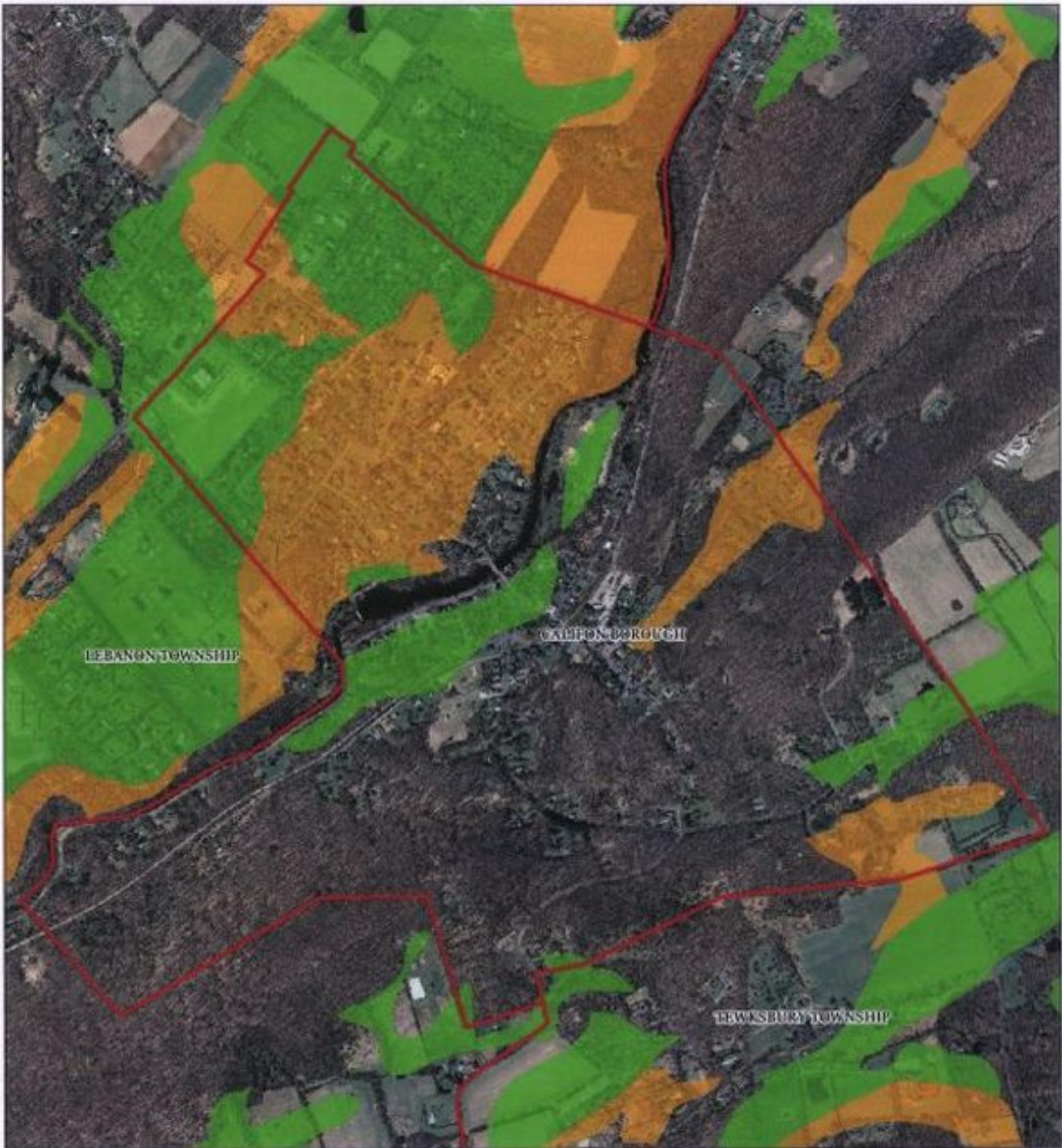
-  Preservation Area
-  Municipal Boundaries



1 inch = 0.193 miles



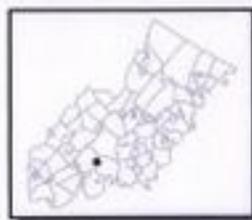
N



Important Farmland Soils

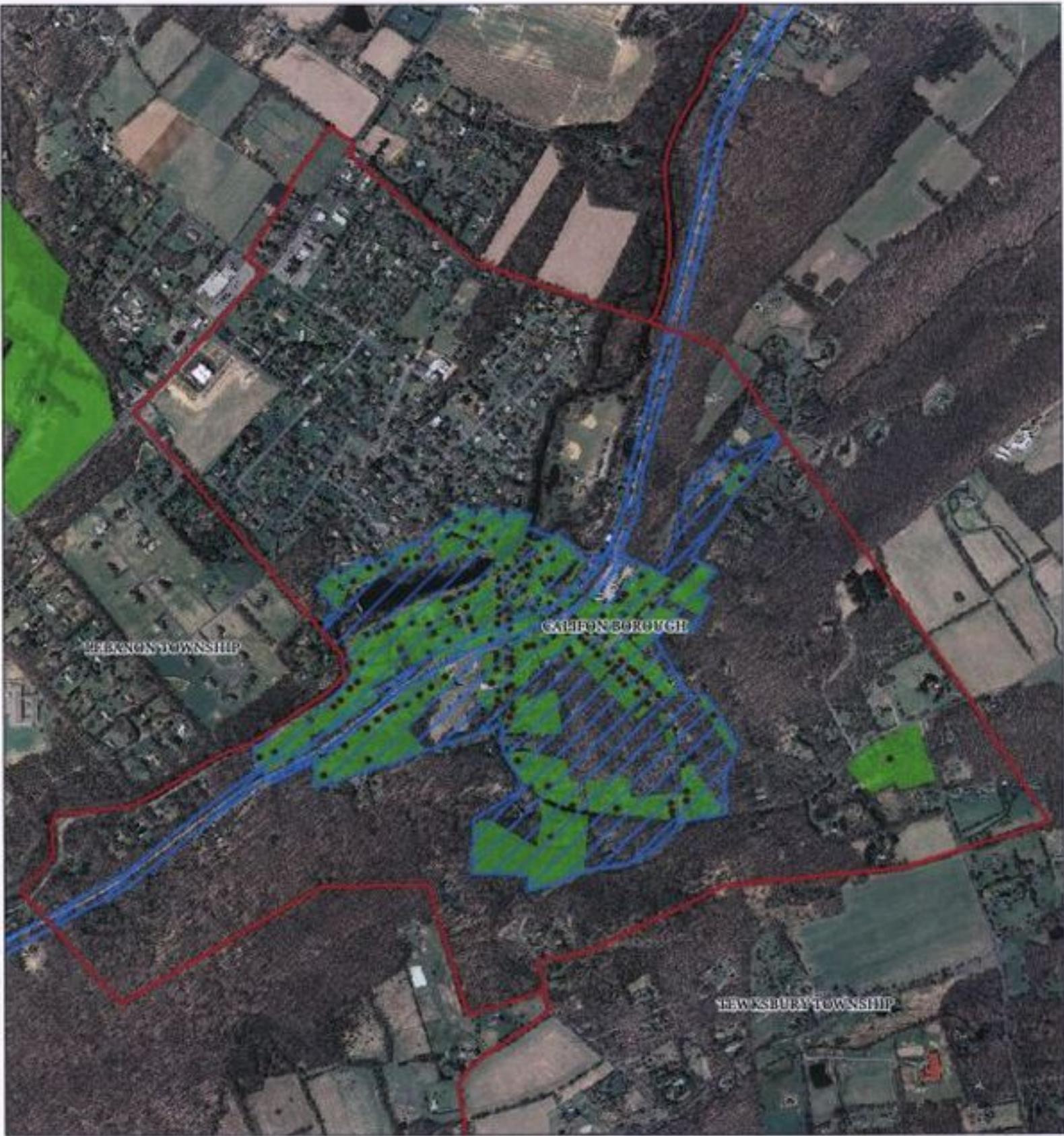
- Prime Farmland
- Farmland of Local Importance
- Farmland of Statewide Importance
- Farmland of Unique Importance
- Preservation Area
- Municipal Boundaries

CALIFON BOROUGH



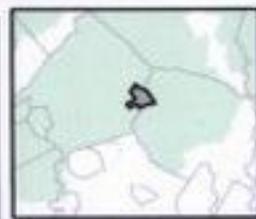
1 inch = 0.193 miles





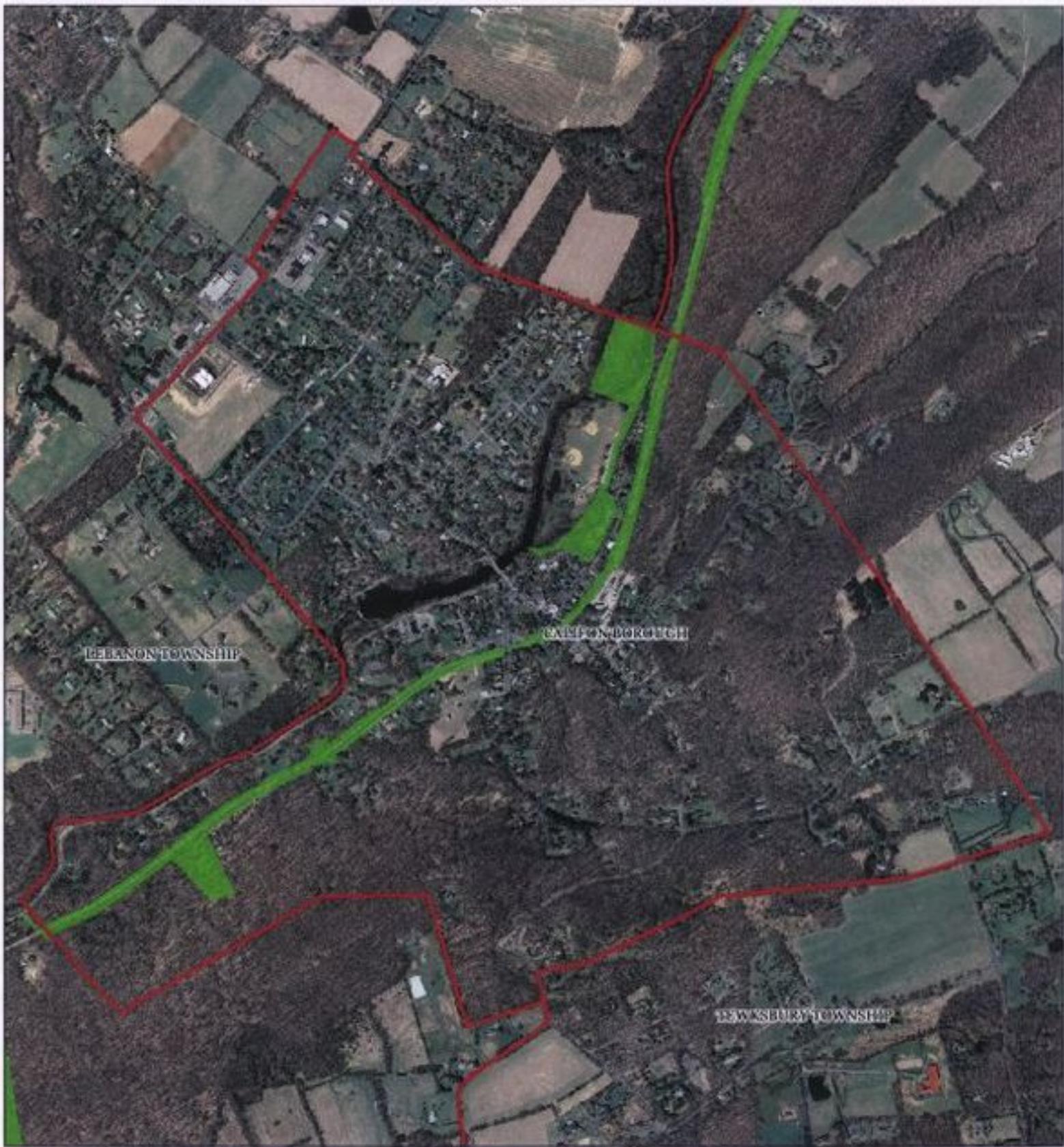
-  Preservation Area
-  Municipal Boundaries
-  Archaeological Grids (1 sqmi)
-  NJ Historic Districts
-  Historic Property Points
-  Historic Property Polygons

CALIFON BOROUGH



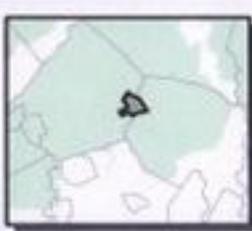
1 inch = 0.193 miles





CALIFON BOROUGH

-  Scenic Resources
-  Municipal Boundaries
-  Preservation Area



1 inch = 0.193 miles

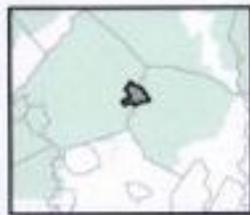
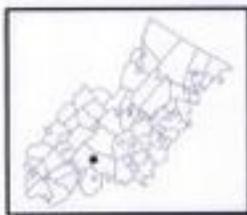




Highlands Contaminated Site Inventory

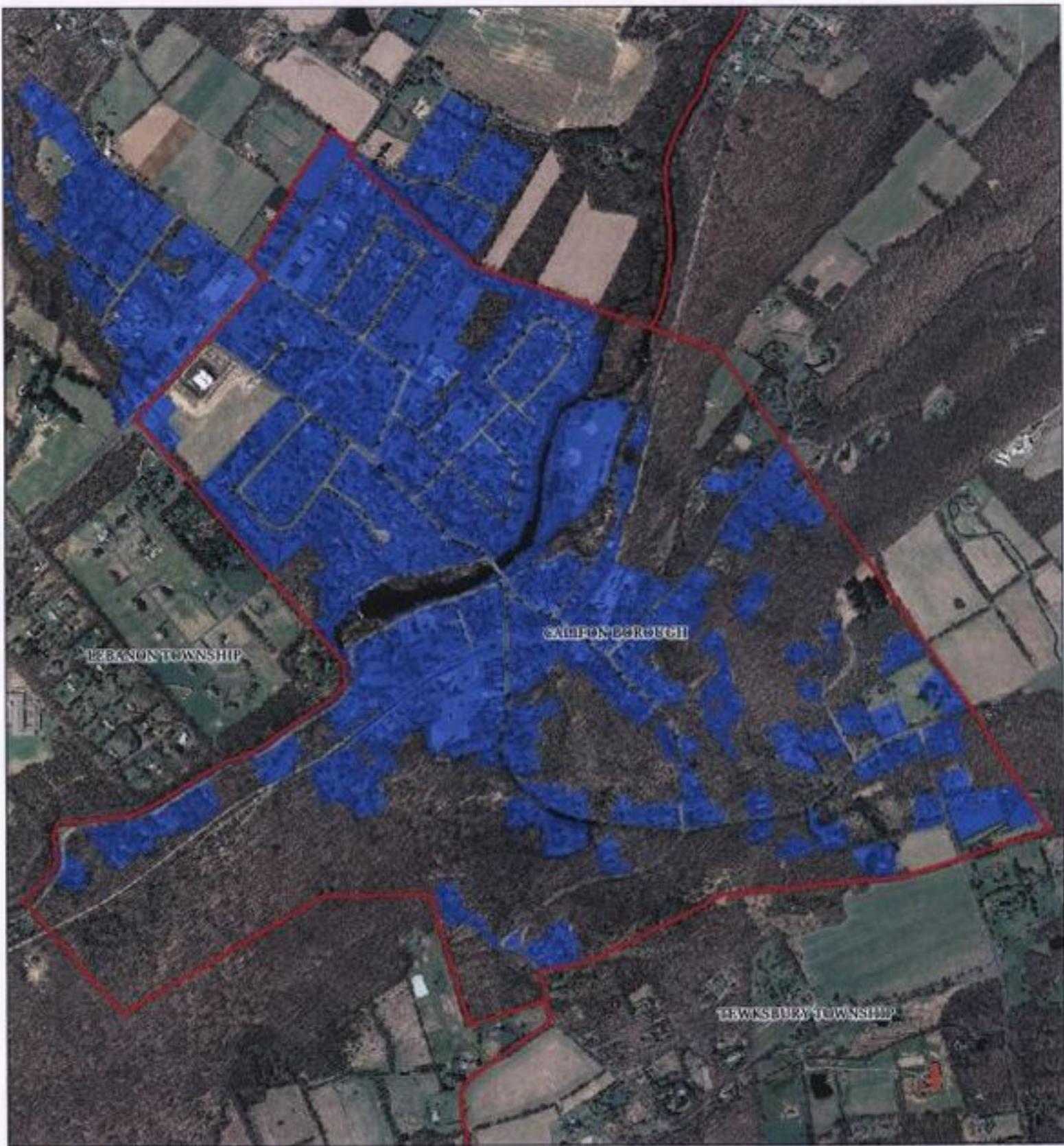
CALIFON BOROUGH

- Tier 1 Sites
- Tier 1 Sites (Polygons)
- Tier 2 Sites
- ▭ Preservation Area
- ▭ Municipal Boundaries



1 inch = 0.193 miles





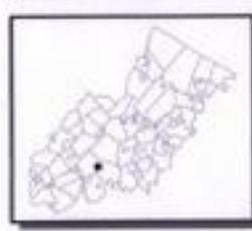
LEBANON TOWNSHIP

CALIFON BOROUGH

TEWKSBURY TOWNSHIP

-  Public Community Water Systems
-  Preservation Area
-  Municipal Boundaries

CALIFON BOROUGH



1 inch = 0.193 miles



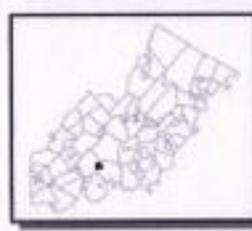


Roadway Network

-  Interstate Highways
-  U.S. Routes
-  State Routes
-  County Routes
-  Local Routes

-  Preservation Area
-  Municipal Boundaries

CALIFON BOROUGH



1 inch = 0.193 miles



N



Rail Network

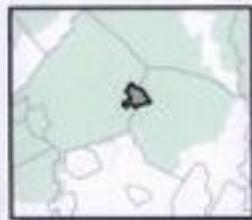
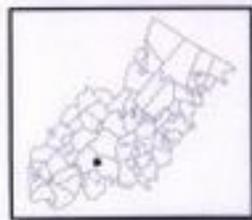
- +— Boonton Line
- +— Main Line & Bergen County Line
- +— Morris and Essex Line
- +— Raritan Valley Line

Freight Rail Lines

- +— Freight Rail Lines
- +— Abandoned Freight Rail

- Rail Stations
- Park and Ride Sites
- Private Bus Lines
- NJ Transit Bus Lines
- ✈ Airports

CALIFON BOROUGH



1 inch = 0.193 miles



N

CALIFON BOROUGH - VACANT LAND INVENTORY - RDP

BLOCK	LOT(S)	TAX CLASS	TAX MAP	OWNER	LOCATION	ZONE	PLANNING AREA	SEWER SERVICE AREA (V/M)	AREA		STATUS	CONDITION(S)	DEVELOP. AREA (AC)	NO. OF AFF. UNITS
									ACRES	SQ FT				
14	5.01	1	5	UNKNOWN (c/o Califon)	River Road	FP/R-1	5	N	1,307	0.03	VACANT	FLOOD PLAIN/PART. WOODED	0.00	0
14	5.02	1	5	Degan, Robert & Lorenz, Carl	River Road	FP/R-1	5	N	871	0.02	VACANT	FLOOD PLAIN/PART. WOODED	0.00	0
15	3	38	5	Wimmer, Roy & Emily	River Road	R-2 (CARB)	5	N	113,691	2.61	VACANT	WOODED / 200 RP	0.00	0
15	4.04	38	5	Wimmer, Roy & Emily	91 River Road	R-2 (CARB)	5	N	127,195	2.92	VACANT	WOODED / 200 RP	0.00	0
15	6	1	5	Hoppaugh, Russell & Brenda	71 River Road	R-3 (CARB)	5	N	14,910	0.34	VACANT	PARTIALLY WOODED / 200 RP	0.00	0
17	1	38	5	Wimmer, Roy & Emily	101 River Road	R-2	5	N	217,364	4.99	VACANT	WOODED	4.99	0
17	2	38	5	Wimmer, Roy & Emily	95 River Road	R-2	5	N	228,690	5.25	VACANT	WOODED/MODERATE SLOPE/STON	5.25	0
17	3	1	5	Palmer, John	81 River Road	R-2	5	N	98,427	2.03	VACANT	WOODED/MODERATE SLOPE/STON	2.03	0
17	8	38	5	Wimmer, Roy & Emily	99 River Road	R-2	5	N	87,566	2.01	VACANT	WOODED/MODERATE SLOPE/STON	2.01	0
17	9	38	5	Diana Estates Inc.	97 River Road	R-2	5	N	351,927	7.62	VACANT	WOODED/MODERATE SLOPE/STON	7.62	0
17	6	38	5	Brandner, Peter	59 Railroad Avenue	R-2	5	N	217,364	4.99	DEVELOPED	WOODED+10% SLOPE/RESIDENCE	0.00	0
18	4	1	6	Hoover, John & Cindy	38 Railroad Avenue	R-3	5	N	21,344	0.49	VACANT	WOODED	0.49	0
18	25	38	6	Spiano Wood Products, Inc	81 Academy Street	R-1/R-2	5	N	649,044	14.90	VACANT	WOODED/MOD-STEEP SLOPES / SEE RP	0.00	0
18	25.03	1	6	Pfeifferoth, Sara	69 Academy Street	R-1	5	N	19,994	0.46	VACANT	WOODED / 200 RP	0.00	0
25	1	38	6	Walter, Paul & Gloria	1043 Califon-Cokesbury Road	R-1	5	N	708,721	16.27	DEVELOPED	WOODED/RESIDENCE/MOD STEEP SLOP	0.00	0
18	13.01	15C	6	Borough of Califon	39 Academy Street	R-3	5	N	13,068	0.30	DEVELOPED	BOROUGH HALL	0.00	0
19	3	1	6	Belle Crest Association	4 Academy Street	GB (CARB)	5	N	4,792	0.11	VACANT	CLEARED	0.00	0
19	4	1	6	Burd, Carl & Sylvia	2 Academy Street	GB (CARB)	5	N	8,276	0.19	VACANT	CLEARED	0.00	0
19	6	1	6	Belle Crest Association	81 Main Street	GB (CARB)	5	N	3,485	0.08	VACANT	CLEARED	0.00	0
19	7	1	6	Burd, Carl & Sylvia	49 Main Street	GB (CARB)	5	N	5,227	0.12	VACANT	CLEARED	0.00	0
20	4	38	6	Winters, Gary & Lovella	Academy St & Main St	R-2	5	N	734,857	16.87	PART. DEV	WOODED/RESIDENCE	0.00	0
20	19	1	6	Maguire, Vincent	Academy Street	R-2	5	N	13,068	0.30	VACANT	WOODED / 200 RP	0.00	0
20	21	1	6	Nesius, Robert & Mary	44 Academy Street	R-2	5	N	14,379	0.33	VACANT	PARTIALLY WOODED / 200 RP	0.00	0
21	4	15c	7	Borough of Califon	Bank Street (REAR)	FP/R-1	5	N	562,795	12.92	DEVELOPED	RECREATIONAL/FLOOD PLAIN	0.00	0
21	5.01	1	7	UNKNOWN (c/o Califon)	134 Bank Street	FP/R-1	5	N	28,964	0.62	VACANT	PARTIALLY WOODED/FLOOD PLAIN	0.00	0
21	6	15C	7	Borough of Califon	130 Bank Street	FP/R-1	5	N	1,742	0.04	VACANT	PARTIALLY WOODED/FLOOD PLAIN	0.00	0
22	6.01	1	77	UNKNOWN (c/o Califon)	Bank Street	GB (CARB)	5	N	3,920	0.09	VACANT?	unknown (TOO SMALL)??	0.00	0
22	18	1	77	UNKNOWN (c/o Califon)	M8 Street	GB (CARB)	5	N	7,405	0.17	VACANT?	unknown (TOO SMALL)??	0.00	0
23	5.01	15C	7	Borough of Califon	113 Bank Street	R-3	5	N	15,346	0.35	VACANT	WOODED / 200 RP	0.00	0
23	7	1	7	Mullen, John & Laura	117 Bank Street	R-3	5	N	19,994	0.46	VACANT	WOODED / 200 RP	0.00	0
24	4	1	7	D&B Holding LLC	80 Main Street	GB	5	N	12,197	0.28	VACANT	DRAINAGE WAY	0.00	0
24	5	38	7	Nicolassen, Donald & Sandra	134 Philhower Avenue	R-1	5	N	1,114,265	25.08	PART. DEV	PART WOODED(STABLE+20%2000 RP	0.00	0
25	3	1	9	Consumers NJ Water Company	77 Academy Street	R-1	5	N	71,874	1.65	VACANT	WOODED/MOD SLOPES	1.65	1.65
27	3	38	9	Chang, Ming To	202 Cokesbury Road	R-1	5	N	535,768	12.30	VACANT	WOODED/MOD-STEEP SLOPES	8.00	0
27	4	1	9	Consumers NJ Water Company	79 Academy Street	R-1	5	N	131,156	3.01	VACANT	WOODED/MOD-STEEP SLOPES	2.00	0
28	6	38	10	Frostrock, Alexander & Nick	106 Guilmer Hollow Road	R-1	5	N	287,060	6.59	DEVELOPED	PARTIALLY WOODED/RESIDENCE	0.00	0
30	1.01	38	10	Candella, Frank & Patricia	107 Guilmer Hollow Road	R-1	5	N	171,191	3.93	DEVELOPED	CLEAR/POLE BARN STRUCTURE	3.93	0
30	4	38	10	Taylor, Donald & Veronica	93 Academy Street	R-1	5	N	41,815	0.96	VACANT	ACCESS#WOODED/FOR. TEWKSBURY	0.96	0
31	2	1	8	Abshire, Leatrice & Martina	105 Philhower Avenue	R-2/GB	5	N	176,854	4.06	VACANT	WOODED/MOD-STEEP SLOPES	2.00	2.00
31	6	1	8	Johnson, Carl Noelle	117 Philhower Avenue	R-3	5	N	24,699	0.57	VACANT	PARTIALLY WOODED/MOD SLOPES	0.57	0
31	13	1	8	UNKNOWN (c/o Califon)	BACK LAND	R-1	5	N	5,683	0.13	VACANT	WOODED/STEEP SLOPES (TOO SMALL)	0.00	0
31	14	1	8	Kelvin, Adam	Big Oak Way	R-1	5	N	182,914	3.74	VACANT	PART. WOODED/MOD-STEEP SLOPES	3.00	0

CALIFON BOROUGH - VACANT LAND INVENTORY - RDP

BLOCKS	LOTS	TAX CLASS	TAX MAP	OWNER	LOCATION	ZONE	PLANNING AREA	SEWER SERVICE AREA	AREA	SE	ACRES	STATUS	CONDITION(S)	DEVEL. AREA (A.C.)	ADJAC. DEVEL. AREA (A.C.)	NO. OF AFF. UNITS
31	14.01	1	87	Solemson, Rodwick & Andrea	Big Oak Way	R-1	5	N	130,660	3.00	3.00	VACANT ¹	unknown**	3.00	3.00	0
31	18	1	8	Maguire, Vincent & Nerida	60 Academy Street	R-1	5	N	113,256	2.90	2.90	VACANT	WOODCROFT BLOPES/300' RSP	0.00	0.00	0

* Vacant lot, not listed

¹ Did not exist prior to August, 2004

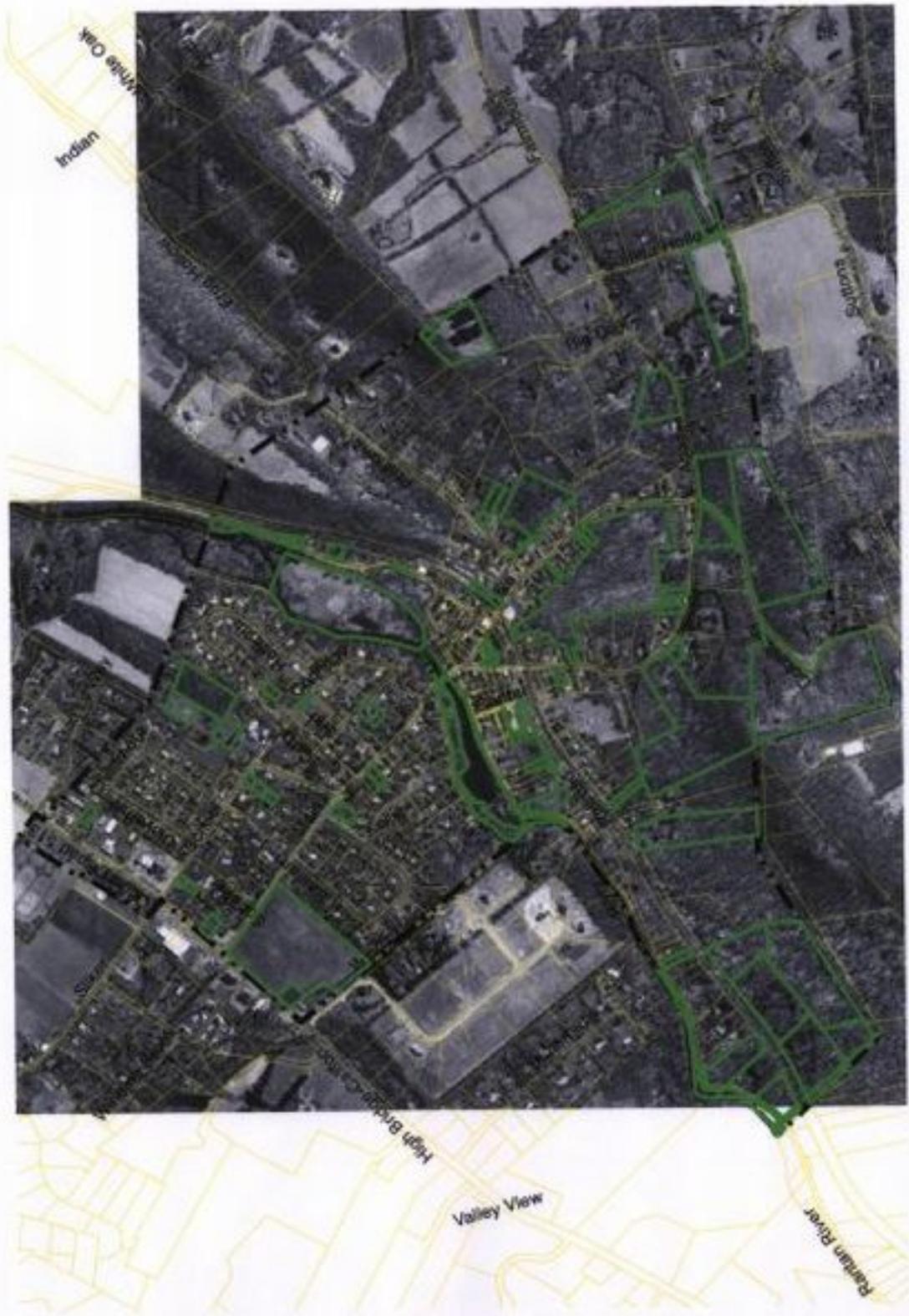
* - UNKNOWN LOCATION (EXIST?)

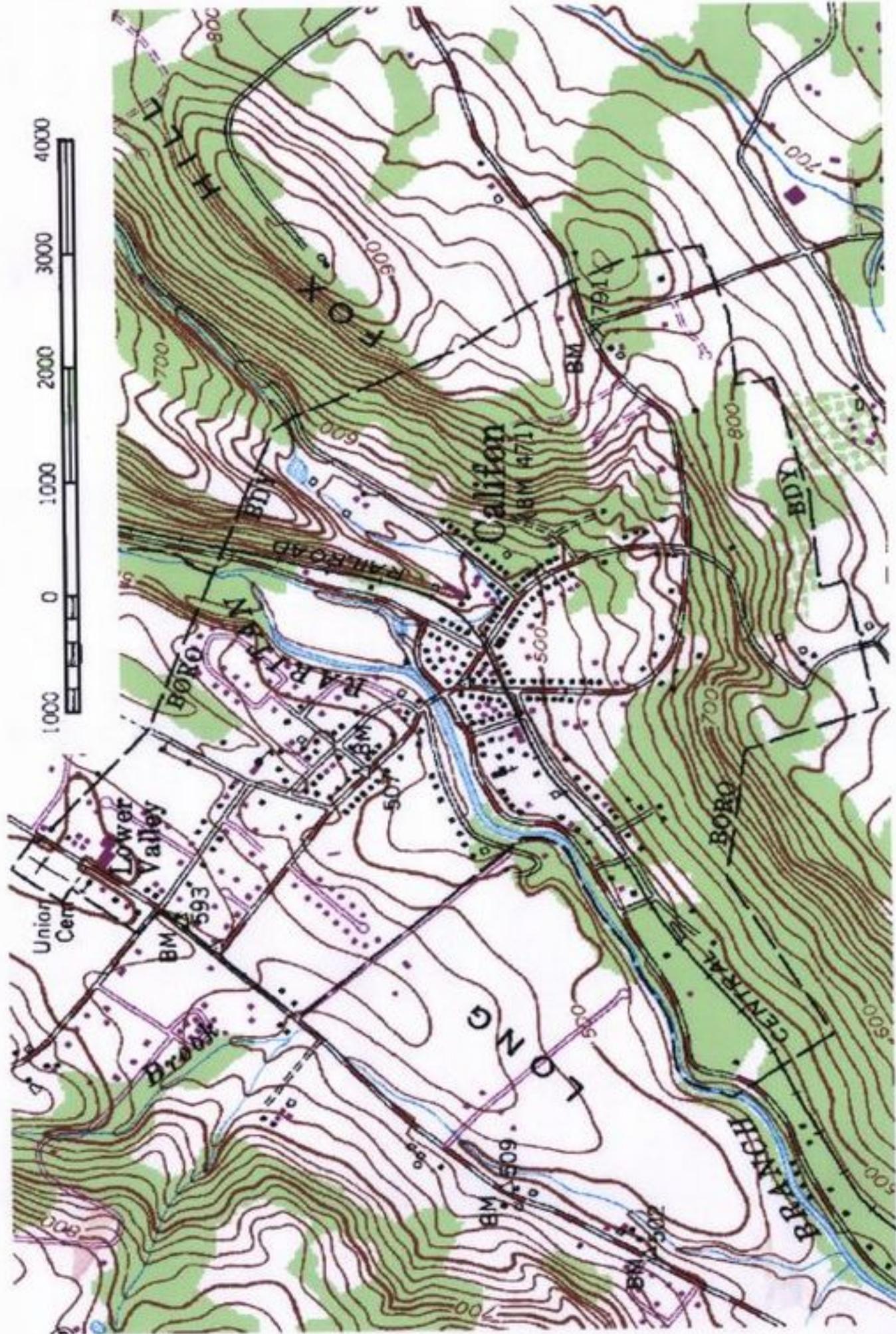
** existed prior to August, 2004?



INDICATES ADJACENT LAND PARCELS

*** Based upon Highlands Preservation Area Standards (NJAC 7:28-3 et seq.)
 One septic system for 25 acres for land less than 50% forested;
 One septic system for 68 acres for land 50% or more forested.





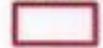


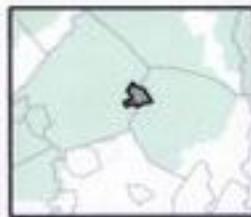
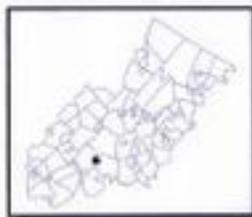
HEBANON TOWNSHIP

CALIFON BOROUGH

TEWKSBURY TOWNSHIP

CALIFON BOROUGH

-  Preservation Area
-  Municipal Boundaries



1 inch = 0.193 miles


Highlands Council
New Jersey





LEBANON TOWNSHIP

CALIFON BOROUGH

TEWKSBURY TOWNSHIP

Regional Master Plan Overlay Zone Designation

- Zone**
- Protection
 - Conservation
 - Existing Community
 - Lakes Greater Than 10 acres
 - Preservation Area
 - Municipal Boundaries
- Sub-Zone**
- Existing Community Environmentally Constrained
 - Conservation Environmentally Constrained
 - Lake Community
 - Wildlife Management

CALIFON BOROUGH



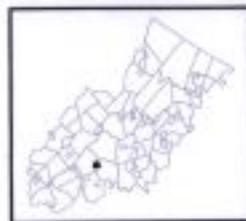
1 inch = 0.189 miles





CALIFON BOROUGH

-  Subwatersheds: Hydrologic Unit Code 14 (HUC14)
-  Stream Centerlines
-  Preservation Area
-  Municipal Boundaries



1 inch = 0.193 miles

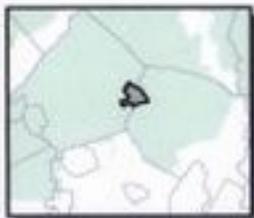
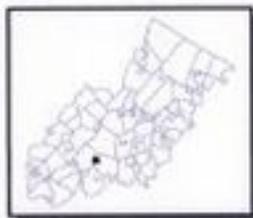
Highlands Council
New Jersey





-  Forest Resource Area
-  Preservation Area
-  Municipal Boundaries

CALIFON BOROUGH



1 inch = 0.193 miles

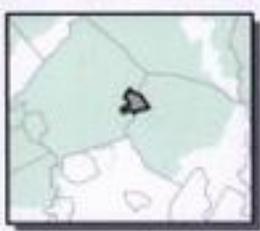
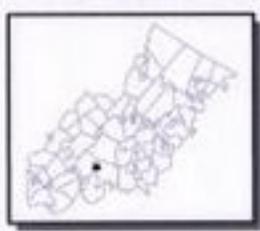
Highlands Council
New Jersey





CALIFON BOROUGH

-  Forested Areas
-  Preservation Area
-  Municipal Boundaries



1 inch = 0.193 miles



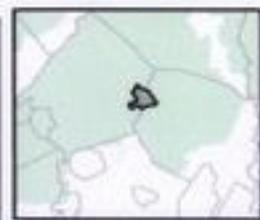
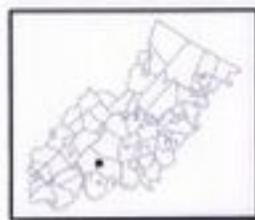
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Forest Integrity by HUC14 Subwatershed

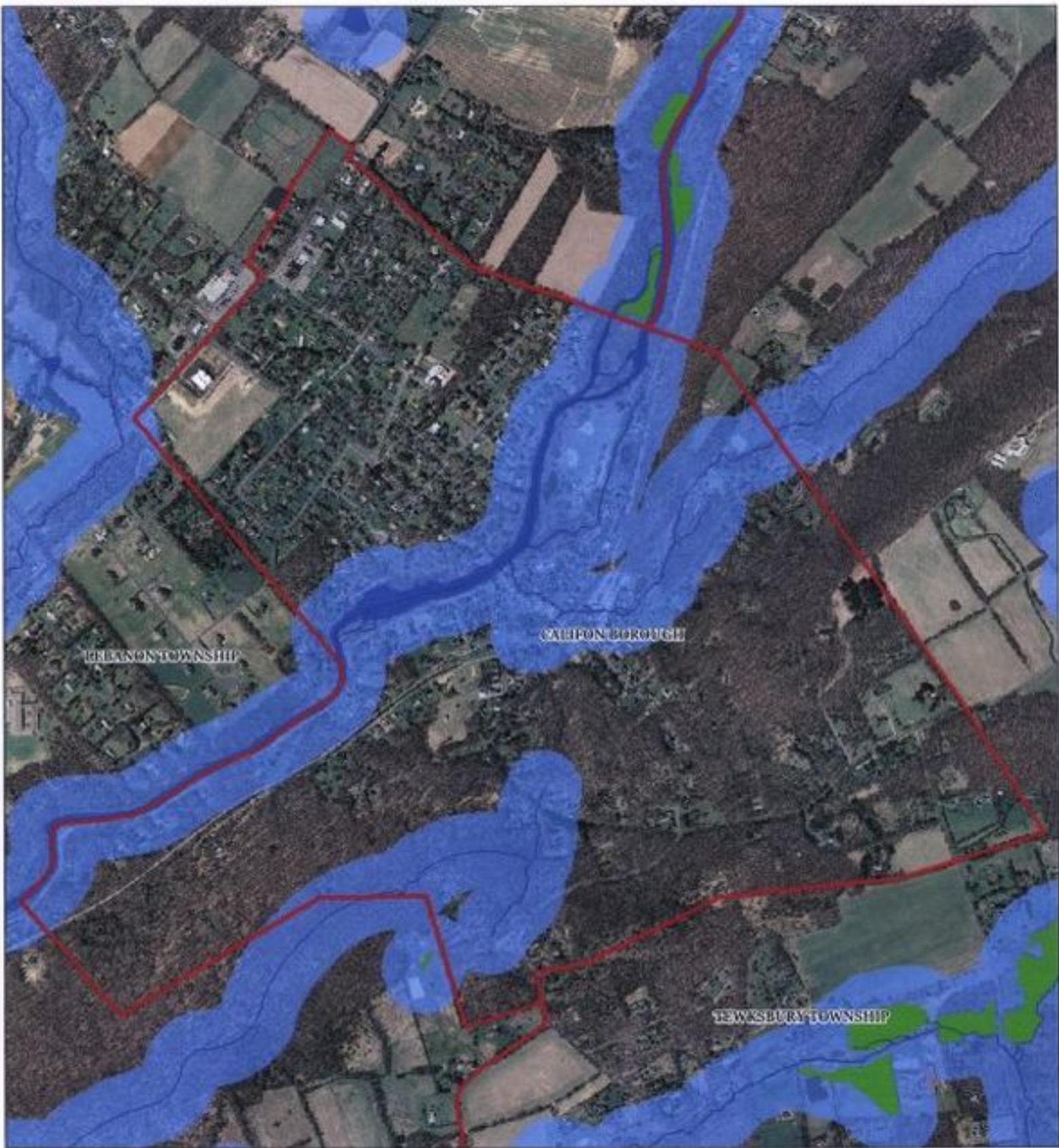
CALIFON BOROUGH

-  *Low*
-  *Moderate*
-  *High*
-  Preservation Area
-  Municipal Boundaries



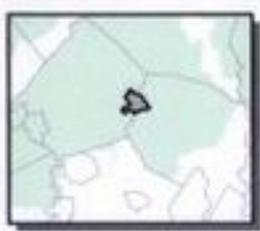
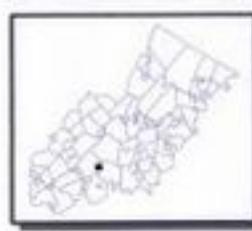
1 inch = 0.193 miles





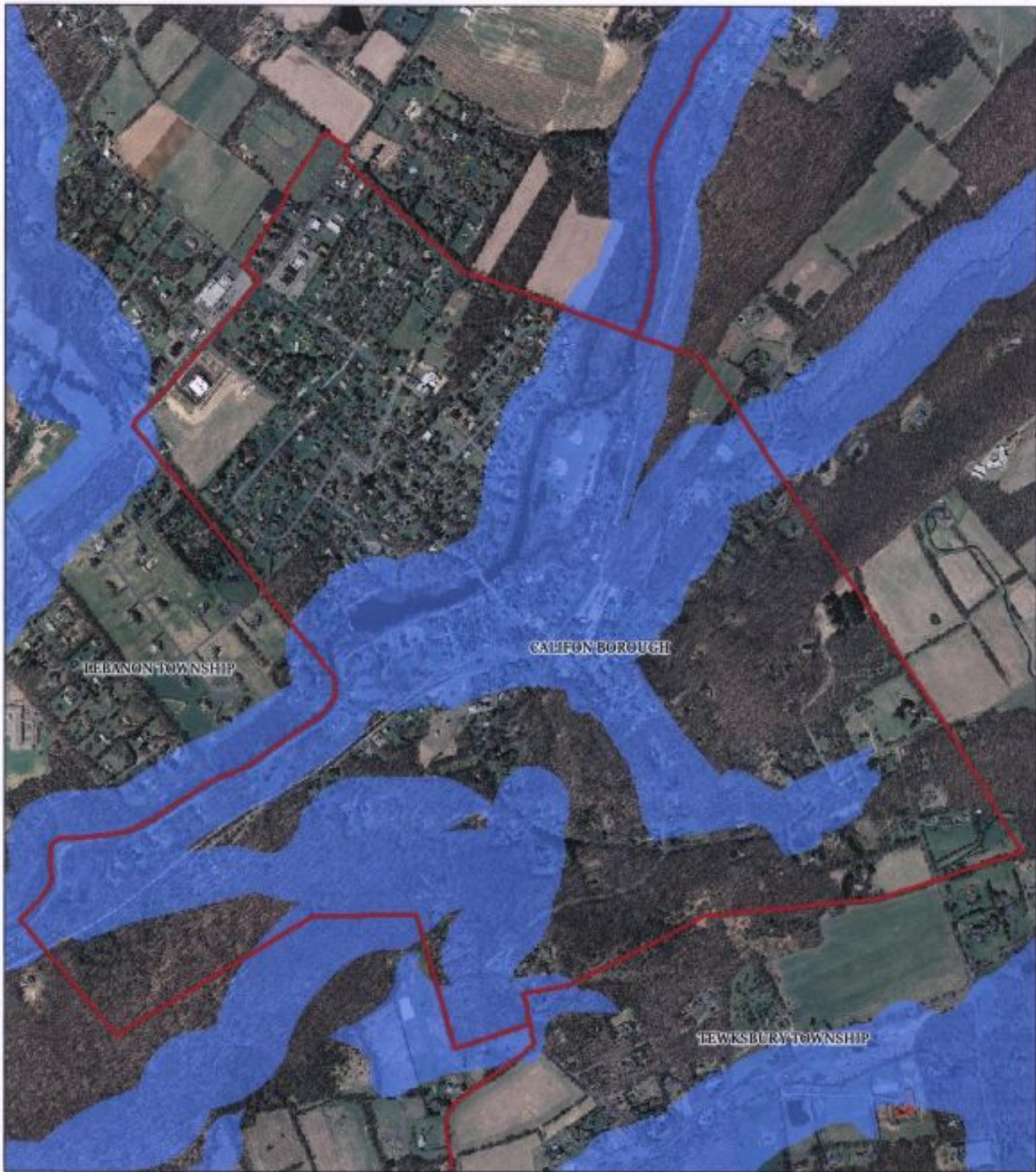
CALIFON BOROUGH

- Highlands Open Water Buffers (300ft)
- Streams
- Wetlands
- Lakes & Ponds
- Preservation Area
- Municipal Boundaries



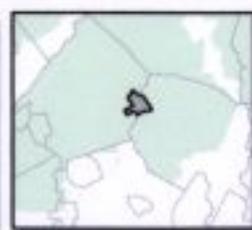
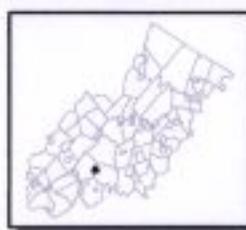
1 inch = 0.193 miles





-  Riparian Area
-  Preservation Area
-  Municipal Boundaries

CALIFON BOROUGH



1 inch = 0.193 miles

Highlands Council
New Jersey

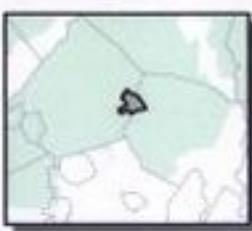
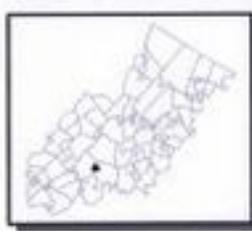




Watershed Values by HUC14 Subwatershed

CALIFON BOROUGH

- Low*
- Moderate*
- High*
- Preservation Area
- Municipal Boundaries



1 inch = 0.193 miles

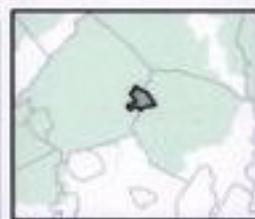
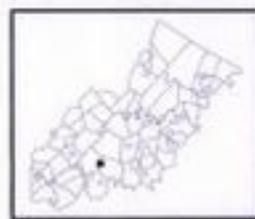




Riparian Integrity by HUC14 Subwatershed

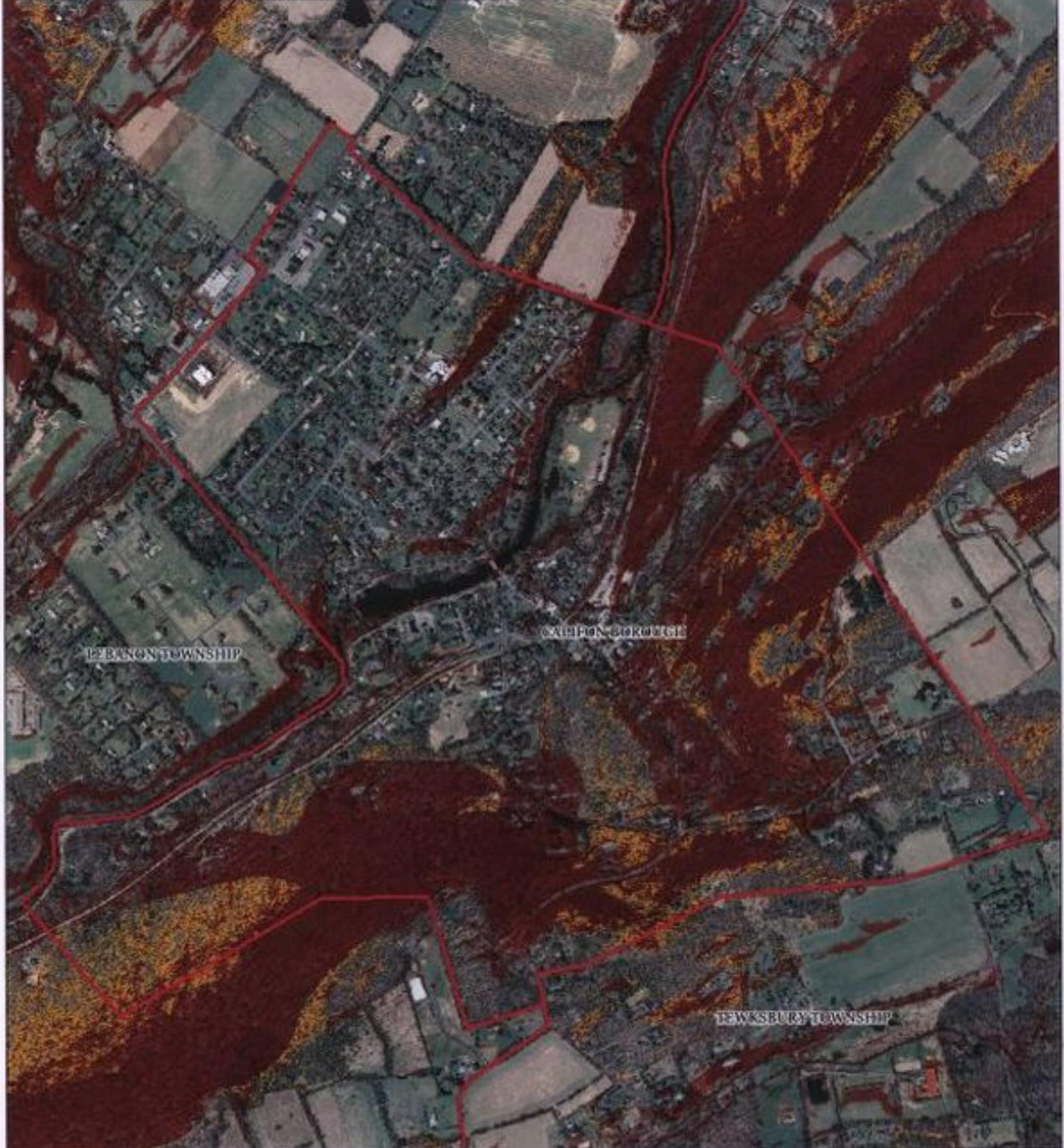
- Low*
- Moderate*
- High*
- Preservation Area
- Municipal Boundaries

CALIFON BOROUGH



1 inch = 0.193 miles





Steep Slopes

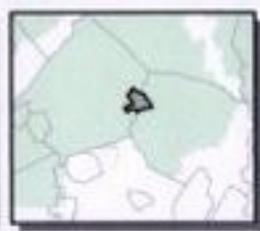
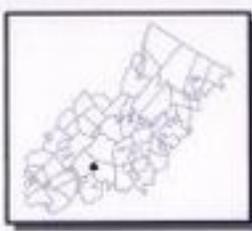
 Moderate

 Severe

 Preservation Area

 Municipal Boundaries

CALIFON BOROUGH



1 inch = 0.193 miles



N



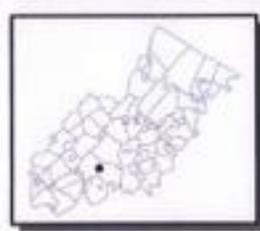
LEVENSON TOWNSHIP

CALIFON BOROUGH

TEWKSBUARY TOWNSHIP

CALIFON BOROUGH

-  Critical Wildlife Habitat
-  Preservation Area
-  Municipal Boundaries



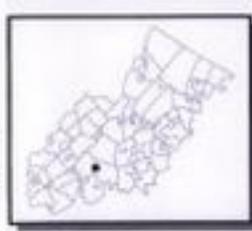
1 inch = 0.193 miles





- | Conservation Easements | Preserved Lands |
|------------------------|-------------------------------|
| Green Acres | Federal Open Space |
| SADC Easements | State Open Space |
| SADC Final | County Open Space |
| SADC 8 Year | Municipal Open Space |
| SADC Preserved | Non-Profit/Private Open Space |
| Municipal Boundaries | Water Supply Watershed Lands |
| Preservation Area | Preserved Farmland |

CALIFON BOROUGH



1 inch = 0.193 miles

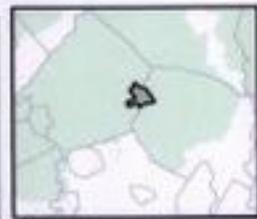
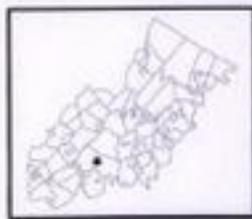




CALIFON BOROUGH

Conservation Priority Area

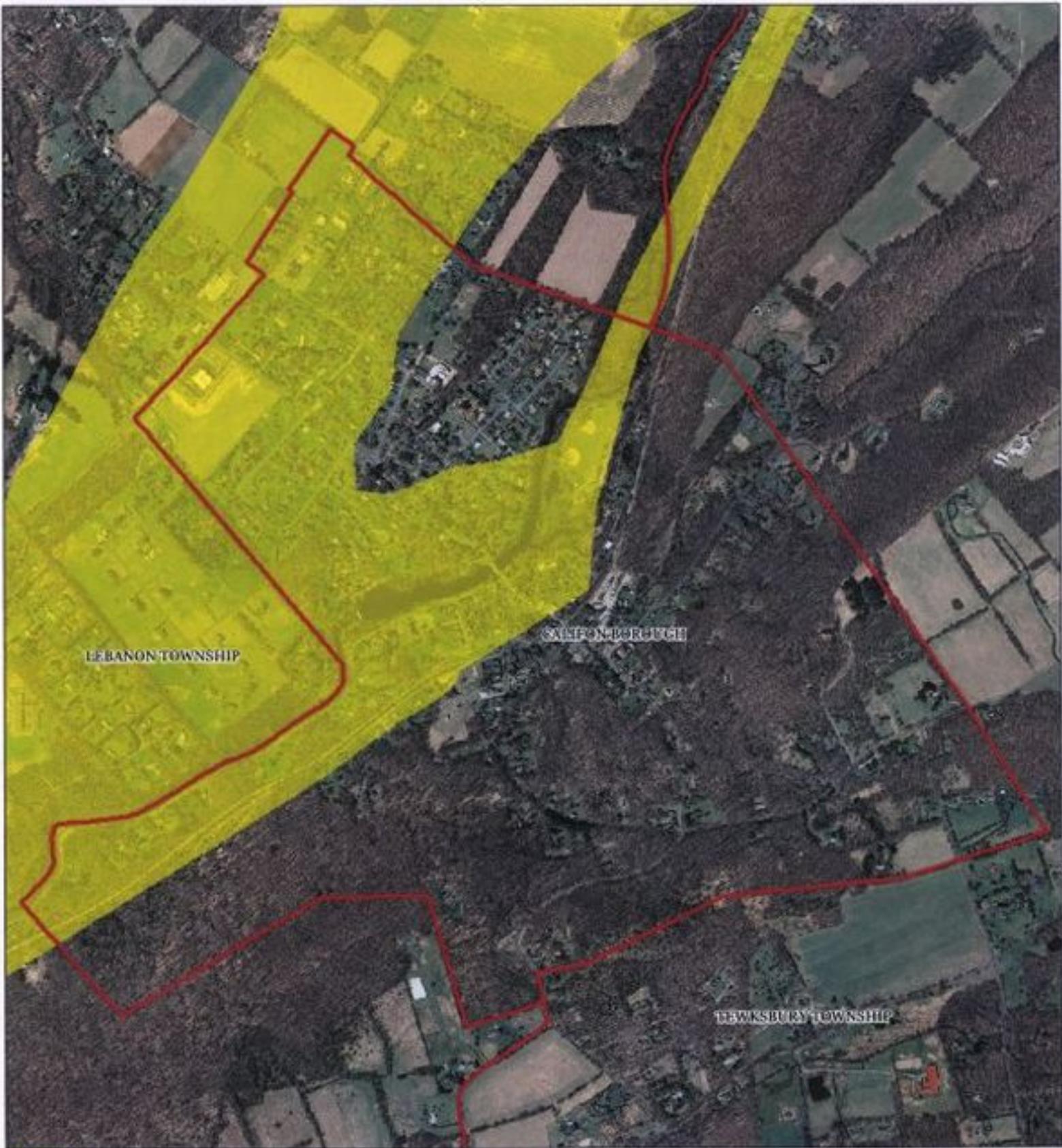
-  Moderate
-  High
-  Preservation Area
-  Municipal Boundaries



1 inch = 0.193 miles

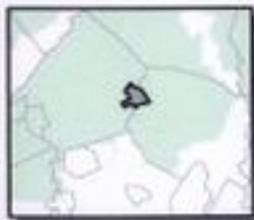


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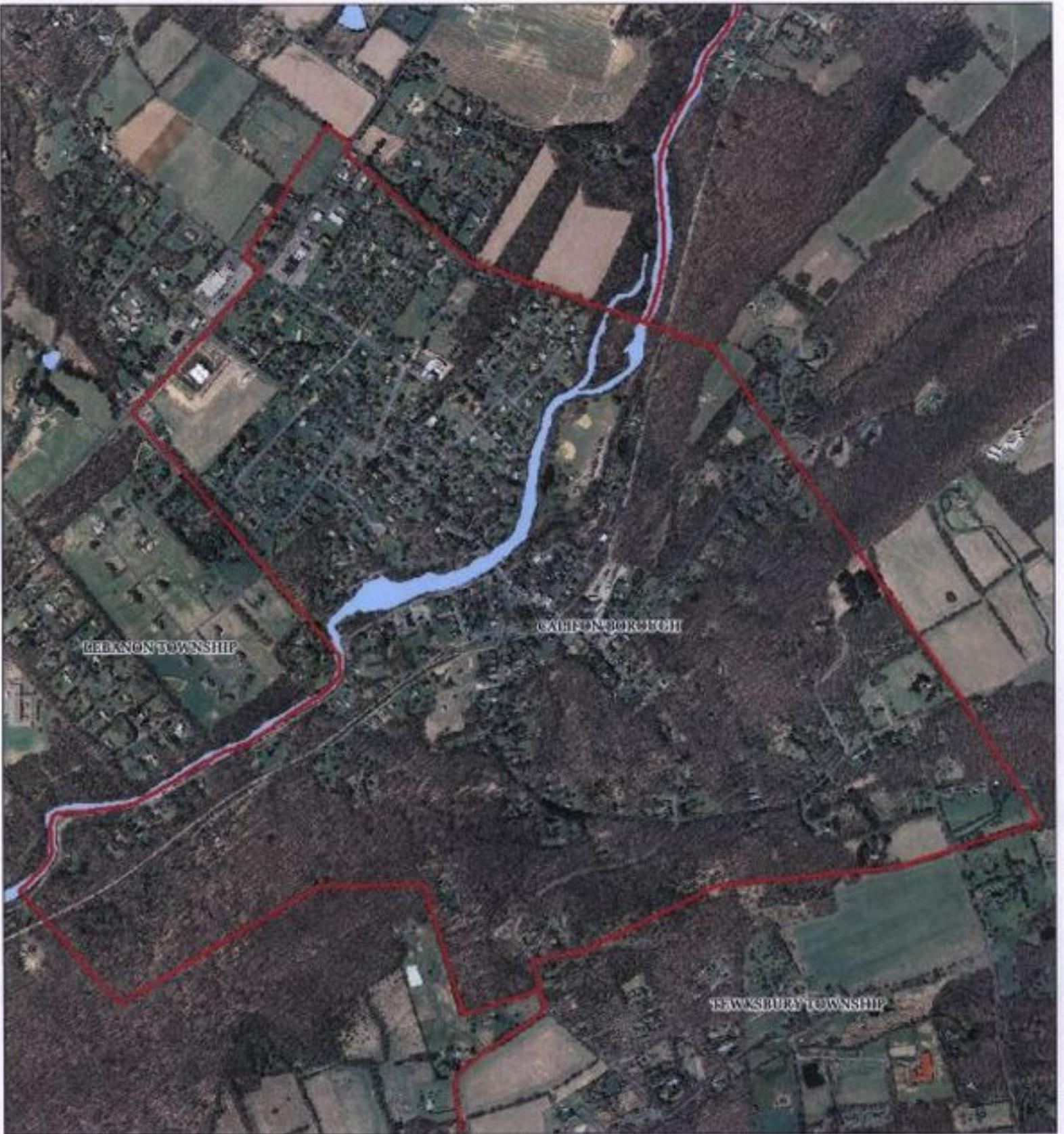
-  Carbonate Rock Area
-  Preservation Area
-  Municipal Boundaries

CALIFON BOROUGH



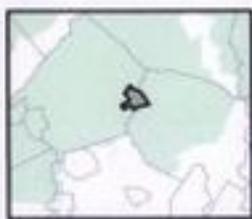
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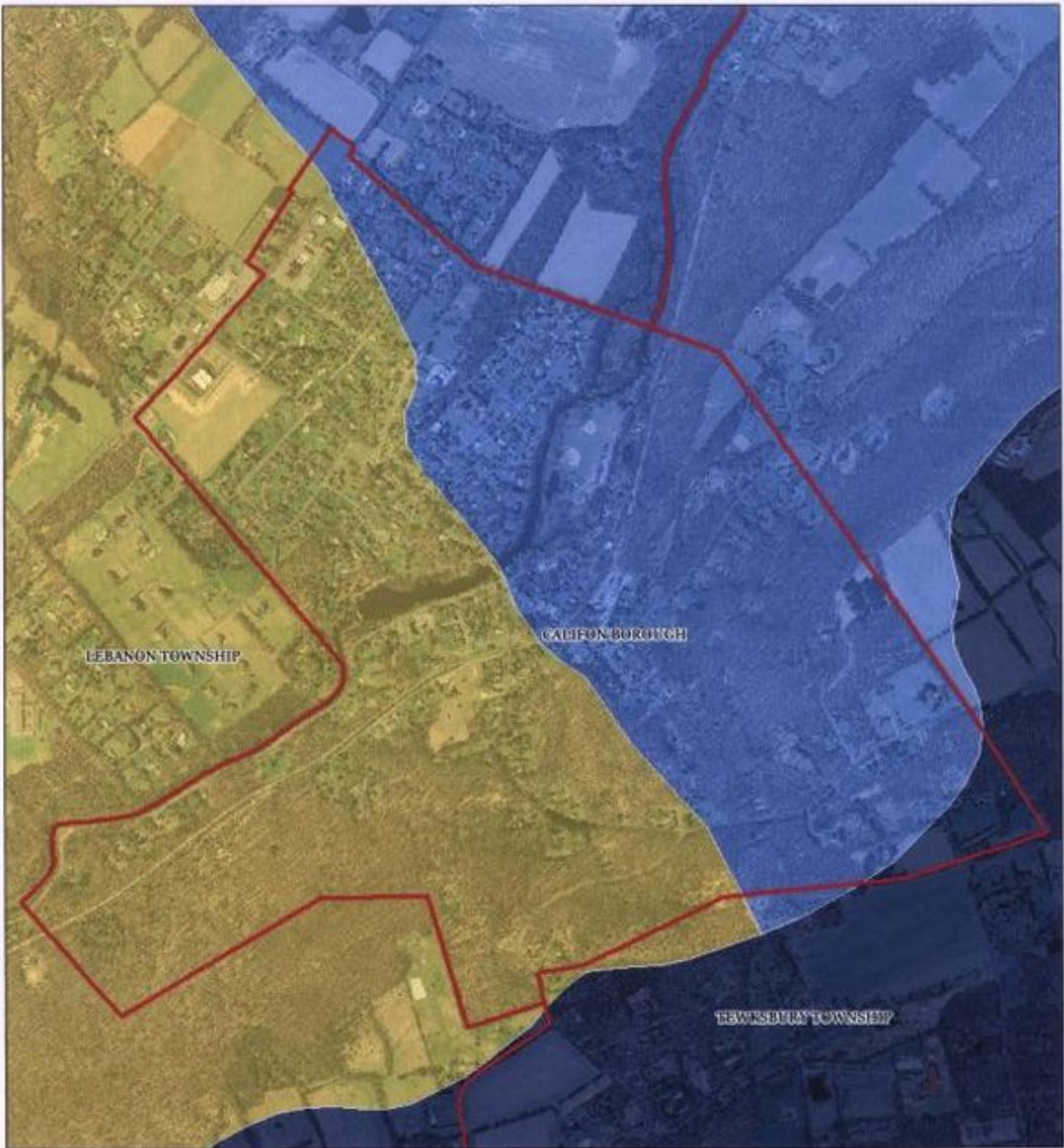
CALIFON BOROUGH

-  Lakes & Ponds
-  Lake Management Areas
-  Preservation Area
-  Municipal Boundaries

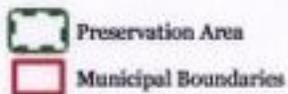
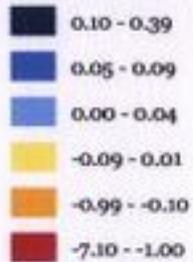


1 inch = 0.193 miles

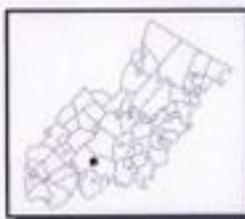




Net Water Availability by HUC14 Subwatershed
 Million Gallons Per Day (MGD)



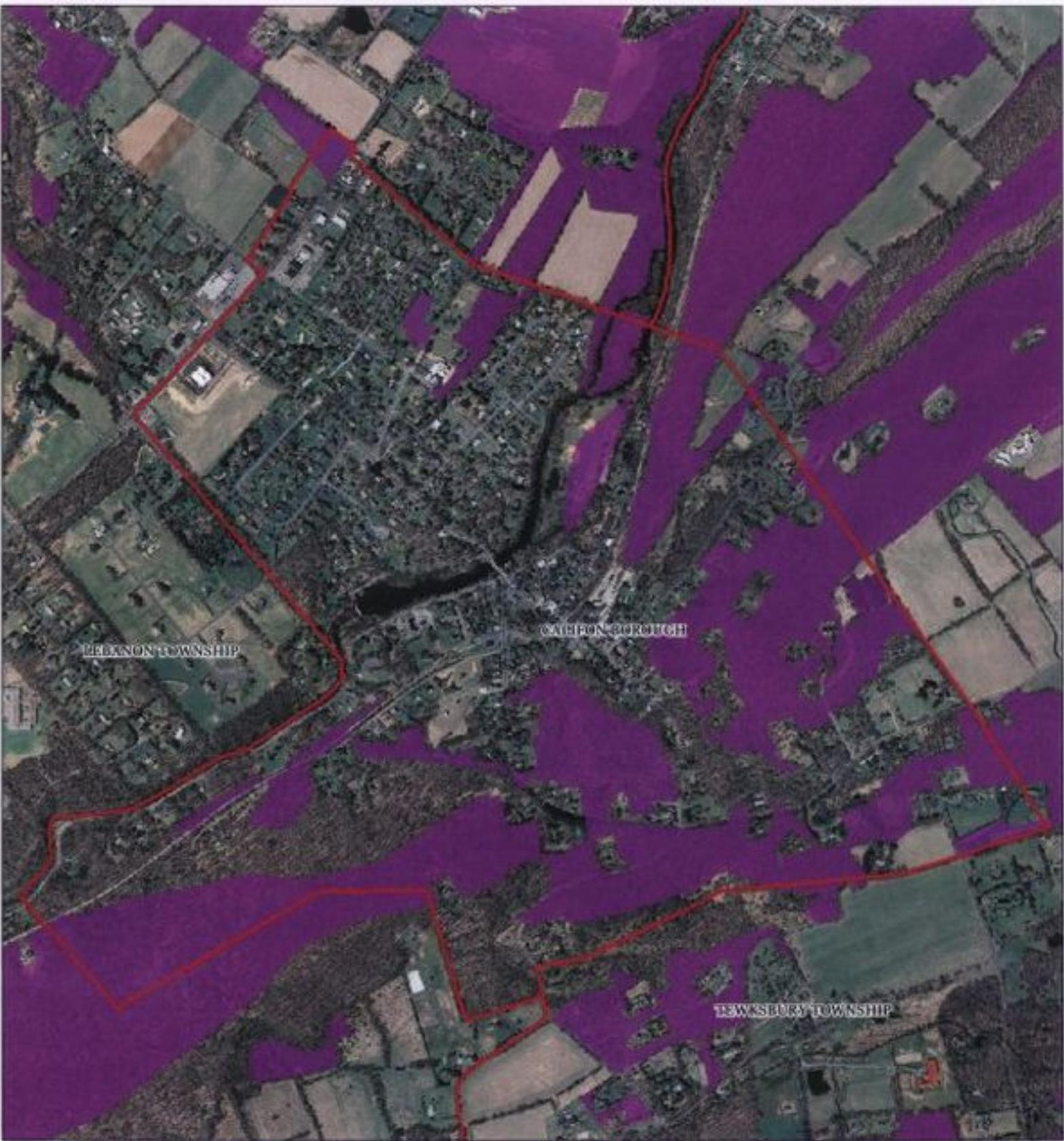
CALIFON BOROUGH



1 inch = 0.193 miles

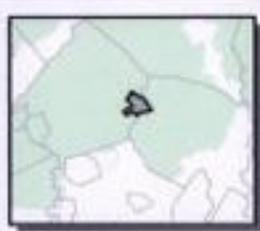


N



-  Prime Ground Water Recharge Areas
-  Preservation Area
-  Municipal Boundaries

CALIFON BOROUGH



1 inch = 0.193 miles

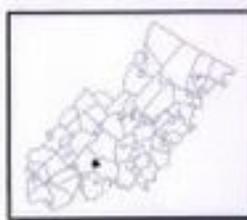




Impaired Waters Overall Assessment by HUC14 Subwatershed

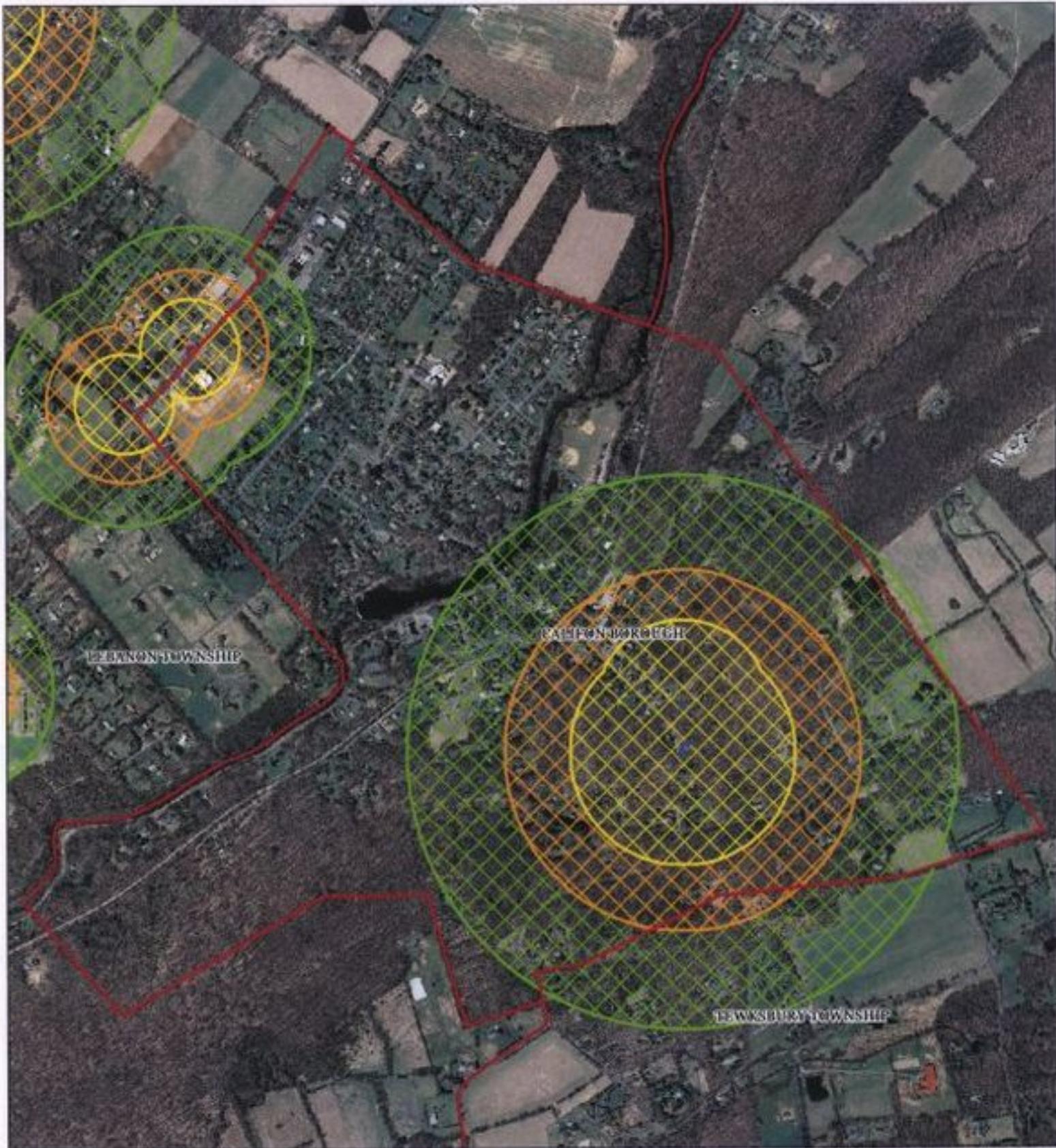
CALIFON BOROUGH

- Non Impacted*
- Insufficient Data Available*
- Moderate*
- Water Quality Impaired*
- Preservation Area*
- Municipal Boundaries*



1 inch = 0.193 miles





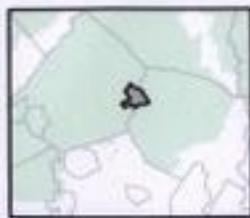
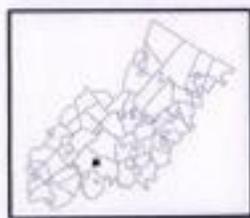
- Public Community Wells
- Non-Public Community Wells

CALIFON BOROUGH

Wellhead Protection Areas

-  2-Year Tier
-  5-Year Tier
-  12-Year Tier

-  Preservation Area
-  Municipal Boundaries



1 inch = 0.193 miles

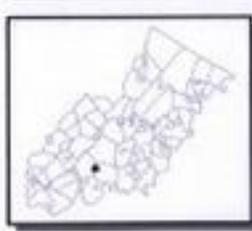
Highlands Council
New Jersey

N



-  Agricultural Resource Area
-  Preservation Area
-  Municipal Boundaries

CALIFON BOROUGH



1 inch = 0.193 miles

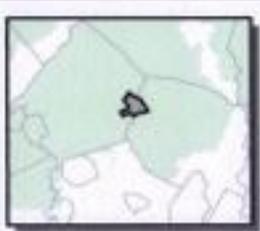
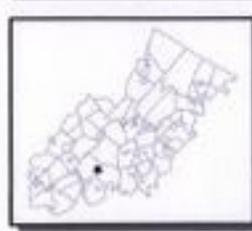




Agricultural Priority Area

-  *Low*
-  *Moderate*
-  *High*
-  **Preservation Area**
-  **Municipal Boundaries**

CALIFON BOROUGH



1 inch = 0.193 miles





CALIFON BOROUGH

SADC Easements

-  *SADC Final*
-  *SADC 8 Year*
-  *SADC Preserved*
-  Preserved Farmland
-  Agriculture Uses

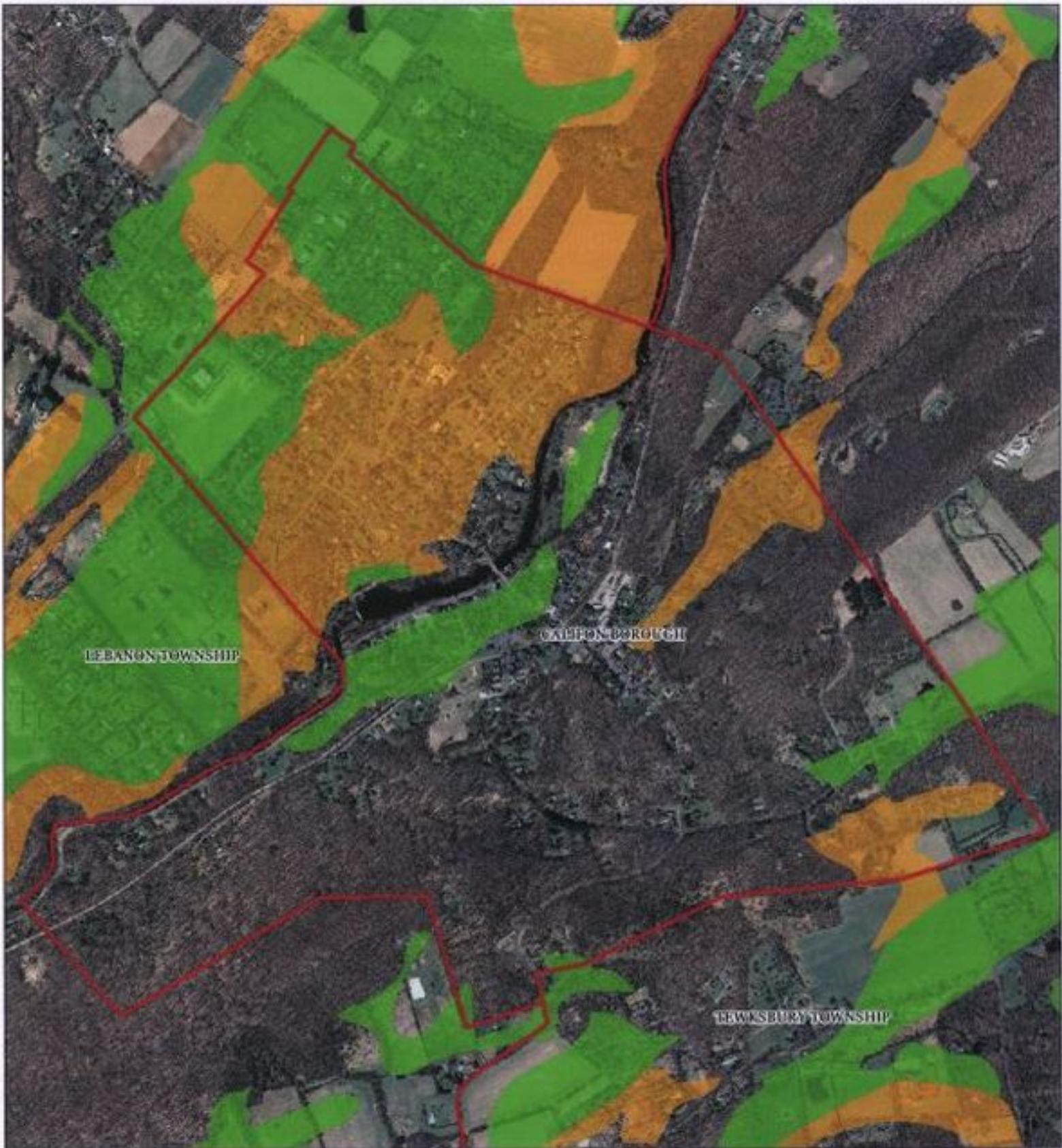
-  Preservation Area
-  Municipal Boundaries



1 inch = 0.193 miles



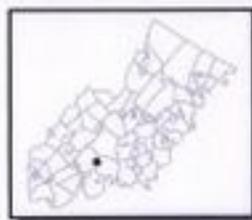
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Important Farmland Soils

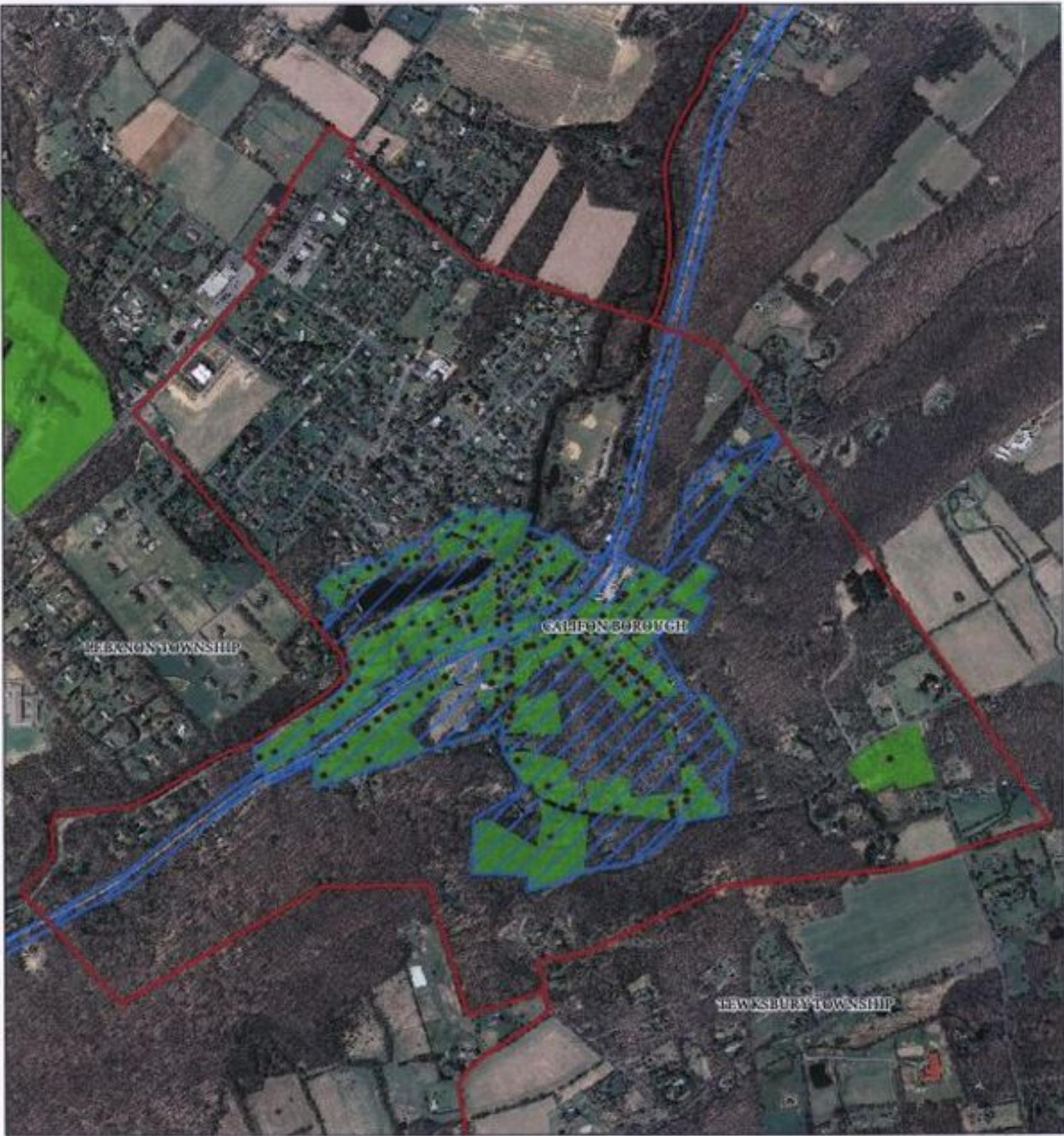
- Prime Farmland
- Farmland of Local Importance
- Farmland of Statewide Importance
- Farmland of Unique Importance
- Preservation Area
- Municipal Boundaries

CALIFON BOROUGH



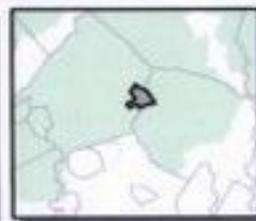
1 inch = 0.193 miles





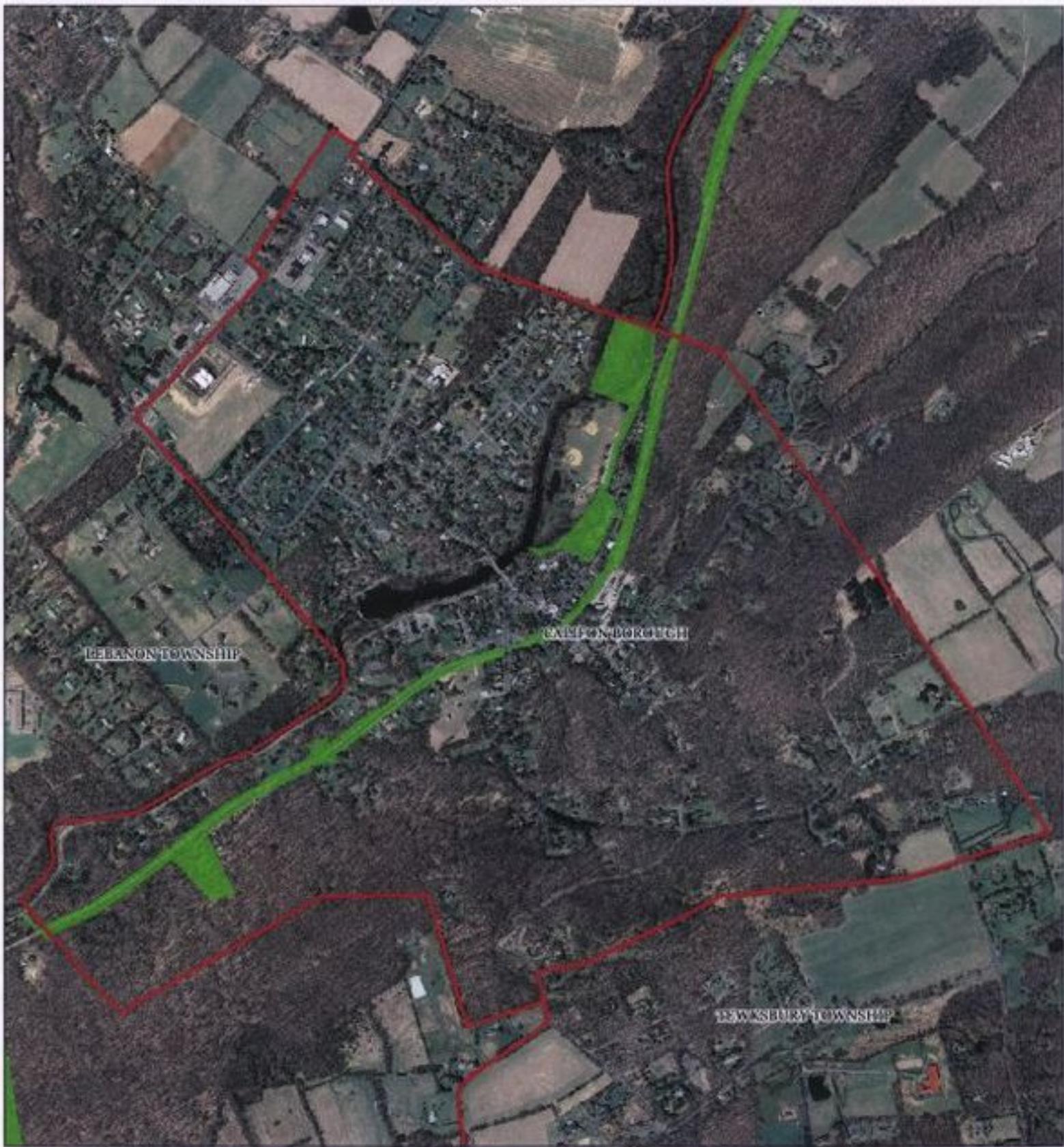
-  Preservation Area
-  Municipal Boundaries
-  Archaeological Grids (1 sqmi)
-  NJ Historic Districts
-  Historic Property Points
-  Historic Property Polygons

CALIFON BOROUGH



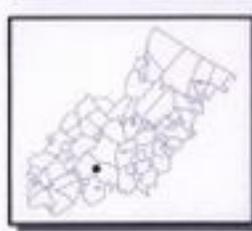
1 inch = 0.193 miles





CALIFON BOROUGH

-  Scenic Resources
-  Municipal Boundaries
-  Preservation Area



1 inch = 0.193 miles

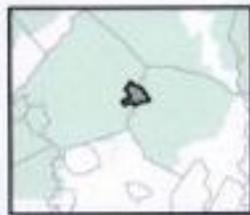
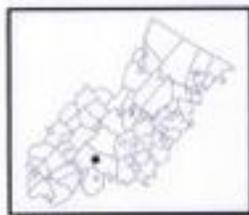




Highlands Contaminated Site Inventory

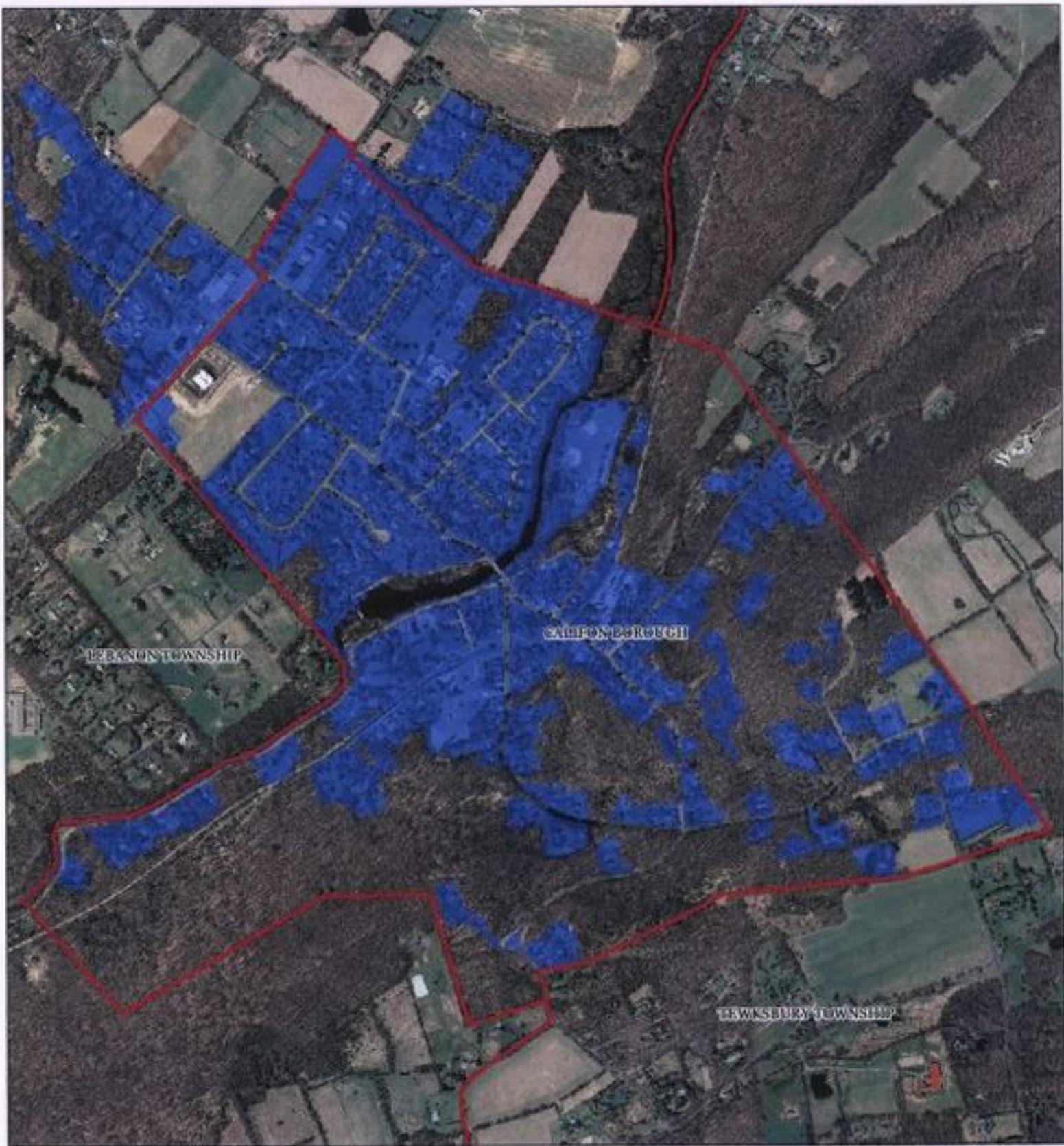
CALIFON BOROUGH

- Tier 1 Sites
- Tier 1 Sites (Polygons)
- Tier 2 Sites
- ▭ Preservation Area
- ▭ Municipal Boundaries



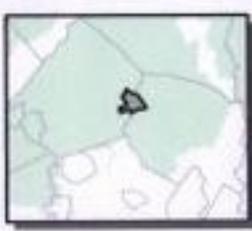
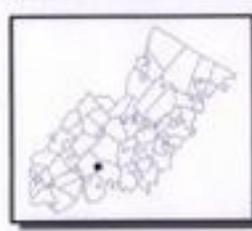
1 inch = 0.193 miles





-  Public Community Water Systems
-  Preservation Area
-  Municipal Boundaries

CALIFON BOROUGH



1 inch = 0.193 miles



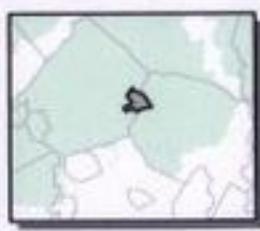
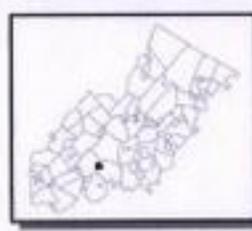


Roadway Network

-  Interstate Highways
-  U.S. Routes
-  State Routes
-  County Routes
-  Local Routes

-  Preservation Area
-  Municipal Boundaries

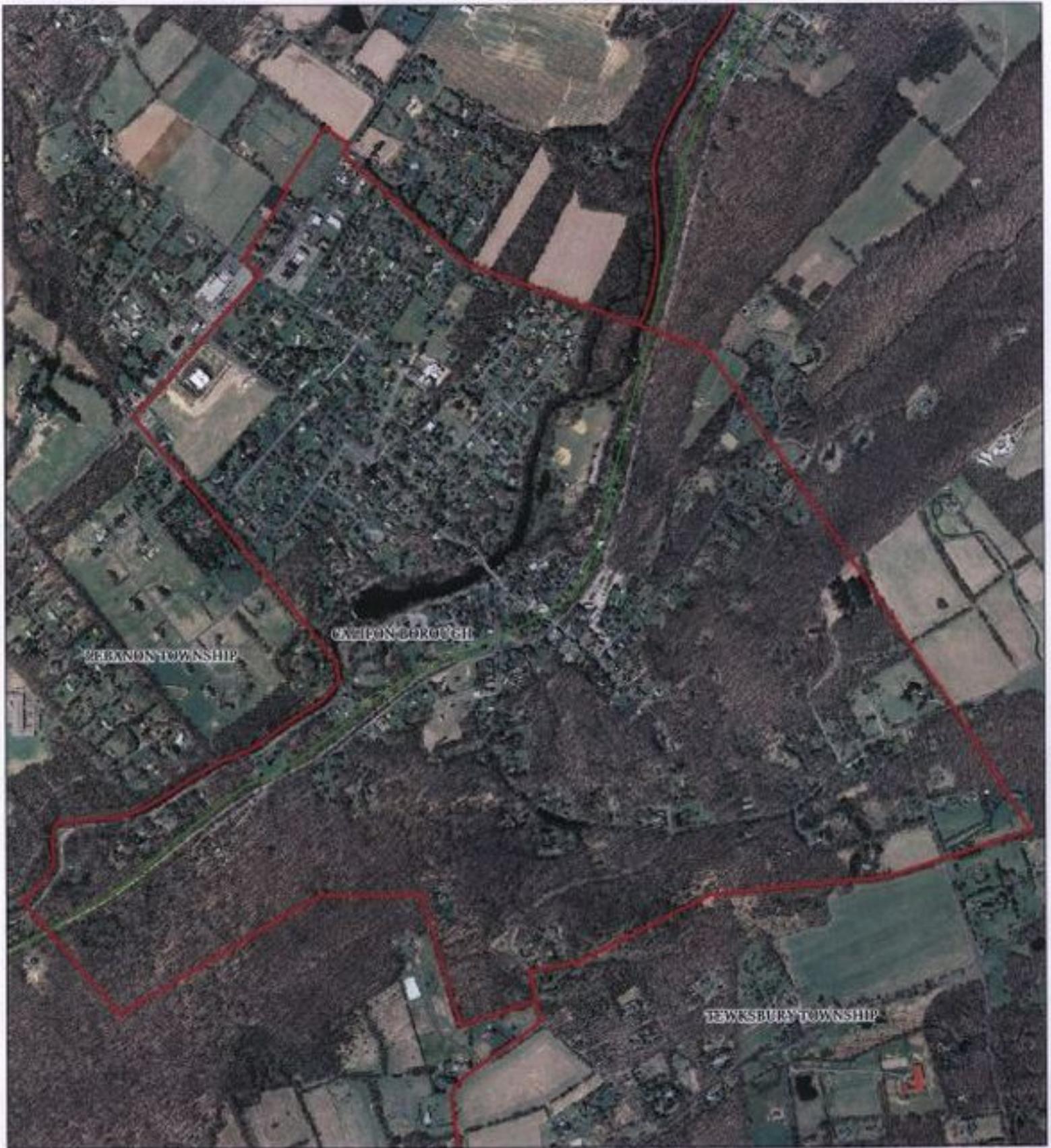
CALIFON BOROUGH



1 inch = 0.193 miles



N



Rail Network

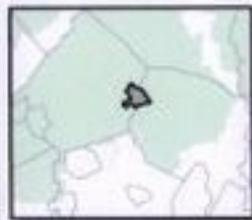
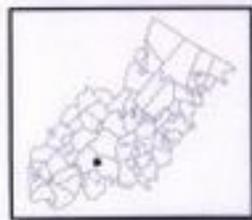
- +— Boonton Line
- +— Main Line & Bergen County Line
- +— Morris and Essex Line
- +— Raritan Valley Line

Freight Rail Lines

- +— Freight Rail Lines
- +— Abandoned Freight Rail

- Rail Stations
- Park and Ride Sites
- Private Bus Lines
- NJ Transit Bus Lines
- ✈ Airports

CALIFON BOROUGH



1 inch = 0.193 miles



Figure 1: Municipal Build-Out Report Septic System Yield by HUC14 and LUCM Zone *
CALIFON BOROUGH



Potential Undevelopable Lands	Potential Oversized Lots	Potential Developable Lands	Potential Redevelopable Lands
Conservation Zone	in Conservation Zone	in Conservation Zone	in Conservation Zone
Existing Community Zone	in Existing Community Zone	in Existing Community Zone	in Existing Community Zone
Protection Zone	in Protection Zone	in Protection Zone	in Protection Zone
Preservation Area	in Preservation Area	in Preservation Area	in Preservation Area

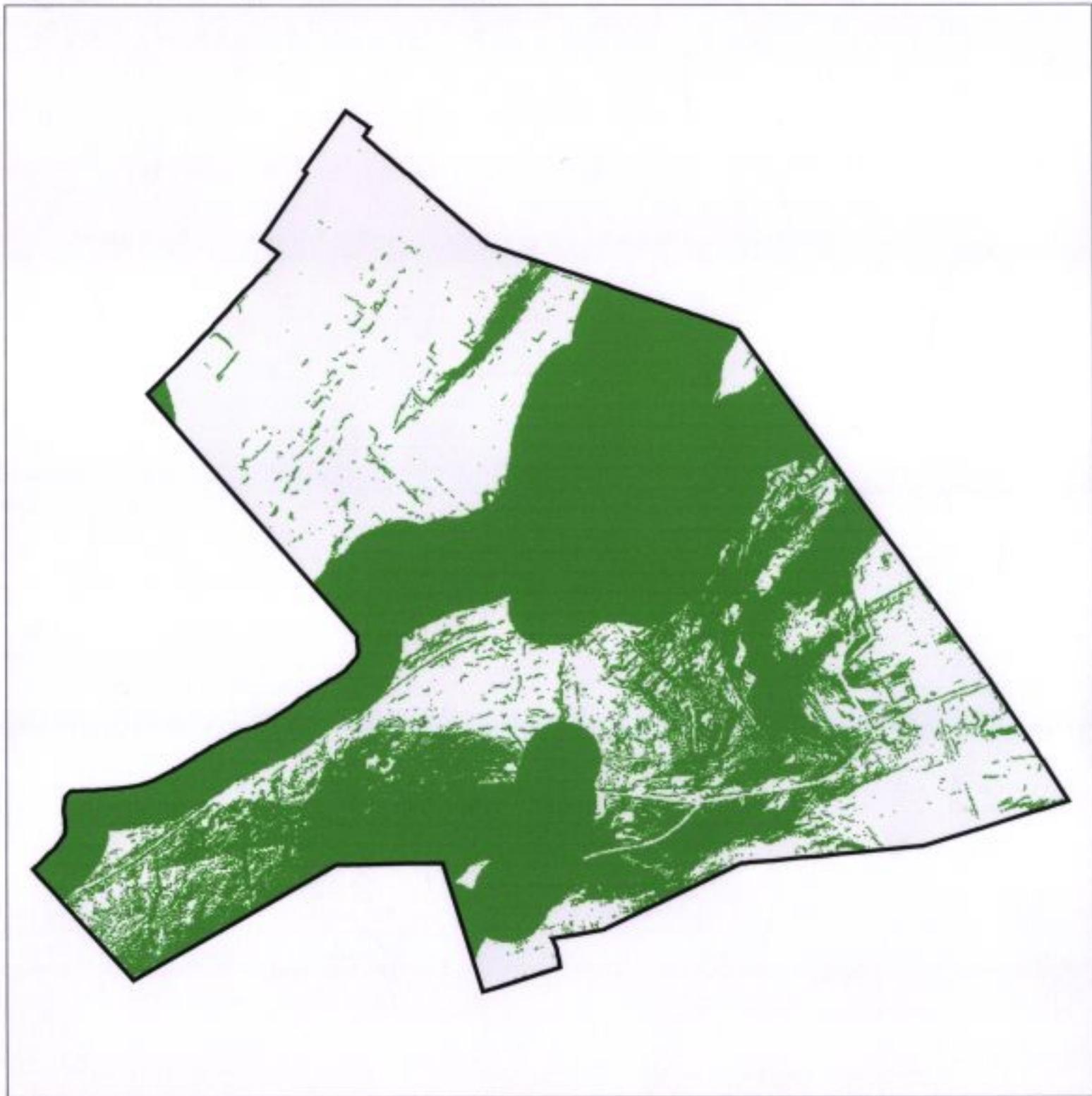
HUC14 Subwatersheds HUC14 ID Number

Miles
 0 0.2 0.4

Highlands Council
 New Jersey

* Refer to Table 1 for Septic System Yield values, indexed by HUC14 ID

Figure 2: Municipal Build-Out Report Environmental Constrained Lands



 Highlands Build-Out Environmental Constrained Lands
Constraints:
Highlands Open Water Buffers (300ft)
Flood Prone Areas
Steep Slopes (Moderate and Severe)

 Potential Oversized Lots

 Potential Developable Lots

 Preservation Area

CALIFON BOROUGH

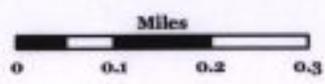


Figure 3: Municipal Build-Out Report RMP HDSF Wastewater Utilities



Highlands Domestic Sewerage Facilities "2008 RMP Existing Area Served"

 N/A

 HUC14 Subwatersheds

 Potential Oversized Lots

 Potential Developable Lots

 Preservation Area

CALIFON BOROUGH

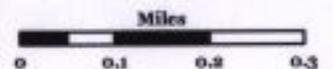


Figure 4: Municipal Build-Out Report RMP Public Community Water System Utilities



Public Community Water Systems "2008 RMP Existing Area Served"

-  CONSUMERS NJ WATER COMPANY CALIFON
-  HUC14 Subwatersheds
-  Potential Oversized Lots
-  Potential Developable Lots
-  Preservation Area

CALIFON BOROUGH

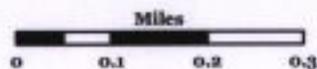
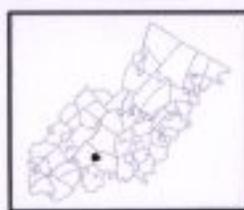


Figure 5: Municipal Build-out Report Final Build-out Results



Table 4 - Municipal Build-out Results With Resource and Utility Constraints

	Preservation Area	Planning Area	Totals
Residential Units - Sewered	0	N/A	0
Septic System Yield	0	N/A	0
Total Residential Units	0	N/A	0
Non-Residential Jobs - Sewered	0	N/A	0



Preservation Area Boundary

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